

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Country Background**

#### **1.1.1 Geographical Location**

Nepal is a small least developed country landlocked by the two highly populas and emerging economic powers (China and India). The nation is situated at the latitude of 26° 22' N to 30° 27' N and 80° 4' East to 88° 12' East longitude, bordered by China in the north and India in the East, West and South. The total are of the country is 147181 sq km., whose East to West length is 885 Km. and North to South width is not uniform where mean width is 193 Km.

Ecologically Nepal is divided into three diverse zones – Terai (plain land), hills and mountain. Out of the total land area the terai, hill and mountain are occupying 23 percent, 42 percent and 35 percent respectively. Administratively the county is divided into five development regions, 14 zones and 75 districts. Village Development Committees (3913) and municipalities (58) are the grass root level political organizations.

#### **1.1.2 Population**

According to the latest national population census of the county the total population reached about 23.1 million while it was 18.5 million in 1991, 15.0 million in 1981 and 11.6 million in 1971. The population distribution of Nepal by ecological zones reveals that the share of population of the Terai has been increasing rapidly each year from 37.6 percent in 1971 to nearly 50 percent after three decades. On the contrary there has been a marked decline both in the mountain and hill (Table 1.1). Human settlement programmes of the government at the Terai region, abundance of cultivable land for cultivation, social development and employment opportunities are the major attraction of the Terai in Nepal where lack of opportunities and hard life is the major push factor to the population of hill and mountain.

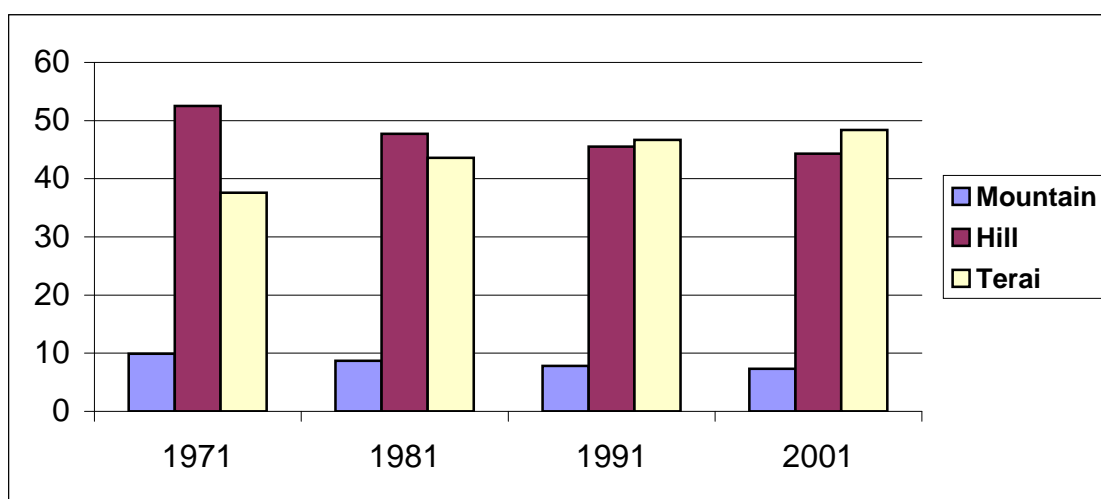
**Table: 1.1**  
**Percentage Distribution of Population by Ecological Zones**

(in percentage)

Census Year	Mountain	Hill	Terai	Total (N)
1971	9.9	52.5	37.6	11555983
1981	8.7	47.7	43.6	15022839
1991	7.8	45.5	46.7	18491097
2001	7.3	44.3	48.4	23151423

Source: Population Monograph of Nepal, Vol. I, CBS, Kathmandu, 2003.

**Figure: 1.1**  
**Percentage Distribution of Population by Ecological Zones**



The population is growing rapidly (more than 2 percent per annum since 1971) during the last three decades. The growth rate of mountain, hill and terai varies greatly. The population of Terai is growing faster than hill and mountain. The census data reveals that population growth rate for hills and mountain regions were declining until 1991 but show a slight increment during 1991-2001. The growth rate in Terai region increased significantly during 1971-81 period as compared to the previous census year where as marked decline in the annual growth rate is observed during 1981-91 period and further declined insignificantly (Table1.2). This indicates that the flow of people from mountain and hill to the Terai has slowed down in later period compared to the earlier period. This

decline may be due to scarce of cultivated land and employment opportunities in this region compared to earlier as a result of growing man land ratio.

**Table: 1.2**  
**Population Growth Rate\* of Nepal by Ecological Zones 1971-2001**

(In percentage)

Census Year	Mountain	Hill	Terai	Nepal
1971	-	1.85**	2.39	2.05
1981	1.35	1.65	4.11	2.62
1991	1.02	1.61	2.75	2.08
2001	1.57	1.97	2.62	2.25

\* Exponential growth rate

\*\* Including Mountain

Source: Population Monograph of Nepal, Vol. I, CBS, Kathmandu, 2003.

Out of the total population about 86 percent is still living in rural areas. The population density is 157 per sq. Km. in 2001, which was 125 in 1991, and average family size is 5.44 with slightly less compared to 1991 (5.6). The census records shows that a working age Nepalese have to support another one non-working age person because the dependency ratio was 89 percent in 1981, which reached 93 in 1991 and 85 in 2001. The life expectancy is 61.8 years for male and 62.2 years for female in the year 2001.

### **1.1.3 Labor Force and Employment**

Labor force size in Nepal is increasing rapidly every year mainly due to high population growth caused by high fertility rate. But the employment level is very low mainly because:

- ) Most of the female population are involved in household/domestic activities which is not counted in economic activities though they work 18 hours or more in a day,
- ) Enrollment in the educational institutions has increased,
- ) Lack of employment opportunity in the country
- ) Lack of skill in the Nepalese labour force
- ) Employment of non-Nepalese labour force

Labor force size and employment situation of Nepal reflects a backward character of the society. The employment scenario is indicative of very small formal sector (about 10%) surrounded by the large informal economy covering overwhelming majority of workers. Shortage of skilled manpower on the one hand and on the other large number of manpower of different skilled categories including highly professionals are migrating outside from the country to search better employment is a salient feature of the Nepalese economy. Similarly heavy underemployment and serious unemployment contributes to increase surplus labour. The labour force size in Nepal and their proportion in gainful employment are presented in table 1.3.

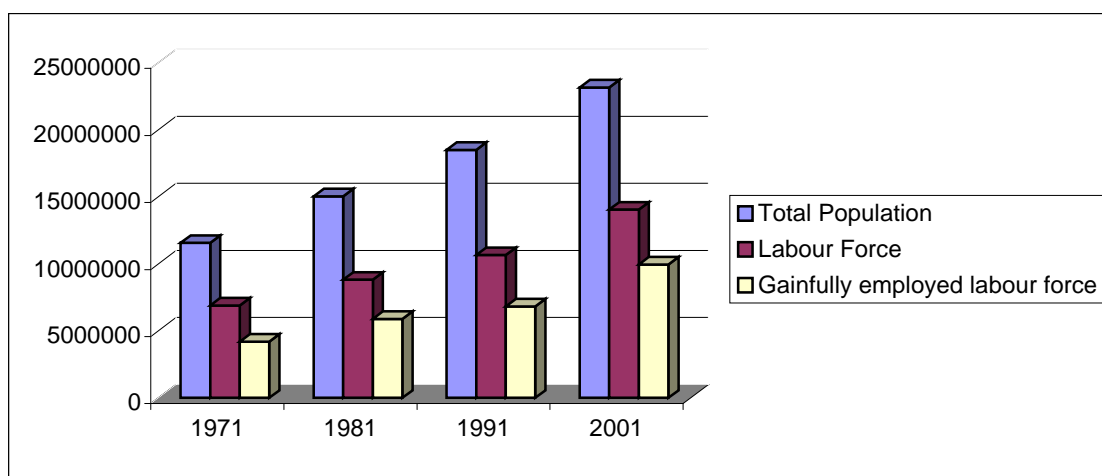
**Table: 1.3**  
**Labour Force Size in Nepal, 1971-2001**

Census year	Total Population	Annual Growth Rate of Population	Labour Force (Total Popn aged 15+)	Labour Force as a % of Total Popn	Gainfully Employed population (15 Years & Above)	Gainfully Employed Popn as % of Labour Force
1971	11555983	2.05	6881405	59.5	4197962	61.0
1981	15022839	2.62	8810867	58.6	5878188	66.7
1991	18491097	2.08	10650326	57.6	6807751	63.9
2001	23151423	2.25	14039705	60.4	9955671	70.9
1999*	19104000		11232000	58.8	9273000	82.6

Source: Calculated on the basis of the census results.

) Nepal Labor Force Survey, 1999

**Figure: 1.2**  
**Labor force in Nepal**



Nepal is also suffering from reliable statistics regarding labour force and employment. The Population Census of Nepal conducted regularly at an interval of 10 years recorded limited information on employment. Sample Census of Agriculture, Census of Manufacturing Establishments, Census of Cottage and Small-scale industries are the regular subordinate sources. According to the information available from the decennial population census it is observed that about 60 percent population aged 15 years and above were in the labour force in 1971, which is declining nearly by one percent in every decade up to 1991, which reached 60.4 percent in 2001 (Table 1.4). On the other more than one third of the total labour force are not employed gainfully that has improved slightly in recent years. Among them homemakers (especially females) and students represents a large proportion where lack of employment opportunity is also a major reason behind to increase in unemployment.

In accordance with the National Labour Force Survey conducted by the Central Bureau of Statistics in 1998/99, the size of the labour force is estimated 11.2 million with 2.3 percent annual growth rate of the labour force. Women workers cover 53 percent of the total labour force. In the total labourforce mostly (98%) are gainfully employed within or outside their household though the duration of work may be short (Table 1.4).

**Table: 1.4**

**Labourforce Participation Rate, Population Aged 15 Years and Above**

<b>Characteristics</b>	<b>Both Sex</b>	<b>Male</b>	<b>Female</b>
Population ('000)	11232	5361	5871
Labourforce ('000)	9641	4834	4807
Labourforce participation rate	85.8	73.3	87.7
Gainfully employed labourforce ('000)	9463	4736	4727
Gainfully employed labourforce as percentage of total labour force	98.1	98.0	98.3

Source: NLFS, 1999

Generally participation rate increases as the age advances and peaks in the age group 30-44 then starts to decline both for male and female (Table 1.5). Before age 30 some peoples involves in educational institution as a student. Similarly during this period the volume of job seekers is found generally high compared to advance age group in different studies. Labourforce participation rate declines at the advance age because of

physical reasons on the one and on the other retirement of the employee at the age of about 60.

**Table: 1.5**  
**Labourforce Participation Rate**  
**(Population Aged 15 Years & Above) by Age and Sex**

Age Group	Total	Male	Female
15-19	77.5	77.1	53.8
20-24	86.5	91.4	73.4
25-29	91.2	96.7	81.1
30-44	94.1	97.8	85.8
45-59	91.7	96.2	80.0
60 and over	63.2	75.1	48.2

Source: NLFS, 1999

In broad terms the economy is divided into formal and informal sector. Employment creation in the formal sector is very limited. The informal sector plays a dominant role in providing employment to the labour force of the country. More than two thirds labour force are involved in subsistence agriculture while this proportion will reach 76.5 percent by adding the workers employed in market agriculture. The females are more in the subsistence agriculture where male exceeds in market agriculture and non-agricultural sector employment (Table 1.6).

**Table: 1.6**  
**Currently Employed Labor Force**  
**Aged 15 Years & Above by Sector and Sex**

(Figures in '000)

Sector	Total Number	%	Male		Female	
			Number	%	Number	%
Subsistence Agriculture & Fishing Works	6373	67.4	2699	57.0	3674	77.7
Market Oriented Skilled Agriculture & Fishery Works	276	2.9	146	3.1	130	2.8
Agriculture, fishery & Related workers	591	6.2	321	6.8	270	5.7
<b>Total Agricultural workers</b>	<b>7240</b>	<b>76.5</b>	<b>3166</b>	<b>66.9</b>	<b>4074</b>	<b>86.2</b>
Non-agricultural workers	2218	23.5	1565	33.1	653	13.8
<b>Total</b>	<b>9458</b>	<b>100.0</b>	<b>4731</b>	<b>100</b>	<b>4727</b>	<b>100.0</b>

Source: NLFS, Annex E 6.5, p. 118

Similarly out of the total female and male labour force in non-agriculture sector 87 percent and 67 percent respectively are involved in informal sector of work where the share of labour force in informal sector including agriculture is 94 percent. This highlights that only insignificant proportion (6%) labour force are in formal sector contrary to the census figure around 10 percent.

**Table: 1.7**  
**Distribution of Gainfully Employed Labor force**

(Figures in '000)

Sector	Employment		
	Male	Female	Both Sexes
Total	4736	4727	9463
Agriculture	3176	4027	7203
%	67.1	85.2	76.1
Non-agriculture	1561	699	2260
Formal	509	94	603
Informal	1052	605	1657
% Informal	67.4	86.6	73.3
Total Informal Including Agriculture	4228	4632	8860
%	89.3	98.0	93.6

Source: NLFS

Of the total non-agricultural sector workers (2260 thousand) 73.3 percent were in informal job where only 26.7 percent are in formal job. Among them 69 percent are male and only 31 percent female (Table 1.7). Females are more in informal sector employment compared to male. The informal sector consists of about three fourth of total employment in non- agricultural sector too. This also proves that the

Nepalese economy is strongly dominated by informal sector (Table 1.8).

The Eighth Plan (1992-97) estimated that roughly 200,000 individuals per year would enter into the labour force and would be seeking job. This number further estimated about 300,000 in Ninth Plan period (1997-2000). The Nepalese economy is not only suffering from unemployment problem but also equally from underemployment. Various studies shows that more than 40 percent labour force are underemployed in the country. Thus for the development of the country it is equally important to solve the underemployment problem along with the unemployment. In this context most of the

Nepalese plans have given priority to generate employment but there had been no substantial progress in this field due to lack of political commitment of the leaders, lack of appropriate funds and weak implementation of the programmes on the other.

**Table: 1.8**  
**Non-agricultural Employment of Population 15 Years and**  
**Over Working in Informal Sector by Occupation**

(Figures in '000)

Occupation	Total		Male		Female	
	Number	%	Number	%	Number	%
Total	2260	73.3	1560	67.4	700	86.5
Technicians	203	19.9	162	22.6	41	9.4
Service Workers	487	93.7	324	91.9	163	97.3
Craft & related workers	556	89.3	395	87.7	162	93.3
Elementary Occupations	739	78.2	441	69.1	299	91.5
Others	275	30.9	238	22.7	35	51.4

Source: NLFS, 1999, table 11.2, p 62

A central level Employment Promotion Commission was formed under the chairmanship of the then Prime minister in 1996 with ambitious objectives. But not formulated any remarkable policy and programme to achieve its goal to reduce the rate of unemployment and underemployment. Lack of the appropriate employment policy in the country is the basic problem faced by the highly skilled Nepalese manpower, which forced them to migrate outside for better employment opportunity that created shortage of high-level manpower in the country.

Of the total employment, agricultural sector covers more than three fourth of the labour forces though the share of this sector is declining slowly. On the contrary employment in non- agriculture sector especially in the service sector is increasing. The employment creation in the formal sector is limited at present where hope of increase in the near future is also looks bleak.



### **1.1.4 Economy**

The Nepalese economy is characterized by a dominant agricultural sector. Out of the total land area only 23,53,715 hectore (16 percent of the total land area) is brought under cultivation. The share of cultivated land to the total land area is high in terai (39%) and low in mountain region (3%) followed by hill 14%). The pressure on land is increasing rapidly because of high population growth. According to 1991 population census about eight persons are depending on one hectore of land (CBS, 1995: 52). This may further increased in last decade along with the fast growth of population and more or less constant agriculture land. On the other the productivity of land is very low mainly due to traditional method of agriculture and lack of irrigation facilities. The agricultural sector is providing employment to more than 75 percent labour force in the country and contributes about 39 percent on the national GDP. This sector is dominated by acute disguised unemployment or under employment. Cereals are the major crops in Nepal where share of cash crops is increasing slowly each year.

Nepal is one of the resource rich countries in the world. It has 83 thousand MW hydropower potential, which is 2.3 percent of the world capacity. Out of this 47,000 MW is estimated economically feasible. But up to now 550 MW is utilized which is less than one percent of the total capacity and 1.2 percent of the economically viable quantity. Forest is also considered a major natural resource of the country covering about 30 percent of the total land area supporting 90 percent of the total fuel consumption in the country and large part of fodder to the animals. But the rate of deforestation is high, which is estimated to be four percent per annum (Dahal and Inoue, 1994:2). Besides these major natural resources, various types of mineral resources also located in different parts of the country but most of them are yet to be exploited.

The pace of industrialization in Nepal is very slow. The history of modern industries in the country is not long though the development of cottage industries was trace since the Lichhavi period (around 639 AD). Industrial policy adopted by the Malla rulers was more encouraging to the development of cottage industries. Thus industries like weaving, papermaking, wood carving, metal crafts etc. were well furnished at that time. This situation further improved at the time of king Prithivinarayan Shah. He introduced closed economic policy to encourage national industries and protect them

from foreign competition. During Rana regime cottage industries could not flourish much because the policy of Rana rulers was only to please the then British Indian government to remain in power. However, in 1935 the then prim minister Juddha Shamsher established Industrial Council intending to create infrastructure, conducive to the industrial environment. Biratnagar Jute Mill is the first modern large-scale industry established in 1936 under the Company Act 1936. The mill was established as a joint venture of Rana ruler and Indian capitalists. Prior to 1940 few other modern industries were setup jointly with Indian entrepreneurs. During the Second World War the mill earned super normal profit which inspired many other Nepalese as well as Indian entrepreneurs to establish industries in Nepal. Consequently in between 1936 to 1950 (end of the Rana Regime) about 65 industries such as jute, textile, match, soap, plywood, sugar, etc. were setup on a joint venture with Indian entrepreneurs. But due to the political instability and sharp decline on the demand of their products, industrialization was also constrained since the post-war period (Dahal & Inoue 1994 : 17-40).

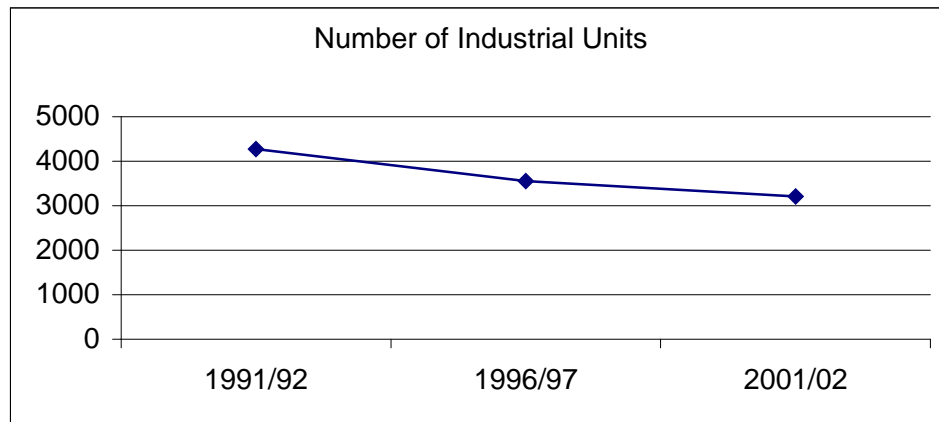
The Panchayati rulers (during 1960-90) have also given priority for the development of industries. As a result large number of industries were established during this period too. The Census of Manufacturing Establishments 1996/97 reported 3557 industrial units in the country, which is less by 714 units, reported the same before five years (1991/92). The industrial units further declined by 347 units in 2001/02. This indicates that recently the industrial units are declining because of free import of cheap foreign products and non-protective policy of the government. As a result of decline in industrial units, employment in this sector also declined by 15 percent during a decade (Table 1.9).

**Table: 1.9**  
**Number of Manufacturing Units and Employment 1991-2001**

<b>Description</b>	<b>1991/92</b>	<b>1996/97</b>	<b>2001/02</b>
Number of Industrial Units	4271	3557	3210
Employment Generation	213653	187316	181695
Per unit Employment	50	53	57

Source: CBS, Census of Manufacturing Establishments, 1991/92, 1996/97 and 2001/02

**Figure: 1.3**  
**Number of Industrial Units**



Contrary to this registration of the cottage and small-scale industries is gradually increasing but in the absence of reliable information of the renewal of the establishment the actual number of such industrial units operating at present is not known clearly. It is estimated that large number of such units are closed down every year because they fail to compete in the market. Thus employment generation from this sector is also limited.

Majority of the industries set up in the country are agro-processing. Only few are basic construction material production, import substitute and export oriented. The industries are also characterized by a small unit; highly disbursed geographically, low level of entrepreneurial skill and entrepreneurship, short life of the industries, etc. The share of manufacturing sector is not more than 5 percent to the total industrial units. The contribution of overall industrial sector to the national economy is confined to not more than 14 percent. It clearly reflects slow pace of industrialization.

Predominantly an agricultural country with a slow pace of industrial development has made its economy vulnerable to increasing dependence on foreign assistance. The average per capita income is estimated US \$ 269 in 2004. There is a marginal rise in per capita income in the last few decades.

A large segment of the population in Nepal lives below the poverty line (38%) mainly because of unemployment, underemployment, disguised unemployment, low wage/salary rate and low productivity of the employed labour force. Most of the female population is still involved in household activities. These activities are considered

unproductive or deprived sector of the economy. The level of poverty differs vastly by rural urban places, ecological regions and development regions.

There is consensus among the economists, planners and policy makers that poverty cannot be alleviated without generating productive employment all over the country to the existing and increasing labour force. But the generation of employment is not possible without the fast growing of the industrial and service sector because the agricultural sector is already overburdened.

## **1.2 Concepts and Definitions of Trade Unions**

Generally the term 'labour movement' and 'trade union movement' are used synonymously. But the concept of these two terms is not the same. The former has a broader concept comprising the latter as its one of the major parts. In the medieval period there was the labour movement but trade union was not in existence. Mainly the trade union movement is the outcome of capitalism in the fifteenth and sixteenth centuries though ancient type of trade union movement were in existence during fourteenth century too. At that time society was divided into different classes and the exploitation mainly of labour class came into the picture (Jha & Mukhopadhyaya, 1970 : 1-3).

It is this element of continuity, which differentiates trade union movement from the labour movement. When the wage earners make a protest against capitalism but fail to maintain their association in a continuous form is the labour movement. On the contrary when they carry on their organisation for future protest is the trade union movement. In other words when the link in the protesting organisation from one period to another is maintained it is the trade union movement (Jha & Mukhopadhyaya, 1970 : 3).

From the above discussion it is clear that trade union movement is a continuous movement of the workers where labour movement is of temporary nature organised only as and when necessary. In other words trade union is the universal and spontaneous form of labour movement where trade union movement is a part of labour movement.

To give a precise definition of trade union is a difficult task being a complex institution that has many aspects like – economic, social, political and legal (Singh, 1998: 36-38). Various authors, scholars, trade unionists, entrepreneurs, etc. have defined trade union differently. But the main theme of their definition is more or less

concentrated on the protection and improvement of the standard of living of the workers. This act is known as the trade union movement, which is the most universal and spontaneous form of labour movement. The labour movement prepares the ground where the seed of trade union grows.

There are several differences in the structure, objectives, activities, conditions of membership, etc. among the trade unions in different countries as well as different trade unions within the country. Thus it is difficult to develop a common definition that will cover all unions having distinct features. The definitions given by different authors, scholars, trade unionists, etc. simply seek to emphasis only to those particular aspects and functions of trade unions that they realised.

According to Cole trade union is “*An association of workers in one or more occupations.... an association carried on mainly for the purpose of protecting and advancing the members’ economic interests in connection with their daily work*” (Cole, 1962 : 13). Trade unions may involve in many activities-economic, political, social and others to fulfill their goals but Cole stress that “*Whatever else a trade union may do, no body is commonly thought of as a trade union unless one of its main purpose is the defense of its members’ economic interests*” (Cole, 1962 : 13).

The definition given by Webbs is also considered most excellent but it is not much different from Cole. They said, “*trade union is a continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives*” (Webb & Webb, 1965 : 1).

Both Cole and Webbs have given greatest importance to the economic issues rather than others. Webbs further observed “*in all cases in which trade unions arose, the great bulk of the workers had ceased to be independent producers themselves controlling the procedures and owing the material and production of their labour, and had passed into the condition of lifelong wage earners, possessing neither the instruments of production nor the commodity in its finished state,*” (Webbs, 1965 : 1)

Webbs had agreed that the trade unions in the past did have aspirations to a revolutionary change in economic and social relations. The maintenance and improvement of the worker’s living standards is possible only through mutual insurance, collective bargaining and legal enactment, which depends on the stage of development of

the society. They stress that trade unionism is not merely an incident of the present phase of capitalist state but has a permanent function to fulfill in a democratic state. In this situation trade union is considered to be the most effective instrument.

Emphasizing the importance of trade unions Cleeg explained that trade union is “*one of the most powerful forces shaping our society and determining our future*” (quoted from S. Kumar, 1990 : 1).

Clyde E. Dankert in his Contemporary Unionism says, “*A trade union is a continuing organization of employees established for the purpose of protecting or improving the economic and social status of its members through collective action*”. (Quoted from Sinha & Sinha, 1986 : 4). Dankert has not been able to improve the Webbs definition except expression. He added the term ‘collective action’ as a major trade union method and used the term ‘employees’ instead of ‘wage earners’. He further said trade union is that “*what it does*”. On the other according to Hoxie as quoted by Dankert a trade unionism is “*what it is.*”

In the words of Lenin “*Trade union is an organisation designed to draw in and to train, it is infact, a school - a school of administration, a school of economic management, a school of communism.*” But he was against unions taking part in managerial activities (Lenin, 1978 : 300). He further added that the trade unions remain independent public organizations. They neither transformed into party nor a state organization but do not isolated from other organizations, party and state.

It is concluded that trade unions are voluntary organizations of workers/employees formed to promote and protect their interests by collective action. In other words trade union is an association of the workers or employees formed to protect maintain and improve economic, social and professional interests of their members and to strengthen their bargaining power, maintaining or improving their working conditions. Now trade unions are highly developed than earlier. They not only involved in protecting their rights, improving wages and conditions of labour but are concerned with all matters (social, economic etc.) by which the workers are affected positively. In general there is a close relationship between social policy and trade unions. The social policy involves the desire to ensure to every member of the community. It also involves the policy of the governments regarding action with a direct hearing on the welfare of the people.

Therefore the central core of the social policy of a nation consists of social insurance, public assistance, health and welfare services and education. The social policy issues are governed by ideology, which in the context of the countries discussed, related to political aspirations (FES, 1989). Industrial revolution has brought about changes everywhere in the world and given rise to new social problems. The institutional arrangements of the old industrial order have been displaced with those relating to the factory system depending on huge capital investment natural resources and manpower.

The new specific inventions, process and technology which were employed in the factories have changed the entire course of production having far reaching social, economic and political effects on the life of the community. The theory of free contract based on free play of human will did not take into account of socio-economic justice for economically weaker sections of the society. The socio-political challenges of the impact of industrial capitalism were regarded as natural phenomenon arising out of expanding economy.

Laissez-fair principles offered a very welcome cause for doing nothing where no body knew what to do. The economic and social gap created the problem of relationship between employer and employee. Consequently workers combinations emerge to prevent themselves from the exploitation of the capitalists and obtain their better conditions of services and lives. Modern trade unionism as a positive model of combining workers collectively for sub serving their common needs, aspirations, interests and security with their collective strength is the outcome of both the capitalist and the factory system which enormously accelerated the progress or growth of trade union (Dyani, 1978). The merchant capitalism changed into industrial capitalism with the introduction of industrial revolution in the eighteenth century. The element of continuity was added further energy. Passing through many ups and downs the trade union movement slowly got stabilized by the turn of the eighteenth and the beginning of the nineteenth century. During this period certain theories of trade unions have also emerged.

All the definitions are too limited and too static because a trade union extends its scope outside the working lives as a member of the society and have functions wider than simply maintaining and improving working conditions. The aim of the trade union is not only to look after the narrow economic interest of their members, but also to attain an all round development of the industrial community and country as a whole. It may

therefore be necessary to extend the scope and objectives of unions by extending the coverage to more categories of gainfully occupied persons and to various non-economic benefits for them.

### **1.3 Theories of Trade Unions**

The study of theories related to trade unionism is considered essential to develop sequence of various factors influencing the development of unions. Trade unions generally perform a wide variety of activities directly or indirectly related with the welfare of their members. A study of unionism can provide an analytical framework in this area. Some of the theories of trade unions are presented in this section.

J.R. Commons a founder of Wisconsin School attributed the origin of labour movement to the emergence of a separate working class with the advent of capitalism. On the basis of a research Commons found that one of the basic purpose of trade unionism is to protect the job rights of the workers against the competition of cheaper labour. The emphasis was given on the protection of job rights of those who already held jobs and not on the protection of interest of general economic class. In Commons view a trade union was simply a combination to get a larger return, which could operate only by putting obstacles in the way of free action by employers. He considered the restrictive practices used by necessary for their self- protection (Perlman, 1958 : 180 - Quoted from Satender Kumar, 1990 : 82).

Selig Perlman a student and collaborator of Commons provided the theoretical basis to the approach presented by Commons. In his views at any given point of time the nature of trade unionism depends on the interplay of capitalists, intellectuals and manual workers. He further described three factors - the resistance power of capitalism, the degree of dominance over labour movements by intellectual's mentality and the degree of maturity of trade union mentality. The intellectual's mentality always under estimates the resistance power of capitalism and overestimates the labourers will to radical change (Quoted from S.Kumar, 1990 : 83). The maturity of trade union movement depends on their self-grown philosophy of manual workers from trade union in the view of Commons and Perlman is to protect the job opportunities of the workers.

Robert F. Hoxie believed on the socio-psychology of the workers. Unions are formed when group sentiments get crystallised. This is possible among the class who are



economically and socially in a similar situation, closely associated and not to divergent in temperament and training will tend to develop a common inspiration of the social situation and common solution of the problems. In his own words “*group of closely associated workers develop its own group psychology which grows. Out of its environmental conditions and the temperamental characteristics of its members.*” He further maintained, “*Workers exposed to the same industrial conditions develop similar attitudes and agreements among themselves.*” (Hoxie, 1920 : 58 quoted from Chundawat, 1992). The theory of Hoxie is dynamic because he advocates unions should change their character according to the circumstances. He believed that the variations in environmental conditions and unpredictable characteristics of the workers of different groups create difference in-group psychology. This caused to appear different unions with different structure and functions.

According to Hoxie social and psychological factors produce five different varieties of unions (Chundawat, 1992). He believed that Business Unions stress on immediate material goals of its members like wages, hours of work, working environment, etc. Friendly unions or Uplift Unions have idealistic view about union activities emphasizing moral and social values of the group and their contribution to a better life where Revolutionary Unions characterized by class consciousness, extremely radical both in ideology and action and intended to unite all workers into a single union rely on direct action, sabotage and violence. The Predatory Unions generally boss-ridden, corrupt and without any love for ethical or legal codes and indulge in racketeering. The Dependent Union is divided into Company Unions and Union Level Unions. The former depending on the employer for its support and the latter requiring the union level to be marked on the product made by union members. Which supposedly encourages greater sales and consequently makes it necessary for the employer to hire union workers.

Keer, Harbison and Mayers have objected the theories of trade union limited only to the capitalist framework. In their view explanation of the development of labour movement should based on industrialism rather than capitalism. They identify five distinct groups called ‘industrialising elites’. The purpose of labour movement would also vary according to the kind of these elites. If the leadership goes to the hands of the dynastic elite the movement will have very strong, class conscious and political content

in them. Independent activities of the workers' organizations are considered harmful to the rapid development. Thus not permitted where the communist intellectuals led. The colonialists will organize labor movement as a freedom struggle and anti-colonialism where protests may often be violent if the society ruled. The protests are generally peaceful and workers' unrest is considered harmful for the economic development of the country while the nationalists lead the society. They argue that the industrialisation process led by the middle class elite is ideal and most stable. They further argue that all other kinds of elites either tend to move in the direction of middle class or over thrown from the society (Keer, Clark, et al., 1960, quoted from Satender Kumar, 1990 : 89-90).

Flenders, a well-known pluralist was against the restricted role of labour organizations to market relations alone. In his view in an industry the role of collective bargaining should aim to the achievement of material gains as well as to regulate the exercise of managerial authority in deploying organizing and disciplining the labour force. Flenders argues, "The constant underlying social purpose of trade unionism is participation gets the members more control over their working lives (Flenders, 1968 : 3 quoted from Satender Kumar, 1990 : 93).

Karl Marx believes on class struggle. According to him the development of capitalism is based on two classes of people in the society. Among them one is the owner of capital known by bourgeoisie and the other is the free labourer selling their labour power known by proletariat. The former are eager to increase their capital by buying the labour power at a cheap price as much as possible where the later started to cluster under one banner known by trade union to resist the nibbling at their wages by the former as only alternative. The views expressed by Webbs and Marxists on the origin of trade union is more or less similar. The Marxists explained that the rise of the working class controlling over the instrument of production is caused origin of trade unions. On the other Weebs regarded labour unions as a means used by the workers to maintain or improve their traditional standard of life. Marx regarded the trade union as only one and most important weapon of the workers' to protect their class interest.

Marx and Engels in their own words *"Now and then the workers are victorious but only for a time. The real fruit of their battle lies not in the immediate result, but in the expanding union of workers. These unions helped on improved means of communication that are created by modern industry and that place the workers of different localities in*

*contact with one another. It was just this contact that was needed to centralize the numerous local struggles, all of the same character into one national struggle between classes. But every class struggle is a political struggle*” (Marx and Engels, ND: 26 quoted from Lloyd et al. 1982 : 298). According to the Marxists the struggle of trade unions not only confined to the economic plane but also centers the political arena because political movement is directly related with economic movement. Thus politics and economics of Trade Unions cannot separate.

In the words of Lenin *“The economic struggle is a collective struggle of the workers against the employers for better terms in the sale of their labour power for better conditions of life. This is inevitably a trade union struggle because the conditions of labour differ greatly from trade to trade”* (Lenin, 1978). Lenin mentioned that in the socialist state trade unions were called upon to play a fundamentally new role and their activities were to acquire a new content.

The theory of Frank Tannenbaum is known by anti technology theory because machine and technology brings all miseries to the workers, which result their insecurity. He had described his writings in the field of labour as a philosophy rather than the theory of labour. He believes that unions arose spontaneously to reestablish social ties in the face of this industrial avenue to fulfill their basic rights (Chundawat, 1992 : 25). The essence of Tannenbaum’s theory is that with the industrialisation and urbanization; the workers were isolated and bewildered in a city crowded with strangers. Trade unions grew as a substitute of disturbed social ties. Secondly, unions grew to make the job and wage secure for workers to improve their working and living conditions and to achieve monopoly over labour supply and also to increase worker’s control in management.

The theories of trade unions by, G.D.H. Cole and Harold J. Laski are considered major theories of British School. In aggregate their theories are more or less the same as of Marxists theory though their overall stand infact is not compatible with the fundamentals of the Marxist theory.

Webbs in their publication, *The History of Trade Unionism* (1894) and *Industrial Democracy* (1897) placed classical history of trade unionism where their second work has come to be regarded as ‘Bible’ of trade unionism. According to Webbs trade unionism is the extension of democracy from the political sphere to industrial sphere and the media

of overcoming the managerial dictatorship. Unionism thus serves to strengthen the bargaining power of the workers' or their union, which will determine his standard of living and his working environment (Chundawat, 1992 : 25).

The bottom line of Webbs' theory is "industrial democracy". They advocates that the union leadership must be dynamic and their action can be guided by legal enactment and should favour a political action in the workers interest.

Theory of Mahatma Gandhi gave a mature and balance thinking about trade unionism. He advocates voluntary arbitration for settlement of dispute. He proposed a new concept based on humanity that the world can never forget such as class harmony or class cooperation and concept of trusteeship. His "Satyagraha" philosophy was very much effective and not revolting. Gandhian methods emphasize persuasion rather than compulsion.

#### **1.4 Statement of the Problem**

For developing countries like ours trade unions and their policies are of special significance. Therefore in order to access their role and prospects, it is essential to go into the origin and development of the trade unions as well as to analyse the factors which helped the trade unions movement to make their organisations powerful.

Labor problems generally start when a man started to hire another man for wage/salary. The relationship between these two people is that of master and servant or in academic word employer and employee. It is accepted fact by all that the trade union movement is the outcome of industrialization though the workers organizations were in existence in different forms earlier ages too. But the structure and objectives of these organizations differ from that of modern trade unions. Actually trade unions have grown in response to the peculiar needs and problems of the workers caused by the industrialization under the capitalist economic system.

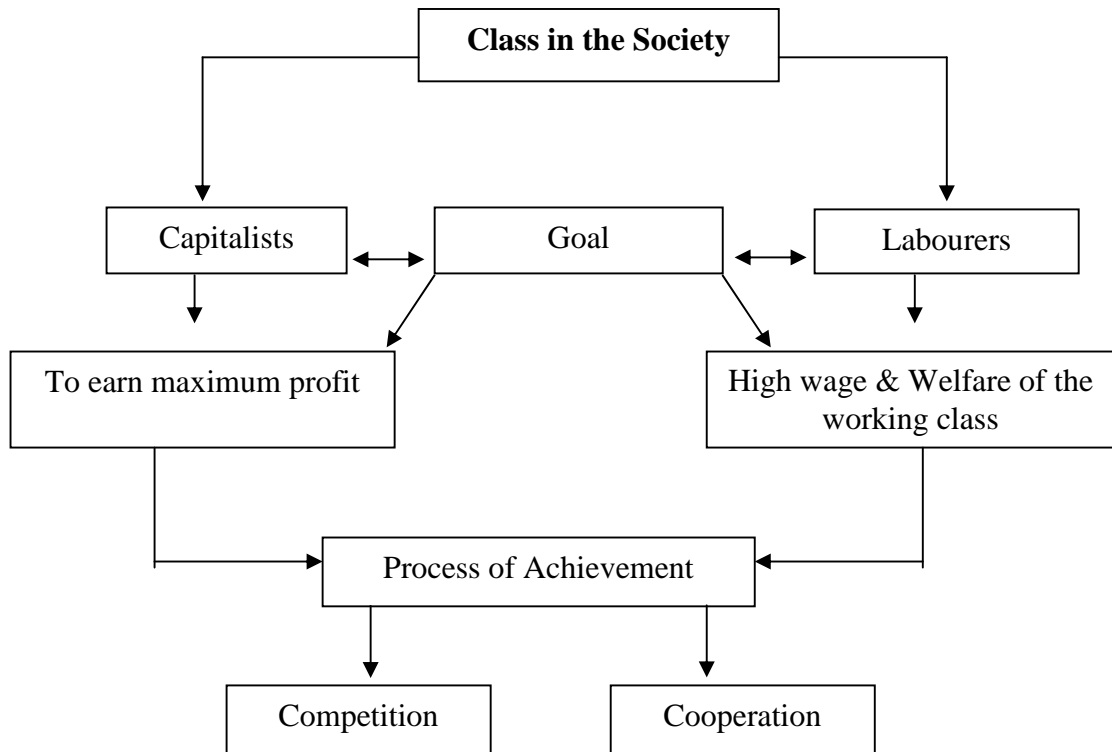
Along with the introduction of industrialisation, the economic system has changed rapidly and created two distinct classes - capital and labour. These two major and equally important factors of production came to be supplied by two different sets of persons breaking the traditional norms of self-production. The proletariat class came to the labour market to sell its labour power as only means of livelihood. The capitalist class came to buy labour power for the production of goods and services. The buyer

(demand side) tries to pay lowest possible price for the labour power. On the other the labourers (supply side) tries to secure highest possible price. The main goal of the capitalists is to maximize their profit, which is easily obtained through the exploitation of workers in different ways. Contrary to this the major objective of the working class is to escape from widespread and increasing poverty and misery resulted from the working of a rampant competitive economy for their welfare that is possible only through cooperation among them (Sinha and Sinha, 1986 : 5-6). In this way there appear two class of people in the society with divergent as well as conflicting interests and relationship.

The dominant philosophy of laissez-faire and economic liberalism prevented the state from coming to the rescue of the suffering mass of industrial workers. The state law places both the employers and workers in equal footing. Consequently the terms and conditions of work were supposed to be determined by bargaining or by mutual consent between employers and workers on the basis of equality (Sinha and Sinha, 1986 : 6-7). But in practice the workers never feel free. Their misery and suffering further increases their exploitation also increases where the state remained silent in the name of adopting non-intervention economic policy.

The working class is always deprived from independent means of livelihood whatever might be the law. Their bargaining power is weak as of the seller of perishable goods in the market. These two classes are not comparable. The employers determine the terms and conditions of work unilaterally. Unfortunately the workers either have to accept these terms and conditions or remain unemployed and starve. In this condition the workers join the work thinking 'to have a job always better than to have none'.

**Figure: 1.4**  
**Division of Class in the Society**



In such deteriorating condition of the working class there is a small ray of hope that the employer could not get relieve and place all the workers easily only if they remain collectively against the employer. But even today, this realization in the entire worker especially in developing countries like Nepal has not come. But hope that it will come in future.

## 1.5 Objectives

In general this study tries to analyse the various aspects of trade union activities in Nepal, but especially concerned to fulfill the following objectives.

- ) To find out the root cause of the growth of trade unionism in Nepal
- ) To access the types, status and characteristics of Nepalese trade unions
- ) To analyse the nature of demands submitted by the unions to the management
- ) To know the perception of general workers, union leaders and employers towards trade union
- ) To analyse the role of trade unions in Nepal

## **1.6 Limitations of the Study**

Trade union movement is a continuous movement. Thus it will be changing as time passes though the change may vary country to country and also in different regions within the same country. But it is impossible to change the analysis as the change of the movement. Thus this study covered only the period up to the 2002, where some possible information are provided covering the recent period too.

All the union registered at the enterprise and national level but remain outside the umbrella of the three legally recognised confederations (GEFONT, NTUC & DECONT) were excluded from the analysis. Efforts were made to cover these unions too at the selected enterprises but national federations are excluded mainly due to the problem of identification after long effort.

The study is based on the informations supplied by limited workers and leaders only from six enterprises located at Kathmandu, Biratnagar and Hetauda where demand sheets were collected from six Regional Labour Office out of ten. Thus cannot generalize the information to national level but expected that it would represent the country to some extent.

Information was taken separately from public and private sector but during analysis it is not separated because not remarkable difference was found in the perception between respondents of these two sectors.

## CHAPTER II

### LITERATURE REVIEW

#### 2.1 Status of Trade Unions

Among the factors of production labour is one of the major factors but neglected from the very beginning. Labour policy matters in Nepal have come in the forefront with growing economic liberalization and globalization. In Nepal only after the reestablishment of multiparty democracy in 1990 trade union becomes important agencies in the labour matters, including formulation of policy, labour laws and Act, amendment of other Acts related with labor. Globalisation and liberalisation policies have been impact the employment, security, wages, and benefits of the labor. There is a shift of employment from foreign military service to different sectors of work at abroad.

Trade union is a bridge between industry and civil society. The world of today is distinctly divided into capital world and labour world. The WTO and GATT are the institutions, which advocate the interest of capital and not for the workers. The trade unionists advocates that *“it is our belief that the WTO which does not represents the working people, can not be given the power to decide or regulate labour standard”* (Rao, 2000). Nepalese trade unions are also affected by the new globalisation policy adopted by the government.

With the increase in the industry and size of the work force during its long history mainly in organized sector, the membership figure of the Indian trade unions has shown some increase. Of the total union membership 85 per cent are in the organized sector and the rest 15 per cent in the unorganized sector (Sinha, 1996 : 33-55). Nepalese trade unions were also basically dependent on formal sector but since last couple of years started to work with informal sector workers’ too realising trade union movement could not sustain without organising the vast majority informal sector workers.

The problem of multiplicity in the trade unions is as old as its labour movement. But in present context there is growing awareness among union members that they must unite for their benefit. They understand the price to be paid for



disunity. Consequently there is a growing instance of unity and refusal to divide. The Indian government is also felt a need of amendments to the trade union Act 1926 especially registration (Ramaswamy & Ramaswamy, 1995 : 3-15). Multiplicity of the unions based on the political ideology (though all of the unions claims themselves as independent) is a serious drawback of the Nepalese trade union movement. Recently the unions sympathizing different political ideology are started to work unitedly in certain common issues of the workers, which is a good sign to strengthen the trade union movement of the nation.

There is a debate/argument on the issue which type of unions is strong. On this issue there seems to be two types of arguments. The first, argument is that *a trade union can be strong when it is built on political ideology*. Contrary to this some people argues that *those unions who involved in education, health care, housing, child welfare, women's emancipation, environmental hygiene, and employment generation and so on for the welfare of their members are strong and powerful than those built on political ideology* (Ramaswamy & Ramaswamy, 1995 : 3-15). Any way the greater the links between the union and its members, the stronger will be the union and vice versa.

Contracting and sub-contracting of work as well as labour have been popularized all over the world since the adoption of new policies of liberalization and globalization. This practice has shown visibly in carpet industry of Nepal and gradually expanding to other scoters like garment, construction, hotel & restaurant, which reduces the proportion of permanent workers sharply. Women workers have suffered more than men workers including increasing sexual harassment to them.

The category of workers in the labour market consists mainly of two types - regular (permanent and unionized) and irregular (the causal, contract and piece rate workers). The trade union movement is concentrated to the first category of worker but during the last two decades this section of the workforce is declining every year due to freeze on recruitment of regular workers on the one and voluntary retirement scheme (VRS) on the other. Contrary to declining trend in the regular workers the volume of second category workers is increasing day by day where trade union is non-existent. In recent years entrepreneurs prefers the second category of workers because of comparatively low labour costs and flexibility of the workers though it is not valid

legally. In this context the challenge before the trade union movement is to adopt policies that will apply to all workers and prevent further divisions of the workers in the labour market (Arun Kumar, 1999).

The labour of formal sector in Nepal is better off than the labour involved in informal sector in any respect (Wage, benefits, security, etc.). Organized labourers are legally protected. They have right to organize and bargain with employer on their genuine demands to up-lift their socio-economic conditions. But the situation of labour engaged in informal sector is vulnerable. In this context it is estimated that 40 percent of the total agricultural labour are wageworkers. Among them half is part time and working as casual labour where rest half are full time workers working as casual (70%) and permanent (30%) workers. Generally farm labour (Kamaiya, Haliya, Harawa, etc) and animal herders (gothala, charuwa, gaibar, bhainswar, Chhegar) are in the category of permanent workers. They are mostly concentrated in Terai (69%) and lowest in mountain (3.5%). The proportion of farm workers is more or less equal in hill and Terai (about 45.5%) where it is only 8.8 percent in the mountain. There are about one and half million labourers who work part-time or full time as non-farm workers. Among them more than 53 percent are concentrated in the hill, 12 percent in mountain and rest in the Terai (Sharma, 1999 : 26-34). Among the various system under agricultural wageworkers the Kamaiya system is abolished by the government announcement in July 2, 2000 and backed by the Kamaiya Labor (Prohibition) Act but still this problem is not settled due to the lack of the farsighted vision of the governments and willingness of the bureaucracy. But the Act could not address other systems prevalent within the agriculture workers exploited as much as Kamaiya though their number is small and scattered different parts of the country.

The international experiences comprising the evidence from seven countries of the world representing both capitalist and communist block on the one and developed and developing on the other proves that the industrial workers of today are conscious about their future. The trade unions have succeeded to a great extent in making them aware of their rights (Verma, 1998).

Trade union movement in the independence period is influenced by growth of capitalism in the society which has created a labour class who are free to be employed as wage labourers, but they have no way to exist without selling their labour power.

Workers employed in the organised and unorganised sectors have qualitative differences because of differences in each terms of employment including wage rate, condition of work etc. These two sectors are very much different from each other but have become linked to each other in variety of ways creating serious challenges for trade union movement.

Bold and new initiatives are needed to enable them to play their historical role of building a just and humane society for the working class. But it is very much difficult in the changed economic system where on the one hand the systems of causalisation, contracting and sub-contracting of workers has increased and on the other large industries are breaking into smaller specific units to avoid the union activities (Gill, 1999: 793-801).

## **2.2 Trade Unions and Politics**

The Indian trade union movement has affected by the party politics directly. Consequently shortly after formal establishment of AITUC (1920) trade unionists start to split on the basis of political affiliation and now there are ten central level trade union organizations claiming themselves as national trade unions with numerous unions at national, state and plant levels (Sinha, 1996 : 33-55).

The Indian trade unions grew on the leadership of freedom fighters. Trade union movements of India become an integral part of the national movement since the Indian national congress adopted resolutions in 1919 and 1931 to organize them. After independence every major political party tried to control the trade unions to win election. Still there is a domination of outsiders in the trade union leadership. Mainly they are the activists of different political party involved to promote their selfish goals both economic and others. The Indian trade union structure is not different then the Nepalese trade union structure. Generally an outsider involves only fulfilling their vested interest. They try to politicize the trade union to fulfill their interest as much as possible (Das 1990: 80-111).

The major hurdles of trade union unity is their politicization which starts from the first labour movement (1947) though this movement was directed to the political protest against the then Rana rule along with the right of the workers. During the Panchayat period all trade unions and political parties were ban and the political leaders (who were against the then party less system) starts to propagate

their policies through different professional organizations instead of developing a trade union culture. On the other the Nepal Labour Organization (NLO) worked as a political wing of the Panchayat instead of safeguarding the interest of the workers. All trade unions after 1990 blindly politicized and start to work as a cell of the political party they support. On the other the political parties have encouraging for fragmentation instead of unity of the unions to fulfill their political interest rather than the welfare of the working class mainly because of the weaknesses of the working class. The fragmentation of the trade unions in fact has hindered the development of real trade unions working for their class interest (Wagle, 1996 : 76-82).

Predominance of political parties in India prior to the independence seemed quite acceptable but after that it has not been so readily acceptable but it is widened every where. The politicization of unions produced two major consequences. Each union becomes identified with a party and rival political views were not tolerated. Where those who did not conform politically or independent worker had no place, at least among the leadership. The multiplicity of union reduces their strength. The second consequence is that the trade unions and their members are being used for a political purpose rather than the main aim of the unions. The level of politicization was measured by the activities of the unions (Ramaswamy, 1995 : 3-15).

On the issue, can trade unions be non-political? there seems diverse views within the trade unions. Most factories based independent unions; some regional and national federations are in favour of non-political unionism. According to them the business of trade unionism is no more than to improve the living standard of the workers where many of the federations and their leaders favour some kind of link with political parties. It is found that trade unions tend to be political everywhere in the world. A leading scholar also remarks "*non-political unionism is a non-sensual description, which does not exist in reality*". The social power such as right to form a union, right to strike right to run the union, etc. are granted by law, and government is the body who only makes the law. An independent union cannot pressure the government to enactment or amendment of the labour laws in favour of them. Thus to pressure the ruling government and opposition link with political parties is

essential until and unless the trade union unity cannot maintain (Ramaswamy, 1995 : 3-15).

To make the union strong the trade unions should go down to the grass root level for unionise the workers but Indian trade unions became unable to do it. On the other the unionists cannot separate from the politics but they *“must not become a pawn in the hands of the politicians on the political chess board”* (Sangma, 1995 : 3-9).

The German workers movement was very much political with socialist orientation at the beginning of the eighteenth century. At that time the movement was relatively weak. While the trade union movement of that nation gained growing support by the workers than the government has frightened and banned all socialist activities in 1878 to 1890. During this period German workers unions were affected and started to struggle against the ban. Due to this ban the political orientation of the workers movements had become strong. The socialist party becomes an important organization after when the ban was lifted where workers themselves played a deciding role in its leadership. Similarly, the party supported to the formation of unions. This indicates the close relationships between party and politics (Chrobot, 1999 : 68-70).

In the beginning of the 20<sup>th</sup> century trade unions of Germany formally decided as one of the independent organization but there were many personal and political links between unions and party. In between World War I and II the trade union movement was split badly. Consequently during the dictatorial power of Hitler and Nazis the movement was destroyed, union activities were arrested or murdered. A new democratic and united trade union movement independent from political parties (1949) was founded in West Germany by the surviving unions as a consequence of the painful experience under Nazi dictatorship. Since than the union acts as one big umbrella organization of all the unions united in this movement. Though this organization is fully independent from party politics the member of the unions including full time officials can engage themselves in any political parties they like. Because unionists are not only employees they are also the citizens of democratic society and they should utilize their political rights in society (Chrobot, 1999 : 68-70).

Looking at the trade union movement of other European countries there is not a uniform trend. The Labour Party in England was formed by the trade union as its political wing, which became successful to form government several times. The trade union movement of France, Italy, Spain has been split by political party affiliation though these divided movements sometimes unite or cooperate on the ground of the common issues of the workers. In Sweden there is close relation between the union and the political party. Now there is some tendency towards a political trade unionism with less or even no party lines. But there is still a long way to go until organizational unity will be achieved in many parts of Europe (Chrobot, 1999 : 68-70).

In most of the developing countries in the world the trade unions are found divided on the basis of political affiliation. The SAARC countries are not free from this problem. The union affiliated with ruling government always benefited. The multiplicity of the unions not only affects to the union strength it also a hurdle for economic development. This creates great damage for the working people and also for the democracy. So for the development of the nation including working people there should be a unity going for a very long time in the future to come. *In many developing countries there is often only a narrow path left for really independent unionism. Which is a path between political isolation on the one side and political co-option on the other* (Chrobot, 1999 : 68-70).

It is concluded that on the one hand political parties need political support to win elections and on the other unions need political support to influence social policy. Thus it is not possible to separate the trade unions from politics. But trade unions cannot merge with political parties though the members and leaders can be a member of any political parties because a person cannot remain without affecting or affiliating in politics but the trade union itself should not be linked with political parties as a cell for the real upliftment of the working class. But in practice this is nearly impossible in most of the developing countries when outsiders influenced by any political party dominate the union leadership.

The trade unions cannot keep away from politics because in this world human life, capital, economy, employers, economic policies all are related or influenced by politics more or less. *Among the various classes of the society the working class has*

*to achieve its emancipation through its own struggles. Thus it cannot adopt 'touch me not' attitude towards politics (Varda Rajan, 1999 : 56-59).*

All the trade unions are agreed that the challenges of globalization cannot meet leaving politics outside the framework of trade union action. Similarly in the unipolar world after the collapse of the Soviet Union, the imperialist masters operate through the international financial institutions like IMF and World Bank trying to economically defeat the third world countries. In this situation the working class of every country cannot answer being a political whether they oppose or supports imperialism or want to be neutral. Therefore, trade union cannot be apolitical. Those who says apolitical trade unionist himself will be in favor of reactionary politics and also anti-left and anti-socialism. Democratic entities, can never afford to compromise the class interests of the workers, whatever politics they may follow. He should not confuse the party of working class and the trade union organization. Trade union is a unique type of mass organization where only working class belongs. It is not a wing of a political party. Though some of the leaders or members could belong to the party.

The working class cannot reach or represented in the policymaking body. Therefore, the trade unionists requires to underline the need that trade unions have to be political and must ensure that their interests are well represented in all political forum that decide basic policy issues. Therefore, *trade union cannot remain detached from politics. Class politics should govern every action, every step, every policy and every move of the trade unions (Varda Rajan, 1999 : 56-59).*

Trade union itself is a politics but the aim of the political parties and the trade union differs. Therefore the trade unions and trade unionist should involve in labour class politics rather than party politics as a wing or cell of the political party or as a worker of the political leader, which is frequently happening in developing countries like Nepal. Trade union have to influence the policy level through their continuous unity in each and every matter of labour issues despite of multiplicity or split immediately after the split of the political party.

It is evident that almost all trade unions in the globe have political link although the nature and extent of the relationship between trade unions land political parties differ

country to country. Generally in developed countries trade unions are linked up with a single political party through their united single central organisation, but in developing countries like ours are tied up with different political parties existence in the country. Trade unions of Bangladesh are highly politicized indicating mushrooming growth of trade unions. Consequently intra and inter-union rivalry increased remarkably. The political parties tried their best to open their labour front to strengthen their political power. The politicization power reached its peak when the then military government promulgated the Political Party Rules 1976, requiring each and every political party must dealer its sister organisations. Similarly, the political affiliation also increased because most of the trade union movements in Bangladesh were not success without support of the political parties.

Uneven growth and small size of unions, multiplicity of unions, intra and inter union rivalry, dependence on outside leadership, financial weaknesses, etc. which has adversely affected the environment of trade unionism in Bangladesh (Tahar, 1999 : 403-20).

### **2.3 Labor Management Relations**

Now the workers want to have a say in the management of the firm or industry in which they work. It is observed that if there is cooperation between workers and management the production will be increase and recognized importance of the human element give the workers a greater interest in the operation of the undertakings they involve. Thus today the friendly relationship between labour and management is being increasingly realised (Verma, 1998). From the evidence it is clear that the labour management relationship in different countries varies according to the traditions, beliefs and circumstances existing in each country. But from the experience it is proved that direct participation of labor in management have given fruits. The success of the enterprise depends on the contribution of both the labour and management. In Nepal labour-management relation generally in most of the enterprises is as of master and servant, but improving gradually.

### **2.4 Problems of Trade Unions**

Trade unionism in India at present context is passing through a critical phase and facing unique challenges in liberalized, privatized and global economy. Volume of



organized sector workers is declining because of the shift of workers status from permanent to casual and contract workers. Unorganised sector is beyond the protection of union where volume of workers is large and increasing. Plant based independent unions concentrated only on productivity based wage settlement at plant level has increased. On the other trade unions are compelled by sick units to adopt concession bargaining for their existence and survival where survival of workers is also associated. Employers started to bypass unions, as they seem weak due to immature leadership and inter-union rivalry. The government seems helpless where the labour laws have so far been unable to take the unorganized sector in its pace (Dhal & Srivastava). Nepalese trade unions at present are also suffering from the same problem due to new economic policy adopted by the government under the guidance of the IMF and World Bank.

The problem of workingwomen and their participation in the trade union movement have been a topic for serious discussion in all organized sector. In India out of the total-working women only about 4 percent (1981 census data) are involved in organized sector. On the other the condition of working women is most deplorable in all aspects. The share of women on employment outside their home and the society in Nepal is very low where participation in the union activities is insignificant. Mainly blames from family members and the society and lack of time for the female workers having dual responsibility are the responsible cause of low participation of the female workers. Their working condition is unpleasant, scope of employment is very poor, rate of wage terribly low, job security almost absent, superannuating benefit practically nil and facility of participation in the trade unions very meager. The feudal tendency in the trade union leadership to by pass workingwomen and their problems often cause to hinder the process of quick unionization of women (Rao et al, 1992:474). In all the societies females are suffered from various problems within and outside household as compared to their male counterparts. Thus for proper participation of women in union activities equal respect to both the sexes from the society is needed.

Closeness to the political parties, declining power of unions mainly due to inter and intra union conflicts and conflicting interests of the political parties they affiliates, multiplicity of trade unions on the basis of political ideology and personality clash, narrow support base of the workers (less than 10 percent of the total workforce) both in organized and unorganized sector, centralized or party based

decision making procedures, domination of outsiders in the trade union leadership, personalized and power oriented leadership, over aged leader (which is 70 and above), low female representation, adhoc management, spontaneous actions, etc. are the basic characteristics of the Indian trade union movement which creates problems for the growth and effective functioning of unions in the country (Sinha, 1996 : 33-55). Most of these characteristics are more or less common in Nepal too, because trade union movement of Nepal and Indian are facing the same problem.

The contracting and sub-contracting of labour is a major problem to the trade unionists. Public service utilities are placed in the privatization auction under the pressure of GATT and WTO. In the words of Rao “*However, if you go into privatization, you would be privatizing the profits and nationalizing the losses*” (Rao, 2000).

The development of international trade unions and their cooperation affected directly by the multiplicity of international as well as national trade unions mainly caused by diverse national interests within the labour movement and strong ideological conflicts on principal questions between Karl Marx and Bakunin (Chrobot, 1999 : 44-49). After this historical accident worldwide desire of unity was not materialised permanently due to strong political conflicts among the trade unionists. The trade unions of developing countries should exploit the advantage of choice of the possible benefit from international membership. They can join whether they feel more beneficial.

External interference is also one of the major problems in trade union movement, which is very dangerous and harmful for workers and genuine trade unions. Because the workers know best what is right and wrong for them. It is also important to the trade unionists that there should be solidarity between trade union and NGOs based on mutual respect and the acceptance of the respective organizational independence within a wider democratic coalition.

It is open truth that the process of economic globalization cannot be stopped at the cost of workers job security. Thus it is not beneficial to them just opposing globalization for the sake of protest. Therefore, the trade union needs to focus on pressurising the planners not to deprive their job opportunities as well as help in generating self-employment opportunities. For this purpose trade union should

develop their strength through unity between them. The author here tries to analyze the reasons behind the lacking of unity of the Nepalese trade unions on professional lines (Wagle, 1996 : 76-82).

Rivalries among the trade unions on the basis of political ideology are a strong and unhealthy problem of Nepalese trade union movement though their goal is the same, i.e. labour welfare (Wagle, 1996 : 76-82).

In India there is much exploitation in small firms workshop, agriculture, construction where need of trade union is acute but majority of the workers in these sectors are not unionised because of various problems to unite the scattered workers (Ramaswamy, 1995 : 3-15).

Similarly occupational health and safety, environment, loss of employment due to transfer of plant from one area to another area also the increasing problems for trade unions. Another important challenges to them is to concentrate in informal sector especially in rural agricultural area where formal sector is shrinking gradually. Now ILO is also concentrating and focusing its attention on the rural informal sector giving priority to agricultural sector.

Sudden explosive the multinationals into the country has negatively affected very much particularly the role of national trade unions and their bargaining power which is decentralized in the enterprise level where central trade union have to support to the enterprise level trade unions.

The informal sector workers especially agricultural workers generally are placed at the lowest level in the socio-economic structure of rural society in almost all countries in the world. The major characteristics of the rural agricultural labour are miserable economic condition, low wage rate, no regulation of hours of work, indebted to village money lenders and capitalists, bondage labour at nominal wage rate, short duration of employment and domination of casual wage labour. In such a complex scenario the unionization of agricultural labour is not only a difficult task but involves intervention at several levels. Nepalese trade unions especially GEFONT and DECONT started to organise the agricultural wagers from different parts of the country but the achievement is not satisfactory. One of the major hurdles faced by the unionists in Nepal

in the rural areas is the Maoist insurgency, which restricted the smooth work of the unions continuously.

On the one hand it is very difficult to organize agricultural labour dispersed in various localities in a small number and all they are ignorant on the other their unions are very weak and cannot bargain as much as the workers unions in organized sectors. The agricultural sector unions are frequently raising the issues of economic, social as well as cruel action against them but yet the positive results are shown only in limited cases (Gill, S. S., 1985 : 443-53).

Mainly the unionization of agricultural workers is strong in the areas where holds of communists are strong. This is because the communist of India initially started the movement and still they have strong hold upon the agricultural workers. A similar case is appeared in Nepal too. The GEFONT a major confederation of Nepalese trade unions and supporter of CPN (UML) started to unionise the agricultural workers since last few years followed by DECONT in a lesser extent.

According to an estimate by National Commission on Rural Labour (NCRL) the average unionization rate of agricultural workers in India may be about five percent in the country and is picking up slowly. Inter-union rivalry is one of the serious problems for the agricultural workers in those areas where unionization process has gained strength (Gill, S.S., 1985 : 443-53). In nepal about three fourth workers are involved in agriculture sector but less than two percent are unionised which shows very poor performance of unionisation in this sector.

The massive political and economic changes all over the world during nineties affect the India too. Consequently the trade unions in the country are facing new challenges in the new context. In this fast changing world the trade unions have to respond their depoliticisation, professional performance improving union density, building internal strength, cutting out or at least minimizing sources of external strength, creating and sustaining democratic leadership, transformation into vital labour market institutions to promote industrial growth through replacing multiplicity by solidarity, opting for bi-partism, facilitating time-bond dispute resolution, giving paramount consideration to promote productivity particularly by participating in management

through total and transparent information sharing and linking technological up gradation with continuous skill training of workers.

Trade unionists blame that the government is trying to escape from its responsibility reducing its expenditure in social sectors that ultimately affects the working class and will aggravate unfair labour practices. On the other the employers' Association, forcing to the government to bring a policy of *'hire and fire'* the workers in their favour and started to harass the union leaders and members especially at enterprise level to chase out unions from the labour market. In these circumstances where the government is not able to safeguard Nepalese labour through enforcement of existing labour laws effectively. In this situation the employers are against the trade unions and using Indian labour freely, the Nepalese labourer did not feel secured. In this context enforcement of minimum wages and other benefits for the upliftment of living standard of the workers becomes extremely difficult.

## **2.5 Labor Productivity**

Trade unions are one among the various factors affecting productivity of the workers. Various experiences proved that the productivity could rise only maintaining good industrial relations that are impossible without the cooperation of the unions and their active participation. In the society there are both optimistic and pessimistic views related with trade unions. The optimists believes on union management cooperation where pessimists feel that unions limits productivity by exercises of bargaining power as well as they act against the technological changes. But while analyzing the macro level Indian data by the author does not provide any impact of trade unions on productivity. However, for the economic development of the country productivity improvement plans should be formulated and implemented where trade unions should play a leading role involving in productivity improvement plans. By the involvement of unions, the interests of the workers will be safeguarded and on the other increase in productivity will improve the quality of work life of the workers (Subramaniam, 1992 : 464)

A strong and healthy trade unionism can make a substantial contribution to labour productivity and economic development especially in developing economy. Plenty of measures may be adopted by trade unions that may prove conducive to

economic growth and higher productivity. The trade unions may also be one of the most powerful instrument for creating a new industrial society through various socio-economic and welfare activities. *“The contributions that the trade unions can make to labour productivity and economic development in a developing economy are substantial and despite the feeling that the trade union activity hurts every section of society in some way or the other, they may make more positive contributions”*(Singh, 1992:417-20).

Generally there is an impression of the management that workers and trade unions are the main culprits of low productivity without looking at the role of capital, technology and management. Some studies shown that inefficient management, lack of modernization and replacement of outdated factors used in the production process had badly affected growth in productivity. Workers are also responsible to increase productivity only when created and provided right environment of work, tools and techniques to them by the management. Labour is only one among the many factors, which heavily influence productivity where the management is entirely responsible for other factors. The labour efficiency and productivity is directly related to the overall atmosphere and work environment of the plant or industry. Thus there should be mutual trust and understanding between management and workers. In this context workers' participation in management would help in creating a condition of friendly relations, good will and a sense of belongingness among the workers. The workers inspires and motivates for higher productivity when they feel or assured of protection of their interests in terms of higher wages or sharing in profits as well as if they have given responsibility in deciding upon various issues related to productivity (Singh, 1992: 412-416).

Low productivity is the cause of underdevelopment. Thus to raise the productivity not only workers or trade unions but also government and management have to contribute positively in wider interest of the society. The concept of EPZs in Bangladesh seems beneficial from the economic point of view helping to increase export and employment. But it seems favourable place for labour exploitation – monetary, mental/psychological as well as physical by restricting trade unions. Some characteristics of EPZs of Bangladesh are comparable (especially exploitation of workers, sexual abuse) with the carpet industry of Nepal where such exploitation is observed more compared to other sectors of job.

Unionised firms are significantly more likely to be less profitable than non-unionised firms, associated with lower levels of productivity and higher levels of capital intensity. Consequently labour cost increases and profit of the firm will be decreases. This is valid not only in Japan but equally valid for all firms both in developed and developing countries (Benson, 1994:1-21). This may be valid only in the short-run but in the long run profit of the firm could be increase along with increase in productivity.

## **2.6 Effects of SAP on Trade Union Movement and Workers**

The structural adjustment program has directly affected the working class negatively. It not only reduced the number of workers but also changed the enterprises unionized to non-unionized where the right to organize was not activated. Professionalising of unions as well as management through education & training and democratization of trade unions are the major effect of SAP on trade unions. The SAP not only affects the workers of a particular country but also affect to the workers all over the world mainly in developing countries. Only the nature and volume may vary one country to another based on their economy (Sinha, 1996 : 33-55).

The workers of the industrialized countries including Germany are strongly affected by the modern trends of internationalization and globalization. This is the international challenge for the trade union in an Era of Globalization. But up to now trade unionists are mostly concerned only with national labour issues but international trade unionism is not a popular issue of discussion within the trade unions. In the words of Chrobot "*Many trade unions do still consider international cooperation as a kind of side line activity*"(Chrobot, 1999 : 44-49). This practice is a sign of weakness of the unions. The unions of present days should have to involve and cooperate to the trade unions of any parts of the world on labour issues through extending their solidarity.

The workers are increasingly affected by the impact of globalization all over the world. But many trade unions are still concentrating within their national boundary except European union which leaves them only little room for considerations as how to respond on globalization by strengthening international cooperation. Some of the trade unions of developing countries show their interest in

international cooperation but systematic debate on such issues is rarely observed while few unions have established international linkages knowingly or unknowingly.

Since the economic liberalization and privatization policies completely ignore the deepening unemployment problems prevailing in the developing countries, which make tremendous negative impact on the earning and employment condition of the workers. The existing liberal policies like job guarantees and minimum wage policies are trying to be replaced by the economic policies of labour contract and mobility in the name of economic efficiency and productivity enhancement. These policies are brought objectively against the interest of the working class. If these trends continue the survival of the working class will be more difficult in the future to come. In this context trade unions realised an urgent need to organize the workers regionally and globally against liberalization and SAP policies, which they understand as a weapon for the exploitation of the labour force (Rimal, 1996 : 89-101).

Globalization directly affects trade unions and their bargaining rights has been banned in public sector enterprises in many countries. Trade unionists blame that it is happening on the basis of instructions given by World Bank and IMF. The government failed to provide social security to the workers and also the government is not in a position to face with trade unions to solve the burning issues raised by them (Naidu, 1999 : 50-53). Privatization of public enterprises and unemployment are also the effects of globalization. As a result of privatization, employment has reduced. Consequently trade union strength has also gone down.

After the introduction of SAP in Nepal the workers and disadvantaged people are further marginalized. Large number of workers was cut down without providing adequate benefits to them. On the other the profitability of the privatized enterprises has increased not due to the increase in the productivity of the workers primarily due to curtailment of various facilities to the workers and sharp rise in the prices of the product. These policies have negatively affected the Nepalese economy in general and workers in particular. The real wages has declined due to rise in relative prices of the products they consume (Rimal, 1996 : 89-101).



The SAP has not only negative but also positive aspects together with privatization and liberalization. The positive aspect of SAP, on the one hand helps to develop employment opportunities and on the other those who lose an employment opportunity in a particular organization find other doors open (Wagle, 1996 : 76-82).

The consequences of globalization have almost been the same throughout the world particularly in the third world countries. But the dimension and degree may vary country to country. *Among the various consequences massive job losses, new job creation in poorly paid informal sectors and de-unionisation in the work places are directly labour related* (Vardan Rajan, 1999 : 56-57). Because of globalization rate of growth of employment, wages of the workers has fallen considerably, which leads to a reduction in union membership. Only the loyal, skilled, technical, professional, non-unionized, confidential staff will be hired permanently where other types of workers is only casual, contract and piece rate. In such a situation unionization is becoming more and more difficult where regular work force is declining and non-regular vulnerable work force is increasing gradually. Consequently their bargaining capacity may be weak. These are the serious matters of concern for the trade union movement in present days and going to be more serious in future.

An exemplifying achievement on increase in appointment letter and permanent status of workers justifies unions approach to job and livelihood guaranteed of workers. The increased supply of labor force in the economy has helped the employers to hire workers in temporary job contract or on piece rate and casual basis. The respondent said that the tendency to hire employees on these terms has also increased in 1999. This is a bigger challenge imposed by globalisation on union movement.

## **2.7 Provisions and Implementation of Labor Act**

Nepalese workers are replacing gradually by foreigners because the labour Act 1992 permits employment facilities to foreign labourers too though it is conditional. Consequently unemployed mass in the national workforce is increasing gradually which lead to increase in poverty on the one side and on the other it can also adversely affect on political stability and social harmony. On the basis of the past experience trade unions conclude that the main objective of the composition of

SAP is to exploit working class creating a new economic colony (Rimal, 1996: 89-101). In Nepal foreign workers especially Indian workers are working freely in the informal sectors where large number of (about 20%) non-Nepalese workforce are involved in manufacturing sector. Most of the technical and professional posts are captured by the non-Nepalese workers, which caused to increase in the unemployment within the nation.

Trade union laws are inadequate to address many important aspects of workers' rights and benefits even after the enactment of Labour Act 1992, Trade Union Act 1992 and Trade Union Rules 1993 (Wagle, 1996 : 76-82). On the one hand the labour laws are not adequate to safeguard the right of the workers properly on the other employers used to say that the present labour laws are workers biased. As a result large number of enterprise were closed down and many are operating in a critical situation. But it is true that there are various weaknesses in the laws, which could be removed from timely amendment considering the fundamental right of the workers on the one and on the other to attract investment to generate more employment to the Nepalese labourforce.

Every year thousands of new unions is formed in India because only seven workers can form and register a union at the same time thousands of old ones die off due to failure of renewal. A study finds that only 25 percent of the registered unions renewed each year (Ramaswamy, 1995 : 3-15). The case of Nepal is not as worse as the India in this respect but a significant number of unions registered in the past could not renew being unable to fulfill the minimum requirements prescribed by the law but at the same time a large number of unions at the establishments and few at the national level are being registered. *The industrial legislation is now just showpieces. Their implementation machinery are in state of total collapse in almost all countries of the third world (Varda Rajan, 1999 : 56-59).*

## **2.8 Role of Trade Unions**

Trade unions can play an important role to increase productivity. Both the management and the unions must be cooperative and play a role of mutually willing partners. But the level of confidence between these two partners is very poor in almost all developing countries. Indian trade unions are playing negative role in application of

new technology which needs specialized trained workers and is less labour oriented. On the other management is not going to educate their workers through training and retraining as the change in the technology. Chinese believed that trade unions could play an important role in economic development of the country only if they are respected. It is conclude that it may not be possible to increase productivity without unrestricted support of the major partners of industrial relations though all of them have some constrained (Singh, K.B., 1992 : 464-65).

Trade unions have always realised their positive roles. Where the positive role of them have overshadowed by growing militancy in trade unionism, union rivalry, outside leadership, political affiliation, etc. Consequently union activities and resources are generally being directed towards non-economic activities in almost all countries in the world. The developing countries are suffering largely from such problems.

The role of trade union is highly important in informal sector than formal sector. Where trade unions mainly in developing countries are already providing capacity building and other types of support to organizations in the informal sector but the status differs country to country. Now trade unions are also developing policy initiations to give more attention to the informal sector. But they are facing various difficulties while taking initiatives regarding informal sector. Trade unions still hesitate to engage in selected issues related to the informal sector (ILO, 1999).

Trade unions have to play a prominent role for the promotion and protection of working class, but it is virtually impossible in the countries like ours where bargaining power of the trade union is weak mainly due to multiplicity of the unions on the basis of political affiliation. Thus it is essential to follow strictly a principle of one union in one industry for smooth functioning of them but it is very difficult in this situation.

On the one hand '*no work no pay*' policy has been increasingly followed by the employers all over the world to discourage the workers movements on the other due to the free mobility of capital and labour in the name of export promoting zones or free trade zone the local workers are either compelled to work at lower wage rate fixed unilaterally by the employers or displaced from the job. Similarly because of the introduction of worker's retrenchment policy in government departments, factories and private enterprises directly undermines job guarantee rights of the

workers and also make their job insecure. The important interest of this policy is to eliminate the role of workers unions. Thus the role of the workers union has increased to overcome from this difficult situation through broad based alliance nationally and internationally (Rimal, 1996 : 89-101).

It is open truth that the process of economic globalization cannot be stopped at the cost of workers job security. Thus it is not beneficial to them just opposing globalization for the sake of protest. Therefore, the trade unions need to focus on pressurising the planners not to deprive their job opportunities as well as help in generating self-employment opportunities. For this purpose Nepalese trade unions should develop their strength through unity between them on professional lines, which is lacking now (Wagle, 1996 : 76-82).

Trade unionism is a social movement, which built on the ideology that workers most have an equal right with management in deciding the destiny of the enterprise. Thus the labour movement should not concentrate only on wage and benefits, but should directed towards the transformation of the society according to the demand of time breaking the present practice (Ramaswamy, 1995 : 3-15).

The mass based and militant trade union only can solve the problems and can work in favor of the working class rather than the political parties as well as donors who are ultimately against the workers' unity. Thus it is necessary that each trade union of the country have to unite at least at national level and in the issue of their class welfare (Wagle, 1996 : 76-82).

Information on farm wage labourers and their terms and conditions in Nepal are insufficient. All types of farm labourers including Kamaiya who are not free to work as they wish and found all over the country in any form are the permanent farm labourers which need to be prioritized for trade union activities but difficult to selection of districts with high incidence of waged farm workers (Sharma, 1999 : 26-34).

Though majority of the work force belongs to the informal sector, but still neglected from the trade unionists probably due to difficult to organise the workers of this sector. Now some trade unions are trying to organise such major chunk of agricultural workers but no one studies are confined on it. In this situation the trade

unionists have to paid due attention to organise informal sector labor efficiently which makes their organisation stronger.

Nepalese trade unions should have carefully looked back the experience of international trade union cooperation and solidarity for its effective functioning in favour of workers welfare. The recent development in such fields leading trade union confederation of Nepal GEFONT is going ahead within short period that is a positive sine of its future development (Chrobot, 1999 : 44-49).

The movement is likely to remain paralyzed and undersize unless new initiatives are taken to unionised the workers in the organized sector, extended the activities of trade unions beyond work place to cover other aspects of working class such as raise consciousness level of workers and cadres and make experiment on building alternatives to the present capitalist mode of society. At the movement trade unions are not capable to meet the challenges (Gill, 1999 : 793-801).

Formerly in China the role of trade unions was defined on Leninist line according to which the main responsibility of trade unions was to transmit party's current ideological line and policy as well as to protect the interest to the workers and staff members. But new economic environment was created to the trade unions from the beginning the economic reform programme. Trade unions are now operating in increasingly democratic environment. In the present context where government are introducing market mechanism through economic liberalisation, trade unions are natural vehicle for the demands of workers seeking to defend their livelihoods and protect themselves against the abuse of workers rights which are common place of market based development. Trade unions can play an integral role in promoting economic development by stabilizing industrial relations and improving productivity by raising the morale and commitment of the workforce. Trade unions not only perform an economic role but also play political role in the evolution of developing and traditional societies. But the economic and political role of the trade unions are particularly silent in the post-communist countries because unions were an integral part of the system and the societies are moving away from politico-economic system in those countries (White, 1996 : 433-57).

Trade unionists realised that they have to be taken some initiatives immediately toward strengthening the pro-workers movement at national and international level. Such as: first, to create an informal networking among the pro-workers' unions at various levels without any political biases. Secondly, it is necessary to organize discussions and exchange of views among pro-worker trade unions on vital labour issues, third the net working of pro-workers unions should be expanded based on equal footing and mutual respect rather than on the criteria of small, big, rich and poor (Rimal, 1996 : 100-101).

## **2.9 Quality of Union Leaders**

The trade union activists have no or little knowledge of workers' rights, responsibilities and their discipline that helps to create favorable climate for political pressure (Wagle, 1996 : 76-82). Only dedicated, disciplined, farsighted and honest leaders could strengthen their unions. In Nepal only insignificant trade union leaders have such quality. As a result Nepalese trade union is not developed as expected.

Like Nepal at the beginning the outside leadership dominated trade union movement of India. They involve organising the workers to fight against foreign rule. At that time the unions have the need to face not only with employers but also equally with the colonial ruler. After independence the workers themselves are capable to form and run the unions. But still the trade union movement of this country is dominant by outsiders and concentrated mainly monetary issues to enhance their image where other important non-monetary issues have neglected. Basically trade unionism is a movement for achieving industrial democracy. The monetary issue is only a part of the movement (Ramaswamy, 1995 : 3-15).

On the one hand the need of outsider leadership is declining only in manufacturing sector especially in large industries, on the other still there are a number of unorganized workers in small industries, agriculture, construction, domestic service and self employment where outsider leadership is essential. But in general the insiders alone does not solve all the problems of leadership where outriders have supplied to the unions not only political contacts but a linkage with other organizations and a wider knowledge of conditions in other industries and society. Internal leaders usually lack these wider links or knowledge. The service of

specialists is essential to the unions both in developed as well as developing countries, as the trade union leadership moves towards internal leadership they have to find ways of getting such specialist advice (Ramaswamy, 1995 : 3-15).

## **2.10 Dependency Syndrome**

The trade unions of the country are not only depends on political party they support; they are also highly dependent on foreign donors mainly on financial aspects. Thus the behavior of the donor community has also contributed to the fragmentation of the unions directly or indirectly (Wagle, 1996:76-82).

## **2.11 Trade Union Density**

Looking at the number of union registered and average membership per union in India, it is found that the number of union has increased tenfold but the average membership per union has shown no change at all which are only 700 to 800. The trade union density is less than 50 percent and concentrated mostly in manufacturing industry. Now managers and officers also have started to join unions but still their unions is not recognized by the government (Ramaswamy, 1995 : 3-15). The trade unions of Nepal have also been increased about threefold within less then a decade (1994-2002) but the membership could not increase. The membership per union as well as per establishment has declined during this period.

Despite of the declining phenomenon in trade union membership in the world almost every union in developing countries appears to show some increase in membership where multiplicity of union is increasing. But the cause to increase the number of membership in these countries against the declining world trend is not clear.

*“Union structure significantly influences membership which in turn influences the labour-management relationship. It is observed that unionisation rate is consistently higher in a single union structure plant than a multiple union structure plant and further single union structure is more conducive to inculcating healthy attitudes of union members towards management.”*

In the case of single union plant the membership record was up-to-date and the degree of unionization is increasing each year, workers are proud of being union member while in multiple union plant membership records is found manipulated, members were

dissatisfied and disappointed with their organisation as well as its leaders. From this experience it is learnt that more than one union in an enterprise is not beneficial to the workers not only in India but also in all countries of the world. Thus the workers, trade unionists and the government all should try to maintain one enterprise one union for the welfare of the working class through legal measures as well as in practice, keeping the union far from politics (Arya, 1990 : 241-250).

Women workers are less unionised than men may be due to lower level of employment of women workers. With respect to improving women's favour to trade unions in order to encourage their membership and participation in the unions it would appear to be particularly important that the trade unions strive to change women's participation of trade union movement. Actually women's are getting low chance to participate in union activities because of their dual responsibility in the household and on the other their social and cultural tradition that creates restriction on women to involve in such activities.

The socio-economic and political factors leads to reduce the demand for unionism and its level of availability. The employers of USA become success to control over the regulation of industrial relations matters at the workplace where union density is barely above the single digit. American workers want a greater collective voice but it is possible only through workers councils where the legal and institutional arrangements has given a far greater opportunity to influence the unionization process than in almost any other advanced countries.

*“One of the most urgent task for the public policy makers in the USA is to reform the union representation process and enforce the law against employers who commit illegal labour practices” (Freeman, 1988 : 63-88).*

If the interest of the Freeman were possible the workers representation would be effective and sustainable. Otherwise the workers further exploited through anti-union activities of the employers especially in private sector.

Labour class is badly or negatively affected not only by the new developments of globalization and internationalization but also by democratic structural changes within most industrialized societies where individualism, consumerism has developed which is clearly reflects by the declining trend of trade union membership in almost all industrialized countries. It creates chain effect of the



trade union. Such as when the membership reduces the fund of the union decreases which leads to a reduction of their activities. While labour activities reduce attraction upon the union reduces further and the international trade union movement may be weak. The future is not predetermined whether current situation will improve or not may depends on our political decisions and real actions in society.

Contrary to the declining trend of trade union membership in the world trade union density is increasing in most of the developing countries in Asia but the pace of increment is very slow. The increment is mainly caused by the organisation of informal sector workers.

## **2.12 Wage Determination**

Wage rate of the workers is an important aspect of the workers. The union has a positive role in the wage determination in jute factories because mostly wages of the workers were revised (increased) in pressure of the workers demand. The economic condition of the workers improved particularly in the private sector mill due to the constant action of the union. The wage increase in one mill was followed by similar increase in the other mill (Pant, 1998 : 209-27).

With the constant pressure of the trade union to increase wage as well as wage supplements and fringe benefits has increased substantially during 1970-80. During this period the average annual earnings of a worker in the private mill increased by 192 percent where it increased slightly less than (177 Percent) in the public mill. Similarly wage supplements and fringe benefits such as housing allowance; rice subsidy, medical benefits and bonus payments also increased remarkably which is the major fraction of the workers total earnings mill (Pant, 1998: 209-27).

There is a direct intervention of trade union to increase the wage as well as other benefits of the workers working in the jute mills of Nepal both in private and public sector. Generally wage was fixed not on the basis of productivity and economic condition of the mill but on the basis of political pressure through workers, which is considered unhealthy tradition for the development of the industry in the country. This tendency kills the efficiency because they always try to be a pressure group on the background of political parties rather than improve their professional

skill. The real wage of the workers has declined gradually despite rise in the money wage mainly because of high rate of inflation while it has increased slightly after the legal process of unionisation started.

### **2.13 Labor Management Relations**

Both the organisations of employer and workers should share information on technology, production, productivity, market conditions, profits, losses and concerns of occupational health and safety. Such sharing of information will also help in the establishment of realistic productivity and wage regimes that would be fair for workers without damaging the capacity of the industry to play. But mere placement of workers' representatives in managerial bodies only for formality does not work. For good participative management in any establishment there would be a healthy understanding between management and workers by sharing all the information related with them.

It is evident that unions can reduce normal profit through wage increment of workers but they never destroy the goose that lays the golden eggs (Freeman & Kleiner, 1995:10-27). They would be foolish if they do the activities from which the firm is closed. This evidence is sufficient answer to that management who are against the unionization in the firm. The betterment of the firm depends on the relationship between management and union. If the relationship between these two partners were cold the firm would be close and vice versa. If this situation occurs it affects both the employers and workers though the degree may be high or low.

### **2.14 Future Challenges**

The independent unions have no voice at policy making levels though they are stronger with hundred percent membership, sound finances and internal leadership capabilities mainly because there is no forum to represent these non-affiliated unions at national level (Ramaswamy, 1995 : 3-15).

Though Indian trade unionisms have got impressive achievement at the same time they are still facing various challenges. Among them the most important challenge is the steady growth of non-union labour (contract, casual and temporary workers). As a result the permanent and unionized work force is declining slowly. The second challenge is the membership commitment and finally, there is the

challenge of influencing national policies. If the present trend of increasing independent unions is continued the policy makers will neglect them, because they have no forum for giving expression to their views. Their individual views would not count. If this trend continues, the future might see strong individual unions, but a labour movement, which is weak and unable to influence social policy. The experience of Indian trade unionism is not much different than the trade unionism of other developing countries, especially in Asia though their history may be short or long. Most of the Nepalese trade unions also face the same challenges faced by the Indian trade unions because they are influenced by the long experience of Indian trade unions in many respects.

The trade union movement is in a declining trend all over the world and facing different types of problems. So the trade unions now are changing their strategies to face the challenges of globalization. Globalization is not in favor of the working class. Thus this class should have to globalize the resistance to fight with this globalization untidily all over the world though this task is not easy. In these days the international cooperation of workers does not go beyond only exchange of solidarity messages, which cannot be fruitful to the workers during their struggles.

External interference is also one of the major problems in trade union movement, which is very dangerous and harmful for workers and genuine trade unions. Because the workers know best what is right and wrong for them. It is also important to the trade unionists that there should be solidarity between trade union and NGOs based on mutual respect and the acceptance of the respective organizational independence within a wider democratic coalition.

The only solution of the unemployment and under employment problem faced by the country can be solved or minimized through training and retraining for the workers who are affected by the structural adjustment programme of WB and IMF. In this context ILO is providing a very small cooperation and the efforts taken by the union themselves is very appropriate especially in India. Where such workers of Bangladesh, Pakistan, Sri Lanka and Nepal are deprived from training and retraining program where the ILO has to concentrate (Naidu, 1999 : 50-53). Expansion of international trade union cooperation is an essential part of the trade union movement to solve the labour problems caused by the introduction of multinationals.

Mr. Naidu has suggested some measures to meet the challenges faced by the unions. According to him the trade unions has to know for modernisation and at the same time has to equip itself. They have to restructure the union according to time and situation on the one hand and on the other they should have resource full. Trade union leaders should be educated as well as informative on new technology and information system. At the same time financial position of a union should be strong to conduct welfare program to their members as needed. There is also a need of democratization of trade unions. Now trade union unity is also the important challenge for the trade unions where multiplicity of unions prevails On behalf of ILO Mr. Naidu said that ILO is ready to provide technical cooperation and necessary arrangement and assistance to see that all the member countries ratified the seven core conventions freedom of association and right to collective bargaining, abolition of forced labour and forms of discrimination.

Similarly small-scale activities and instability is another constraint because the smaller the unit or enterprise, the more difficult it is for the workers to formulate their union. Most informal sector operators operate on a small-scale basis, at a low level of organization with no or little division between labour and capital. It is a well-known fact that the level of investment required to create a job in informal sector is much less then the formal sector.

On the other the informal workers also needs socio-economic concerns. There are also certain basic human right, which are fundamental to human dignity and the actual ability of informal sector workers to improve their working conditions and employment opportunities. Therefore, these workers should organize themselves to protect their investors. Improvement of productivity is also the next social economic concern, which can inform through vocational training or periodic sharing of experience as of skill development in formal sector.

There is no doubt that the circumstances of informal sector employment pose a challenge for the trade union movement. The informalization of the economy by encouraging the formation of small scale and more flexible forms of economic activities on the fringe of established rules and organizational arrangements undermines the power of organized labour in economic bargaining and social organizations. Generally there appear mainly two approaches in the issue of the trade

unions and relationship with informal sector workers and their associations. The first is the organization of informal sector workers as part of the existing union memberships and to build alliances designed to assist informal workers who wish to form or strengthen their own organizations.

In recent years trade union organization are developing strategy, policies and programmes to enhance the recruitment and organization of informal sector workers in a number of countries.

## **CHAPTER III**

### **METHODOLOGY**

#### **3.1 Approach of the Research**

This study is aimed to explore the development and role of the trade union in general and Nepal in particular. Besides this it also attempts to find out the level of knowledge of the general workers working in the formal sector enterprises, trade union leaders from enterprise level union to confederation level and management of different enterprises on various trade union issues. The study also tries to explore the perception of the workers, union leaders and management on the issues. Similarly attempt was made to observe strength of the Nepalese trade union and their weaknesses on the one hand and opportunity and threats on the other hand. Attempt is also made to explore the nature of the workers' demand submitted by the union to their respective management/employer for the welfare of their members. In order to fulfill the objectives of the research data and information were gathered from different source.

#### **3.2 Data Source**

This study is an attempt to access the development and role of trade unions in Nepal. To fulfill the objectives of the study both the primary as well as secondary sources of data and information were used. Trade union in Nepal is basically concentrated in the formal sector where only about 10 percent workforce are enumerated but the informal sector occupying more than 90 percent workers is neglected from the trade union umbrella due to various reasons though recently trade unionists realised that in the present changing context without organising the informal sector workers the trade union movement could not be sustained in future. As a consequence trade union leaders have been started to focus unionisation of informal sector workers giving top priority in recent years following the amendment of Trade Union Act, which allowed the right to organise to the workers of informal sector including agriculture and self employed. Secondary information alone could not serve the purpose of the study because of lacking detailed study in this area. Thus primary data and information were also collected to know the perception of employers, trade union leaders, and workers themselves mainly

on the development of trade union in the country and role played by the Nepalese trade union in different periods.

### **3.2.1 Secondary Sources**

The secondary source includes published and unpublished data and information from the Ministry of Labor and Transport Management, Department of Labor and Employment Promotion, trade union confederations, Central Bureau of Statistics, National Labor Academy, employer's organisations. Likewise, articles, books, booklets, research reports, seminar and workshop papers, internet and so on related to the labour economics in general and trade union movement in particular from different institutions and individuals were used to highlight the status of the trade unions in general and Nepal in particular at different point of time. Similarly such informations are very useful to develop theoretical foundation, to know the historical development of trade union. However, efforts were made to analyse the development of trade union in the world at different time periods including identifying the current situation. SWOT analysis of the Nepalese trade unions is fully based on the secondary information supplied by various institutions. However, the prescribed role of trade unions in general and the role performed by the Nepalese trade union in the past and present is generalized on the basis of secondary informations. A number of quantitative information already generated by individuals and institutions were reorganized, tabulated and analysed at appropriate places in this study.

### **3.2.2 Primary Source**

The primary information were collected to support the analysis based on the secondary information and to know the perception of workers, union leaders and employers on trade unions and their activities in different periods, to judge their level of knowledge on trade union movement of the nation. Mainly two types of primary data and informations were collected from the field survey. The first type of information is the collection of demand sheets of the workers submitted to the management of the concerned establishment after restoration of multiparty democracy in the country. The second is related to the perception of management and workers from the enterprises and leaders from enterprise level to central level. Demand sheets were collected from the six

Zonal Labor Offices of the country (Jhapa, Morang, Kathmandu, Hetauda, Butwal and Nepalgunj) out of ten.

On the other, perception of the employers, workers and their union leaders were obtained from the six establishments namely Nepal Telecommunication Corporation Central office, Kathmandu; Nepal Biscuit Company, Kathmandu; Hetauda Cement Industry Ltd., Hetauda; Mahashakti Soap and Chemicals Pvt. Ltd., Hetauda; Colgate Palmolive (Nepal) Pvt. Ltd., Hetauda and Biratnagar Jute Mill, Birtnagar. Among the six establishments five are from manufacturing sector and one from service sector. Similarly three establishments out of the six are from private sector and three from public sector.

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### **3.3 Determination of Sample Size**

Multi stage random sampling is adopted while selecting the geographical area, sample enterprises and workers. But the Labour offices were selected considering the comfortability of the researcher.

#### **3.3.1 Selection of the Labor Offices**

Six Zonal Labor Offices out of ten were selected from four development regions from east to mid-west. Effort was made to cover Far-western Development Region too, but no single demand sheet was submitted in the Labor Office (Dhangadhi) of this region. This is because in this region number of establishments employing more workers are insignificant and union activities is also very weak. Almost all manufacturing industries in this region are rice and oil mills except Rosin and Turpentine industry located at Dhangadhi.

From the six Regional Labor Offices in different parts of the country, 39 demand sheets submitted to the concerned establishments by the concerned trade union were



collected. These demand sheets consists of single demand to 31 demands related to the rights and welfare of the workers. Altogether 586 demands of varied nature were counted in those sheets. These demand sheets cover carpet, construction, tea plantation, transportation, hotel, chemical iron, food and beverages, textile garment, garbage cleaners employed at municipality, financial institution, Jute manufacturing, printing press, agriculture and other sectors. The demand sheets also represent both the formal and informal sector.

**Table: 3. 1**  
**Number of Demand Sheets and Demands by Zonal Labour Offices**

Zonal Labor Office	Region	Number of		Sector
		Demand Sheets	Demands	
Jhapa	Eastern Nepal	5	111	Tea Plantation
Biratnagar	Eastern Nepal	5	83	Hotel & Tourism, Textile Garment, Food & Beverage and others
Kathmandu	Central Nepal	10	115	Hotel, Transport, Carpet, Printing Press, Construction, Food & Beverage, Agriculture and others
Hetauda	Central Nepal	10	122	Hotel, Chemical Iron, Food & Beverage and others
Butwal	Western Nepal	8	136	Textile, Food & Beverage, Finance, Garbage cleaning, Hotel and Others
Nepalgunj	Mid-western Nepal	1	19	Food & Beverage
<b>Total</b>		<b>39</b>	<b>586</b>	

The efforts was also made while selecting the demand sheets from those zones where number of demand sheets were high, but from the zones where only few demand sheets were available all the sheets were incorporated. The sheets were selected based on the requirement to cover all sectors in the regions and submitted by the union affiliated with different confederation at central level.

### 3.3.2 Selection of the Establishment

In the first stage the locations are selected purposively considering the representation of the region as the country has diverse topography on the one hand and localization of industry on the other. The selected enterprises are - Biratnagar from the eastern Terai, which is the first modern mill of the country and the history of trade union movement begins from the mill, Hetauda from inner Terai and Kathmandu (the capital city) from mid hill.

In the second stage, enterprises were selected purposively taking into mainly three considerations.

- ) To represent both the public and private sector,
- ) To represents the different sectors of production and
- ) Unionisation in the establishment.

At the same time while selecting the enterprises for the study preference was given to the manufacturing sector considering long history of the trade union movement in this sector. It is also believed that the enterprises selected will fully represent the overall enterprises of the country though it may not be true.

Of the total enterprises selected one is from service sector and rest five from manufacturing sector producing different products. The only one establishment from the service sector out of six was selected considering the fact that the employees of this sector have been just started to unite under the Trade Union Act where vast majority of the workers from this sector are still organising on their professional organisations but not affiliated with the trade union mainly considering trade union as an organisation of blue collar workers. Nepal Telecommunication Corporation was selected as a representative of service sector where Nepal Biscuit Company, Hetauda Cement Factory, Mahashakti Soap and Chemical Factory, Colgate Palmolive (Nepal) Pvt. Ltd., Biratnagar Jute Mill are the establishments selected from manufacturing sector. All these establishments belong to formal sector. Among these establishments Nepal Biscuit Company, Mahashakti Soap and Chemical Factory and Colgate Palmolive (Nepal) Pvt. Ltd are under control of the private sector where rest three belongs to the public sector though recently the Biratnagar Jute Mill is running by private sector on lease basis for the period of 5 years. Biratnagar Jute Mill is selected only because the first historical

labour movement was started from this enterprise in 1947. The Colgate Palmolive (Nepal) Pvt. Ltd is the multinational company.

**Table: 3.2**  
**Selected Establishments and their Location**

<b>Name of the establishment</b>	<b>Location/District</b>	<b>Sector</b>
Nepal Telecommunication Corporation	Kathmandu (Kingdom of Nepal)	Public sector
Nepal Biscuit Company Ltd.	Kathmandu (Kingdom of Nepal)	Private sector
Hetauda Cement Industry Ltd.	Makawanpur (Hetauda)	Public sector
Mahashakti Soap and Chemicals Pvt. Ltd.	Makawanpur (Hetauda)	Private sector
Colgate Palmolive (Nepal) Pvt. Ltd.	Makawanpur (Hetauda)	Private Sector – run by multinational companies
Biratnagar Jute Mill	Biratnagar, the first industrial city of Nepal (Morang)	Basically the mill is owned by public sector but currently run by the private sector on lease basis

### **3.3.3 Selection of Workers**

In the third and final stage workers were selected randomly considering with the view to represent from all the major units (technical, operative and administrative) of the enterprises. Besides, workers were also randomly selected to represent all the hierarchical levels of these three units. Although considerations were put to capture the gender sensitivity, only in few enterprises female representation could be made because only few female workers were found in those enterprises. In some establishments number of female employees were not found. The proposed sample size from each enterprises selected was 20 but it was not fulfilled in majority of the establishments due to various unavoidable reasons.

**Table: 3.3**  
**Sample Size of the Workers**

Name of the Establishment	Total Workers	Sample Size	Sample size as % of total workers
Nepal Telecommunication Corporation Central Office	408 (50)	20	4.9
Nepal Biscuit Company Ltd.	242 (44)	13	5.4
Hetauda Cement Industries Ltd.	751 (17)	20	2.7
Mahashakti Soap and Chemicals Pvt. Ltd.	98	10	10.2
Colgate Palmolive (Nepal) Pvt. Ltd.	117	11	9.4
Biratnagar Jute Mill	3972 (370)	15	0.4
<b>Total</b>	<b>5588</b>	<b>106</b>	<b>1.9</b>

Note: Figures in parentheses indicate number of female workers in total workers

In total the sample size is very low. But considering the number of permanent workers, the sample size is perfectly representing the population. In Biratnagar Jute Mill the share of daily wage and temporary workers is nearly three times more than the permanent workers while in other enterprises the proportion of permanent workers is significantly high compared to other types of workers..

### **3.3.4 Selection of Union Leaders**

In another final round all the three legally recognized confederations of Nepal namely; General Federation of Nepalese Trade Unions (GEFONT), Nepal Trade Union Congress (NTUC) and Democratic Confederation of Nepalese Trade Unions (DECONT) are covered to draw the information from the union leaders. Similarly all national federations affiliated with the above confederations are taken into consideration. But in the enterprise level, efforts were made to select the leaders from all the unions representing the enterprises, where more than one union was existed though the preference was given to the authorized union elected by the workers. In this way the leaders from all the three tiers of trade union were selected to know their knowledge and perception on trade union. The union leaders from different level of union are selected as follows.

**Table: 3.4**  
**Size and Criteria Adopted for Selection of Leaders**

Level of Unions	Criteria for Selection	Actual Sample Size
Confederations	Five each from the three confederations (president, secretary general, department chiefs – (Foreign affairs, education and female)	15
National Federations	One each from the national federations (either president or secretary) affiliated with the three confederations only	44*
Enterprise Level Unions	Five each from the selected establishments (at least three from authorized Union and rest from other unions)	30

\* Of the total 55 registered national federations affiliated with the three recognized confederations 11 could not be captured being the leaders outside from the three sample location (Biratnagar, Hetauda and Kathmandu).

The leaders in the establishments were selected from more than one union, but weight is given more to the authorized union (3 from authorised union & rest from other unions) where more than one union was working. Union leaders from the union outside the umbrella of the three confederations were also selected at the enterprises as much as possible but they were excluded at the national level. The single reason to exclude such federations is the problem of identification.

The perception of the management was also collected from all the enterprises selected. The informations were sought from any one among the owner, director and manager.

### **3.4 Data Collection Procedure**

The major primary informations were gathered from the field survey. The data obtained from the individual questionnaire were supported from the informal discussions with the management, workers (individually/group) and leaders at different levels of the enterprises.

The researcher himself carried out the survey using three separate structured interview schedule for three different categories of respondents (Annexes E, F, G). The first set was administered to the workers working in the selected enterprises without considering whether they are member of any union or not. They were selected randomly

based on their availability during the visit of the researcher. But an effort was made to cover different units of work and level of the workers at the enterprises. In the enterprises the union activists helped the researcher positively to select the workers and manage their time without hampering their normal duty. The schedule includes general information of the workers, status of their affiliation on trade union, evaluation of trade union by the workers and knowledge as well as perception on development and role of trade union.

The second set was used to collect information from the union leaders working actively in different levels of the trade unions. This includes questions related to the background information of the union leaders, status of trade union leaderships, perception of the leaders on development and role of trade union. Likewise, the third set was administered to the management of the selected enterprises. This set of schedule includes background information of the respondents, attitude of the management on different labour issues, relation of management with workers and their union along with the attitude on development and role of trade unions in the country. The questions related to the development and role of the trade union were common to all groups of the respondents for comparable study. The different questions were set to obtain general information about the enterprises and perception on trade union. The information provided by the respondents was noted carefully and cross-questions were also raised to check the conformity of the information provided by them during interview with them.

Besides this quantitative data collected from the management, union leaders and workers, some additional information was also collected from the informal discussion with all the three groups of the respondents.

### **3.5 Analysis of Data**

The study is based fully on descriptive analysis. The available information from the survey was carefully edited and tabulated using simple statistical tools (rates, ratios, percentage) and analysed as much as possible to explore the real situation of the trade union in Nepal, which is lacking at present. Similarly the secondary informations collected from different institutions and literatures were recalculated and organised according to the objectives of the study. These secondary data are analysed separately in most of the cases where some informations are incorporated in the analysis of primary

information at appropriate place. Cross tables were prepared from the primary information and presented wherever is felt necessary.

### **3.6 Organisation of the Study**

The study is divided into eleven chapters including introduction and conclusion & recommendations. The first chapter highlights the socio-economic situation of the country in brief followed by concepts, definitions and theories of trade union. This chapter also tries to dig out the need of trade unions in global context assuming usually the same is applied to all the countries all over the world. Second chapter is the review of related and available literature of both published and unpublished relevant to the current study where third chapter deals research methodology used to conduct this study. This chapter deals methods of information collection and analysis. Historical development of trade unions in global context is presented in chapter four while fifth chapter tries to highlight historical development of Nepalese trade union movement at different time period since its inception. Chapter VI tries to deal strength and weaknesses of the Nepalese trade unions on the one and on the other highlights their opportunities and threats. Analysis of the demand sheets of the workers submitted to the employers of different sectors is presented in chapter seven. Chapter VIII and IX respectively presents the general background of the workers and leaders of the selected establishments and perception of workers, trade union leaders and management of the establishments on development of trade union in Nepal. The tenth chapter tries to analyse the role of trade unions in general based on the information obtained from the secondary source at the same time efforts was made to highlight the past present and future role of trade unions in Nepal to fulfill their goals based on the primary information of management, workers and their leaders. The final chapter is summary of findings and recommendations for future action.

## CHAPTER IV

### TRADE UNIONISM IN GLOBAL PERSPECTIVE

#### 4.1 History of Trade Union Movement

As discussed in chapter I labour movement is as old as human society itself where trade union movement is associated with industrialisation. Generally the society is divided into two groups in each stage of the human civilization and the nature of the movement is found different in different periods and places. In ancient times workers started to protect themselves against the extreme exploitation from their master in various parts of the world. Among them the major movements are as follows.

The historical evidence shows that in 1750 BC the slaves of Egypt started their struggle against the cruel exploitation of King Phiraun and ultimately captured the capital of Egypt but they failed to sustain it mainly because of lack of knowledge and experience to rule. Similarly the slaves of Rome had prepared their arm force within them and fought with their master up to four years since 74 BC. Das leader Spartacus led the struggle but became unable to win it. The masters had also killed more than 6,000 workers participated in the struggle with the help of the then ruler after the end of the struggle.

During 184 AD the slaves as well as peasants of China were suffered by the exploitation and injustice of Han Emperor. Consequently they started their struggle against the emperor that was continued up to 20 years but they did not success. It is estimated that about 150 thousand people lost their life during the movement. The movement was known by the revolution of Chan brothers because three *Chan brothers* led it.

On the one hand the capitalists exploited workers highly in England and on the other many workers were led off after the installation of machine since the beginning of the 19<sup>th</sup> century. Consequently unemployed mass had increased rapidly. Than the workers feel that the reason behind to their unemployment and wage cuts in the industrial sector is the machine, which was installed by the capitalists. So they started a movement to break machine in the leadership of '*Ludait Sangh*' since 1811 and this process continued till 1816. This movement is popular by *Ludait Movement*. This



movement was first started from Nottingham city and spread in central England and reached up to North America (Rohit, 2001 : 2-3). After the Luddite movement organised labour movement was expanded all over the Europe though there was no formal trade union up to this date. Formal trade union was established in England only after the enactment of *Combination Act* in 1824, which provided few rights to the workers.

Lyon was as an industrial city of France during 19<sup>th</sup> century. The industrial workers were getting low level of wages in substitute of their work that was hardly sufficient for one meal per day. So they requested to their employer for reasonable wage but the masters did not hear the demand of the workers. Consequently the exploited workers unitedly went in strike in 1831. The government had given favour to the capitalists and used its armed forces to suppress the revolution of the workers for their reasonable demand. The workers fought continuously three days with the government forces and had succeeded to capture the city up to 10 days. But the workers were in confusion due to the lack of their own party or strong organisation and experience to construct a government to rule the country. During this period additional military force sent by the government from Paris entered into the city and captured the city by the government. Again in 1834 the workers of Lyon city landed in revolution to capture the city with past experience but the government forces defeated them after one weak struggle. These movements are popular form *Revolution of Lyon City*.

The Trade Union Association of England has prepared a demand sheet in 1836 including the demands related to working hours, voting rights to the workers, evolution of unemployment, restriction on child labour, increment of wages of all workers including agricultural workers. This demand sheet was submitted in the parliament in 1839 that was signed by the 1.2 million workers but the parliament did not hear the demand of the workers and they were suppressed. The workers did not live their struggle and continued the signature campaign. In 1842 again they submitted the same demand with the signature of 3 million and the same was submitted in 1848 with the signature of 5 million workers carrying by 20 people. But they never have been success to fulfill their demands. This movement is popular by the *Chartist Movement*.

In 1848, Karl Marx and Engels started their work to unite workers all over the world against their exploitation by the capitalists with the slogan *Bishwabharika*

*Majdoor Ekhoun* (Workers of the World! Unite!). That is one of the major milestones in the international trade union movement.

In 18<sup>th</sup> March 1848 the workers of France had started revolution against the government while the government failed to provide employment, fooding and residence to its citizens. As a result this time the workers of France win the government armed forces and captured Paris. In 26<sup>th</sup> March they had elected 85 representatives of Paris Commune. Among them more than half were workers. The new government was formed in 28th March and ruled till May 28. This is familiar all over the world by *Paris Commune*. During this short period the workers' government started a lot of progressive activities in favour of its citizen in general and workers in particular (Rohit, 2001 : 55-67). The commune of workers was failed because of their liberal policy towards all of the citizens including former ruler its army and the capitalists.

In 22 June 1848 millions of workers in Paris came in the street, demanding guarantee of their employment when 113 thousand workers became unemployed caused by closing the national workshop by the government. The government use armed forces to control the movement. Ultimately armless workers backed from the movement after four days. The government had arrested about 25,000 workers and among them about 11 thousand were killed. This struggle is famous from *June Revolution* (Rohit, 2001 : 27-28).

After the downfall of *Paris Commune* the influence of trade union movement expanded up to America. For the first time in the world the workers of Chicago had submitted a demand sheet relating to utilization of time (8 hours working hours, 8 hours rest and 8 hours entertainment). In their demand sheet they also threaten to the capitalists if their demands were not fulfilled they will go on strike since May 1, 1886. But the capitalists did not fulfill their demand. Consequently the workers lunched a strike where in the first day about 40 thousand workers had participated in strike in the street of Chicago demanding eight hours work per day. The participation of the workers increased day by day and become doubled in the third day of the strike. On the other the then government had also increasing its armed forces to suppress the movement that was backed by capitalists. The first and second day movement was peaceful but since 3<sup>rd</sup> May the government police had started to shoot the revolutionary forces. The labour unrest

reached a climax on May 4. Large numbers of workers were dead, many were injured and most of the leaders were arrested during this movement.

The labour movement was widespread all over the world immediately after the heavy bloodshed movement of Chicago. International Labor Conference was organised in 20<sup>th</sup> July 1889 in the leadership of Fedric Engel's. The congress was participated 400 delegates from 20 countries. The conference decided to celebrate May first each year as **May Day** to remember the martyr's of May 1-4 Chicago revolution (Rohit, 2001 : 70-71). Since than May first is celebrated as **May Day** by the workers of the world. These are the major labour movements directly led by the workers themselves.

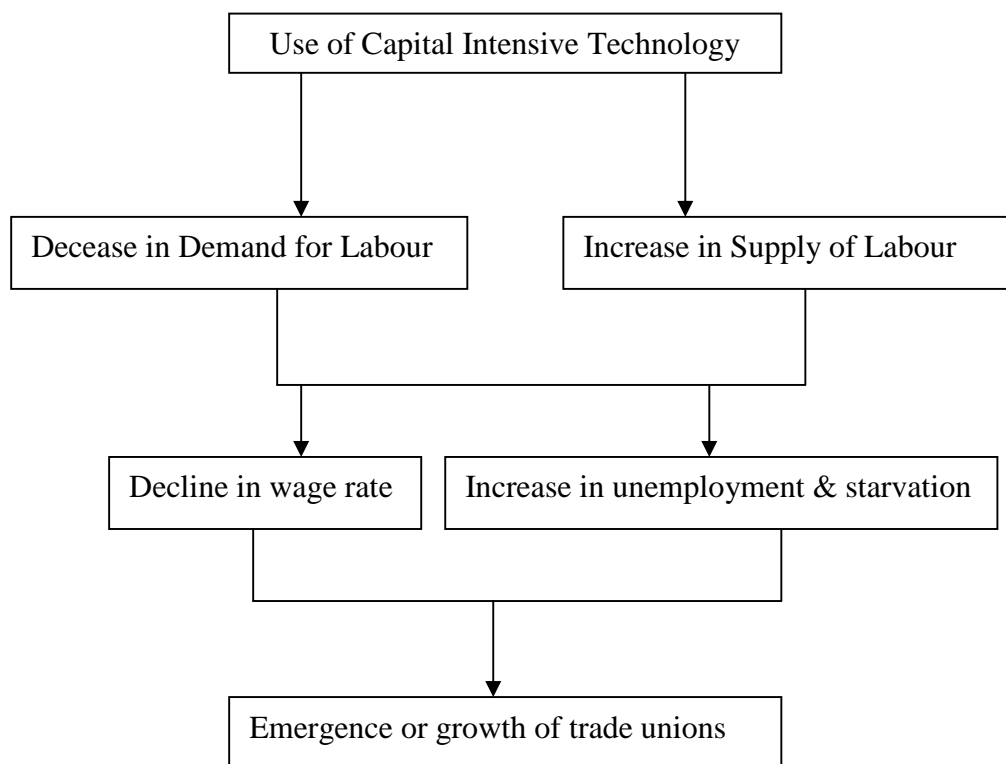
Besides these the German labour movements on different periods, October Revolution of Russia, and the workers movements in various industrialised countries are the major turning points directly organised and conducted by the workers themselves or actively participated to the movements led by the political parties.

The history of trade unions is associated with the development of industries. In early period labour were considered not more than commodities of the market which can be bought and sold and they used to treat them as servant or some times as a slaves. At the beginning of the industrial development the artisans' family work together and produced goods where labour-management relation do not exist. The employer-employee relationship exit only when the artisans' or craftsman start to hire their assistant or helper outside from their family and it become necessary to fix the terms and conditions of the service provided by the workers outside from their family. As the business expands the employer starts to hire more and more workers on specific terms and conditions relating to wages, hours of work, etc. The process of modern industrialisation has further increased labour problems such as employment of women and children even in heavy manual work, long hours of work, low wages, lack of basic facilities, bad working and living conditions, heavy workload and inhuman treatment by the master/employer.

Individually a worker found it difficult to fight against such exploitation. So the workers realised the need of their own organisation to fight with employers for more wages, less hours of work, reasonable facilities, humanitarian treatment, good working environment, etc. directly in the industrial field through their collective action.

Therefore, it is necessary to study the development of industrialisation process for a proper understanding of the origin and growth of the labour movement.

**Figure 4.1:**  
**A Relationship Between Capital and Workers**



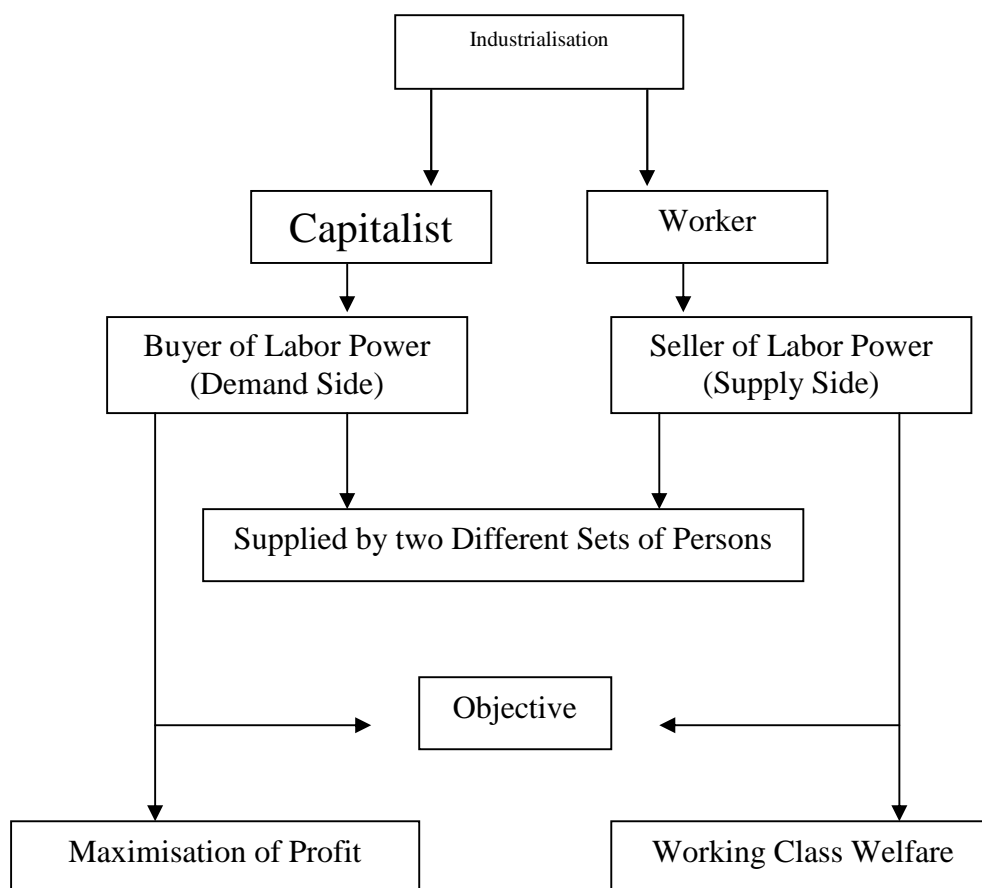
## 4.2 Origin of Trade Unions

Industrial revolution has brought about changes everywhere in the world and given rise to new social problems. The institutional arrangements of the old industrial order have been displaced with that relation to the factory system depending on huge capital investment, natural resources and manpower.

The nature and degree of trade union movement in the world varies country to country. The trade union movement in Britain has not been revolutionary but is part of the national establishment, committed to the welfare state and to parliamentary democracy. In the USA the mainstream trade union rejected a socialist ideology at an early stage (Coldrick & Jones, 1979 : 2-3). The trade union movement of European countries however, has adopted revolutionary attitude from time to time through its early connection with anarcho-sydicalism. Spain was the centre of strength for anarcho-

syndicalism and spread into Italy, Spain and Northern Europe. The anarcho-syndicalism within trade union movement was replaced by Marxist influence in the twentieth century. Marx and Engels recognized the trade unions as centers of organisation of working class overthrowing the bourgeois dominance. The entire activity and aim of Soviet trade union was directly linked with that of the Communist Party (CP). The development of trade unions was based on the guidance of party. The party members were also the members of trade unions. The central level trade union leaders always was appointed by the CP because it always use the trade unions as a reserve army/force for the revolutionary struggle. The case is more or less similar in China with few differences.

**Figure 4.2**  
**Origin of Trade Union**



In the developing countries trade unions are often characterized by ideological commitment. In Latin American countries trade unions are generally identifies as opponents of the government. In the newly independent states, agents of the former colonial power often formed trade unions, and attempts were made to build a labour

movement on British or French lines in Africa or the Caribbean countries. Otherwise, trade unions were formed as a branch of political parties and the labour movement has played a significant role in national movements of liberation from colonial rule. In many of the new states, however, rationalization of trade unions has taken place to end fragmentation of the workforce and to limit political decision and social disturbance, whilst framed by the particular political, economic and social conditions of the developing countries themselves, the trade unions which have emerged often display many characteristics at variance with the Webbs model (Coldrick & Jones, 1979 : 4).

### **4.3 Development of Trade Unions**

While discussing the development of trade union it will be best to trace the labour history of Britain, which is regarded all over the world as the birth place of working class movement. Prior to the repeal of the brutal Combination Law (1824) little is known about the history of British trade union movement. But they were illegal, working as an underground organisation. By the end of the eighteenth century there were about forty Acts in parliament designed to prevent workers from combining, which suggests that trade unions had been active for many years prior to the nineteenth century. Trade unions spread everywhere due to the exploitation of workers in the early days of nineteenth century first in Britain and then in USA and Europe (Coldrick & Jones, 1979 : 5).

In the increasingly complex societies the trade unions were developed from their belief that they could maintain and improve their interest only by organising the working class together as a continuous association that could speak for them adequately. In the beginning when the workers starts to organise in a trade union the institutions such as the state, the courts and the employers all believed that the workers were attending the established order by combining for the purpose of protection into trade unions. Therefore they felt justified in using full repressive owners of the state. Generally the economic forces enlightened thinking and emerging public principles helped to start the long process of change. Consequently, Trade Union Acts of Britain (1871 and 1876) have given legal status to the trade unions. The state accepted trade unionism as one of the social partner and consulted on every relevant matter to keep industrial peace in any situations including during both the World Wars.

The trade unions organised during late eighteenth century and the early nineteenth century in Britain and USA were more or less same type. There is no connection between trade unions and medieval craft guilds. The early unions were formal partly as social clubs but soon become increasingly concerned with improving wages and working conditions, primarily by the device of collective bargaining.

Trade unions play a dual role- economic and political that give rise to a difference of emphasis between the industrial and political wings of the labour movement. Industrial functions like protection of employment, improvement of wages and the working conditions of their members are considered the primary function of the trade unions. Industrial functions are balanced by political function and a political voice in the party to which the movement be allied.

The first unions were almost exclusively based upon a particular craft. But increased industrialisation and the entry of semi-skilled and unskilled workers to the trade union movement brought both unions organised on an industry wide basis, where all workers in the same industry or the factory joined the same union where general workers which embraced skilled workers and labourers of all grades from different industries.

The organisations of professional, white collar and agricultural workers remained weak in Europe and America in the early days of trade union development. In the third world countries the public sector workers' organisation was far more important in trade union development. Similarly the roles assigned to collective bargaining and labour legislation vary substantially not only in developed and developing countries but also within one country to another having the same status.

The trade union movement was created and developed to meet human, economic and political needs and aspirations. The movement not only varies in different countries, regions as well as continents but also varies from one period to another within the same country too. There is no overall plan and universal accepted model of trade unions. Similarly the pattern of development, structure, organisation and objectives of the trade unions may vary. The movement is a living organism, in a continuous state of change, which develops, merges and separates while responding to economic and political pressures. Through the course of time it has been possible to trace the interaction

between local, national and international changes on structure, objectives and affiliations at all levels of trade union movement (Coldrick and Jones, 1979 : 1).

As a result of the growing importance of the trade union movement undertook an increasing share of responsibility for the economic life of the country. The trade unionists in almost all countries in the world realised the need of international cooperation and an organisation to support it. Consequently a strong movement towards greater centralization of national trade unions developed along with the establishment of closer, international relations.

In 1864 the First International of workers was hold in London gathering workers affiliated directly with various political ideologies. The participants of this international discussed thoroughly the theories and merits of Marxism and the means of action necessary to put an end to capitalism and the inhuman miseries suffered by the working class. The Soviet, British and American trade unions were the leading unions of the international. The non-political delegates of different trade unions did not feel comfortable, because revolutionary policies were separated from the realities and possibilities of the times. Many trade union organisations withdraw from the International being unsatisfied in the attitude of the International towards the Paris Commune (1871). Continuous efforts were made to unite the workers in an international centre that was fulfilled only after six years since 1871.

An international workers' conference was held in 1877 participating mainly form European countries. This conference issued an international manifesto underlying the necessity for intelligent and constructive action using the means of propaganda and education to bind the workers together nationally and internationally. Again the conferences were held in 1881 and 1883 where the leaders associated in various socialist movements from European countries were participants. Only Britain stood as an exception sending representatives from trade union.

The British Trade Union Congress (TUC) organised a conference of the trade unionists from different continent to discuss and reach on an understanding on the issues of obstacles to trade union development in each participant countries as well as necessity of an appropriate solution at international level. But the conference was failed to reach its



success. During the end of the nineteenth century major trade unions from most of the countries linked to the socialist party of their respective countries except TUC.

#### **4.4 Emergence of International Trade Union Centers**

The national trade union centres had also tried to establish international relationship by establishing international trade union Secretariats (ITS) on specific trade/industry. As a result the ITSs of trade unions have grown rapidly, in the last decade of the nineteenth century. In this series International Boot and Shoes Makers Federation (1871), Construction workers International (1883), Wood Workers Federation (1883), Tobacco Workers' International (1889) were the first among the ITSs. The ITSs retained their commitment to international socialism but also concentrated more on immediate problems.

As a result of an attempt made by the ITSs, international labour conference was held in 1901 and International Federation of Trade Unions (IFTU) was came into existence in 1913. But the IFTU split on the ground of political ideology. Red International of Labor Unions (RILU) was established with the objective of marshalling trade unions everywhere in support of communist revolution after the October Revolution (1917) in Russia. Efforts were made to create only one trade union international centre but the efforts become unsuccessful mainly because of strong political rivalry between communist and social democrats.

International Federation of Christian Trade Unions (IFCTU) was formed in 1920 as a third international trade union organisation fully based on Christianity with the objective to be an alternative of the socialist and anarchist trade union organisations. The IFCTU had succeeded in organising separate Christian trade unions for workers whose religious convictions presented them from joining socialist trade unions.

After the separation of trade union movement all of them have faced various ups and downs in the labour movement. Realising the problem of separation the Anglo-Soviet trade union committee meet in September 1944 at London and have given authority to the TUC of Britain to organise a world trade union conference as soon as possible. Consequently in February 1945 an international conference of workers was organised. In that conference 53 trade union organisations from different countries of the world had participated. The conference had decided to establish a common trade union

organisation at international level. Consequently World Federation of Trade Unions (WFTU) was emerged in Paris dissolving the IFTU where another trade union centre RILU was in existence up to 1934. Trade unions of different countries including British, Soviet Union, French, and CIO of America joined at WFTU, but the AFL of America and IFCTU affiliated unions refused to take part in new organisation. Among the various trade union federations affiliated with WFTU British, Soviet Union and American unions played leading role.

The first and important problem before WFTU from its first day of establishment came clearly regarding the relationship with the ITSs. The WFTU proposed to incorporate all the ITSs under its banner without providing any autonomy to them. But most of them refused the proposal. Consequently, the activities of the ITSs were paralyzed for a short period until they constituted themselves and resumed their normal activities.

Similarly after one year of the establishment of WFTU, it starts to suffer from political conflict. The federation was under control of Soviet Union and rejected the US Marshall Plan regarding aid for the reconstruction of Europe. On the other the AFL, which was outside the WFTU, led a vigorous campaign against it. As a consequence non-communist members of the WFTU announced that they no longer affiliated to communist dominated organisation. The unsatisfied trade unionists organised a conference in 1949 at London representing the same number of countries as of during the organisation of WFTU. The conference established the International Confederation of Free Trade Unions (ICFTU) formally led by the British and American trade union federations. The ICFTU successfully resolved the problem of the relationship with ITSs with provision made from joint activities over a wide field without in any way limiting the autonomy of the secretariats.

Since the formation of ICFTU national trade union federations have led further separation and exist partly competitiveness belonging with WFTU, ICFTU, and WCL (World Confederation of Labor renamed of IFCTU founded in 1920). These three confederations are also known by 'Global Internationals'. Besides these global internationals there are other trade unions active and having voice in the international trade union movement working independently. Among them it is mentionable that IWA-WSA (International Workers' Association- Workers Solidarity Alliance) as a global

formation of Anarcho-Syndicalists is in existence parallelly. Moreover, European Trade Union Confederation (ETUC) organised in 1973 with the affiliation of European national centres and European industry federations and Trade Union Advisory Committee to the Organisation for Economic co-operation and Development (TUAC) founded in 1948 with the affiliation of national trade union centres in OECD countries. Other regional blocks of trade unions are: Commonwealth Trade Union Congress of former British colony, OATUU (Organisation of African Trade Union Unity), IFATU (International Federation of Arab Trade Unions) and ASEAN trade unions are also mentionable unions of the workers. The American trade unions were active to promote trade union movement in the world especially in developing countries against growing communist ideology.

The international trade union movement as a whole stands at a crossroads. Globalisation is pushing trade unions towards more international solidarity. The ICFTU and International Trade Secretariats (ITSs) are seeking to build global trade union counterweights to global cooperation (TUAC-OECD, 1990).

#### **4.5 Current Status of Global Internationals**

Workers and unions feel the need for international solidarity with the increasing movement of workers all over the world from the beginning of the industrial development. The necessity to inform and support the movement organised by the workers in any part of the world was realised by the unionists. Consequently they started to establish ITSs in their respective fields. As a result of growing importance of ITSs their numbers had increased rapidly and reached 33 in 1914 prior to the formation of the global internationals.

WFTU, ICFTU and WCL are the major international level confederations of trade unions working in different capacity worldwide. After the split in 1949 the WFTU lost nearly all its western organisations leaving it with a membership that consisted principally of unions from countries of Eastern Europe. Its action was also marked by the cold war and its autonomy was greatly reduced owing to its subordination to the party. The Soviet Union was to dominate the federation throughout its existence.

### **4.5.1 World Federation of Trade Union**

WFTU set up regional structures at different continents. In Latin America it established a Permanent Congress of Trade Union Unity of Latin American Workers-PCTUU-LAW and in Africa the All African Trade Union Federation (AATUF). Once again the WFTU suffered when the trade union of China ACFTU (All China Federation of Trade Unions) and other unions linked with it had withdraw from WFTU during the 1960s. Trade Union Internationals (TUIs) were created as the trade secretariats of WFTU. The WFTU has been greatly weakened while the several unions (especially new) have started to join the ICFTU, WCL or are in negotiation with the European Trade Union Confederation (ETUC) since the very beginning of the 1990s, which is the major challenge of WFTU even though this centre was stronger in the world up to 1988. During that period there were more than 160 million members affiliated with WFTU from the trade unions of 70 countries in the world. Recent loss of WFTU is ouster of CGT France in early 1995, which was the main source of financial support at that time. Now the WFTU is composed of associated and affiliated trade unions representing the collective interest of about 130 million workers from 120 countries worldwide. Its prime objective is the emancipation of the working people by means of struggle.

However, the WFTU develops working partnership with national and industrial trade unions worldwide as well as with a number of international and regional trade union organisations including the Organisation of African Trade Union Unity (OATUU), the International Confederation of Arab Trade Unions (ICATU), the Permanent Congress of Trade Union Unity of Latin America (CPUSTAL), the General Federation of Trade Unions of CIS. The WFTU holds consultative status with the Economic and Social Council of the United Nations, the ILO, UNESCO, FAO and other UN agencies.

The Trade Union Internationals (TUIs) created as trade secretariats by WFTU are as follows.

- ) Trade Unions International of Agriculture, Food, Commerce, Textile and Allied Industries
- ) Trade Unions International of Public and Allied Employees
- ) Trade Unions International of Energy, Metal, Chemical, Oil and Allied Industries
- ) Trade Unions International of Transport Workers

) Trade Unions International of Building, Wood and Building Materials Industries

) World Federation of Teachers Unions

#### **4.5.2 International Confederation of Free Trade Union**

ICFTU is a worldwide alliance of free and independent central organisation or confederations of national level industrial trade union federations. In 2001 it represents 158 million trade union members organised in 233 national trade union centers from 152 countries and territories. Headquarter of the ICFTU is situated at Belgium (Brussels) whose three regional organisations ORIT, AFRO and APRO are located at Venezuela, Kenya and Singapore respectively. In Europe the ICFTU works in close collaboration with the European Trade Union Confederation (ETUC) founded in 1973 and Trade union Advisory committee (TUAC) established in 1948 covering 30 OECD countries. It has close relations with the International Trade Secretariats (ITSs) now known as Global Union Federations (GUF), which state that they are part of the same international trade union movement. The GUFs are:

) Education International (EI)

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

) International Federation of Building and Wood Workers (IFBWW)

) International Federation of Journalists (IFJ)

) International Metal Workers' Federation (IMF)

) International Transport Workers' Federation (ITF)

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

) International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF)

) Public Services International (PSI)

) Union Network International (UNI)

The WCL as an international trade union organisation, based in Brussels defends the interests of the working people all over the world, strives for a greater respect of the core labour standards in international trade and co-operation agreements and aims at more social justice for all workers and peoples. At the beginning of the 1990s it claimed a membership of 15 million workers from 86 national organisations in 82 countries. Its

membership is far smaller than those of the other two world confederations. It is the only one to have more members in the third world than in the industrialised countries. WCL organizes international trade union solidarity and supports all initiatives and alternative development models that do justice to the human being.

### **4.5.3 World Confederation of Labor**

WCL have regional organisations in the different continents. They are: Democratic Organisation of African Workers' Trade Unions (DOAWTU) In Africa, Brotherhood of Asian Trade Unionists (BATU) in Asia, CLAT (Central Latino Americana de Trabajadores) in Latin America, National Alliance Of Postal and Federal Employees (NAPFE) in North America. In Europe it only represents a handful of national centres, the largest of which is the Belgian Confederation of Christian Trade Union Federations, which together form the World Committee for Professional Action (WCPA), a body that specializes in developing the WCL's action in this field. The WCPA has a World Secretariat for Professional Action (WSPA) that forms part of the WCL secretariat. Unlike the ITSs, which enjoy a high level of autonomy in relation to the ICFTU, the ITUFs are linked with WCL. They are:

- ) International Federation of Employees in Public Services (Public Service)
- ) World Confederation of Teachers – WCT (Teachers)
- ) International Federation of Trade Unions of Transport Workers (Transport)
- ) World Federation of Building and Woodworkers Unions – WFBW (Construction)
- ) International Federation Textile - Clothing – IFTC (Textile)
- ) World Federation of Industry Workers – WFIW (Industry)
- ) World Federation of Agriculture, Food, Hotel and Allied Workers – WFAFW (Agriculture & Food)
- ) International Association of Professional Cyclists (Professionals Cyclists)
- ) International Co-ordination Committee of Artists' Organisations (Artists)

The ICFTU plays an active role in the ILO. It also represents international conferences of United Nations and its specialized agencies like UNCTAD, UNIDO and the FAO, as well as in the IMF, WB and GATT. Similar position is enjoying by WFTU and WCL as well.

#### **4.5.4 Other Major Union**

The European Trade Union Confederation (ETUC) now is representing 74 confederations in 34 countries, 11 industry federations that claimed 60 million memberships in 2001 where the TUAC reported 70 million membership from 56 affiliates from 30 OECD countries (ICFTU, 2001). Besides these global and regional trade union centres ACFTU of China having about half of members of the total union members in the world, AFL-CIO (America), DGB (Germany), TUC (England), CTU (Hong Kong), NZCTU (New Zealand), ACTU & OGB (Australia), RENGO (Japan), MTUC (Malaysia), LO (Norway, Sweden & Denmark), FNV (Netherlands), CGT (France) are the major national trade union organisations from the point of view of membership where KCTU (South Korea), KMU & BMP (Philippines), CITU, AITUC, HMS, BMS, INTUC (India), ZENROREN (Japan), KOSATU (Africa), CUT (Brazil) are the principal national unions in the world on the basis of militancy and movement. All these organisations are effectively launching their activities for the welfare of the working class. Some of them are at the position to influence the government effectively.

#### **4.6 Linkages of Nepalese Trade Union Movement with Global Internationals and Global Unions**

In the context of development of international relations, GEFONT is maintaining contacts and holding dialogues with international centres linked to all divergent views based on the principles of non-alignment, independence and no prejudices. A high level delegation of GEFONT attended the 14<sup>th</sup> Congress of WFTU aiming to contribute to formation of a common and single international trade union centre and exchange of communications with WFTU is still continue. After the Third National Congress of GEFONT (2000) it has frequent touch with WCL. In this connection GEFONT executive has been visited to WCL to attend their programmes including 25<sup>th</sup> World Congress of WCL. Likewise, WCL delegations have visited GEFONT in many times including Fourth National Congress of GEFONT held in May 1-4, 2004. During this period GEFONT made public its views that both the organisation could work together in areas discussed and mutually agreed upon. Similarly GEFONT has started a lively contact and information sharing with ICFTU recently. GEFONT is extending its effort to create

common, independent, democratic and dynamic single international trade union centre. In this issue high-level meeting is continuing.

GEFONT has also been extended its relations with the Global Union Federations (GUFs). Leaders of International Federation of Chemical Energy, Mine and General Workers' Unions (ICEM), International Federation of Building and Wood Workers (IFBWW), International Textile, Garment and Leather Workers' Federation (ITGLWF), Union Network International (UNI), International Metal Workers' Federation (IMF) and International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) have visited GEFONT coinciding with various programmes and occasions. All this has helped to consolidate bilateral relationship with these federations.

Among the 16 national federations affiliated with GEFONT, Central Union of Painters, Plumbers, Electro and Construction Workers-Nepal (CUPPEC) and Nepal Independent Chemical- Iron Workers' Union (NICIWU) & Independent Garbage Cleaners' Union of Nepal (IGCUN) are already affiliated with IFBWW and ICEM respectively. Recently Nepal Independent Carpet Workers' Union (NICWU), Independent Textile Garment Workers' Union of Nepal (ITGWUN) and Nepal Independent Workers Union (NIWU) have gained affiliation with ITGLWF. Similarly, Independent Press Workers' Union of Nepal (IPWUN) has applied for the affiliation with UNI. Besides these GEFONT's priority goes to extend relationship with other new organisations and strengthen with the previous ones.

GEFONT has also been extending its relations with various national trade union centres working in different countries of the world in different stages. Besides the trade unions GEFONT is also having cooperation with some of the international, regional and national organisations such as - ILO, DANIDA, KAD-Denmark, FES- Germany, and so on.

NTUC is affiliated with International Confederation of Free Trade Unions (ICFTU) from its establishment. It is the only federation of Nepal having affiliation to ICFTU. It has friendly relation with the regional centres of ICFTU and some of the affiliates like CLC (Canadian Labor Congress), SAK (Central Organisation of Finnish Trade Unions), AF (Confederation of Academic and Professional Unions in Norway),



COSATU (Congress of South African Trade Unions), TCO (Swedish Confederation of Professional Employees) and TUC (Trade Union Congress, UK). Out of the total National level unions affiliated with NTUC, Nepal Teachers Association (NTA), Nepal Tourism & Hotel Workers Union (NTHWU), Nepal Factory Workers Congress (NFWC), Nepal Garment Workers Union (NGWU), Nepal Carpet Workers Union (NCWU), Nepal Health Workers Association (NHWA), Nepal Press Union (NPU), Nepal Transport Workers Union (NTWU), Nepal Inter Corporation Employees Union (NICEU), Nepal Tea Garden Workers Union (NTGWU), Financial Institute Employees Union of Nepal (NFIEU), Nepal Building & Construction Workers Union (NBCWU) are affiliated with one or the other Global Unions. NTUC has good relation with the WCL, ETUC, ILO, FES and JILAF, OHSE, JIL, KOILAF, ESCAP. NTUC is also linked with international organisations like IMF, WB, ADB, BIS, OECD, TUAC, ASEAN, APEC and Anti Slavery International. It has also close relation with national trade union centres of different countries.

DECONT has comfortable relation with all the Global Unions. Among the DECONT affiliates the Construction and Allied Workers' Union of Nepal (CAWUN) is affiliated with the Global Union Federation IFBWW (International Federation of Building and Wood Workers), Nepal Customs and Airport Workers Union (NCAWU) & Nepal Film Workers' Union (NFWU) with PSI (Public Services International). It has been implementing various programmes in collaboration with ILO, ESPS and FES. DECONT also has been maintaining relation with the various national unions of different countries. Besides these it is known that DECONT has applied to affiliate with WCL and is also maintaining close relationship with the ILO and FES.

#### **4.7 Status of Trade Union in the Globe**

Today, trade unions have developed in all most all countries in the world though the degree of development and rate of unionisation varies greatly in these countries mainly based on the socio-economic and political situation of the nation. The number of unions and federations in the world is not available. The trade union membership and change during 1985 and 1995 period is presented in table 4.1.

**Table: 4.1**  
**Trade Union Membership in the World by Regions**

Region	Number	Percent	Change during 1985-95
<b>Africa</b>	<b>17364491</b>	<b>10.59</b>	-
Sub-Saharan	10026933	6.12	-
North & Middle East	7337558	4.48	-
<b>America</b>	<b>53961496</b>	<b>32.91</b>	-
North	20488500	12.50	-1.1
Central	11042156	6.74	-19
South	22430840	13.68	-6.1
<b>Asia</b>	<b>34375346</b>	<b>20.97</b>	-
East & south-east	23930252	14.60	4.8
South	10445094	6.37	10.5
<b>Europe</b>	<b>55442105</b>	<b>33.82</b>	-
North	7526700	4.59	-0.1
Western	23749071	14.49	-15.6
Southern	10173734	6.21	2
Central & east	13992600	8.53	-35.9
<b>Oceania</b>	<b>2801900</b>	<b>1.71</b>	-19.4
World	163945338	100.00	-

Source: ILO, *World Labor Report 1997/98*, p. 2.

The share of the union membership is high in the Europe (33.82%) and Americas (32.91%) where Asia comes at third place. But the number of union membership in America and Europe is declining rapidly after 1980s. Central and East European countries experienced sharp decline in the union membership mainly because of the down fall of the communist rule following the downfall of Soviet Union. Central America and Western Europe also experienced significant decline in trade union membership during the same period. Where it increased in Southern Europe and Asian countries. But now a day it is declining almost all countries in the world as a result of expanding globalisation.

The trade union movement has been in the center of a serious crisis all over the world especially in developed countries since last twenty years. The year 1980 marks the

beginning of a serious decline in union membership in most of the industrialised countries. Up to 1985 some countries in Europe like Belarus, Belgium and Ukraine reported 100 percent union membership as percent of non-agricultural labour force. In recent years trade unions are experiencing serious loss of their members gradually especially in developed countries.

Trade union membership has dropped sharply in many European countries. This is particularly true in the central and eastern European countries including those in former Soviet Union. Out of the 68 countries in the world for which comparable data were available more than half (35) have shown considerable drop in their trade union membership in absolute figures during 1985-95. The drop in membership during the ten years period ranges from 0.1 percent (Japan) to 75.7 percent in Israel where 32 countries have shown increasing trend. Swaziland has shown dramatic increment (975.7%) during the one decade. Similarly South Africa, Chili, and Bangladesh have also shown rapid increment. Only Costa Rica stood at constant union membership in absolute figure during the decade.

**Table 4.2**  
**Status of Trade Union Membership During 1985-95 by Continent**

Continent	Number of Countries	Status of Membership		
		Constant	Increase	Decline
Africa	8 (100.0)	-	5 (62.5)	3 (37.5)
America	14 (100.0)	1 (7.1)	6 (42.9)	7 (50.0)
Asia	16 (100.0)	-	13 (81.25)	3 (18.7)
Europe	28 (100.0)	-	8 (28.6)	20 (71.4)
Oceania	2 (100.0)	-	-	2 (100.0)
Total	68 (100.0)	1 (1.5)	32 (47.1)	35 (51.5)
More Developed Countries	33 (100.0)	-	9 (27.3)	24 (72.7)
Less Developed Countries	35 (100.0)	1 (2.9)	23 (65.7)	11 (31.4)

Note: Figures in parenthesis indicates percentage of the corresponding region.

Source: Calculated from *World Labor Report, 1997/98*, ILO, Geneva, Table 1.1.

Out of the 33 more developed countries 72.7 percent have loose trade union membership while only 31.4 percent countries have lost their trade union membership in developing countries.

The trade union density in Belarus (Europe) is found highest (96.1) in the world among the 95 countries in 1995 where data on density are available. This proportion was 100 percent in 1985. Besides this various countries in Europe recorded high union density including Sweden (77.2%), Iceland (70.7%), Denmark (68.2%). In Africa the highest union density is recorded in Egypt (29.6%) in 1995, where it was 31 percent in Canada and Mexico (America), 75.4 percent in Azerbaijan (Asia), 28.6 percent in Australia (Oceania) in the same year.

**Table 4.3**  
**Number of Countries by Trade Union Density in 1985 and 1995**

Continent	1995					1985				
	Below 10	10-19	20-29	30-49	50 & More	Below 10	10-19	20-29	30-49	50 & More
Africa	32.0	44.0	24.0	-	-	14.3	42.9	0.0	42.9	-
America	33.3	38.1	14.3	14.29	-	16.7	41.7	16.7	16.7	8.3
Asia	35.3	23.5	23.5	-	17.7	26.7	40.00	13.3	6.7	26.7
Europe	3.3	10.0	23.3	26.67	36.7	3.3	3.3	13.3	33.3	46.7
Oceania	-	-	100.0	-	-	-	-	-	100.0	-
Total no of Countries	22	26	22	11	14	8	15	8	18	19
Percentage of Countries	23.2	27.4	23.2	11.58	14.7	12.1	22.7	12.1	27.3	28.8

Source: Calculated from *World Labor Report, 1997/98*, ILO, Geneva, Table 1.2

Among the 95 countries 22 (23.2%) countries have 10 percent trade union density of non-agricultural labour force followed by 10 to 19 percent in 26 countries. Only 14 countries have recorded 50 percent or more union density in 1995 where in 1985 large proportion of countries were belongs to the high union density (more than 50 % in 29 % countries, 27% countries with 30-49 percent union density). Countries with union density less than 30 percent were 47 percent in 1985 where it reached 74 percent in 1995. Mainly the countries of Africa, America, Asia and Oceania fall under the group having low union density. Contrary to these only European countries especially former communist countries have experienced high density though it is declining (Table 4.3).

The union density during the one decade (1985-95) have declined in 84 percent countries from 0.6 percent (Canada) to 77 percent (Israel) where only 16 percent

countries experienced increasing trend from 1.2 percent (Denmark) to 56.2 percent (Spain).

#### 4.8 Unionisation in Developed and Developing Countries

Trade union was first developed in the industrialised and developed countries in the world following industrial revolution. The unionisation rate especially in formal sector had reached up to 100 percent in some countries. On the other the unionisation process in developing countries starts since the beginning of the 19<sup>th</sup> century and developing slowly.

**Table: 4.4**

**Trade Union Membership of Developed and Developing Countries**

Country	Union Membership'000		% Change in Membership 1985-95	Non-agricultural Labor Force	
	1985	1995		Trade Union Density in 1995	Change in trade Union Density 1985-95
Egypt	2721	3313	21.8	29.6	-23.9
Kenya	700	500	-28.6	16.9	-59.6
Mauritius	98	106	7.8	25.9	-25.7
South Africa	1391	3154	126.7	21.8	40.7
Zambia	320	273	-14.7	12.5	-33.5
Zimbabwe	162	250	54.4	13.9	20.1
Argentina	3262	3200	-1.9	25.4	-47.9
Colombia	877	840	-4.2	7.0	-37.3
Costa Rica	139	139	0.0	13.1	-42.6
El Salvador	79	103	30.6	7.2	-8.0
USA	16996	16360	-3.7	12.7	-15.2
Australia	2793	2440	-12.6	28.6	29.6
Bangladesh	1090	1721	57.8	4.3	-71.9
China	85258	103996	22.0	54.7	-7.8
Japan	12418	12410	-0.1	18.6	-17.7
Korea Rep. Of	1004	1615	60.8	9.0	4.7
Malaysia	606	706	16.6	11.7	-13.4
New Zealand	680	362	-46.7	23.3	-50.7
Philippines	2117	3587	69.4	22.8	24.1
Singapore	201	235	16.9	13.5	-20.4
Thailand	234	416	77.3	3.1	-7.4

Austria	1404	1287	-8.3	36.6	-29.2
Azerbaijan	2522	1707	-32.3	75.4	-24.6
Belarus	5355	4134	-22.8	96.1	-3.9
Belgium	1499	1585	5.8	38.1	-9.2
Cyprus	145	161	11.1	53.7	-14.5
Denmark	1730	1808	4.5	68.2	1.2
France	2555	1758	-31.2	6.1	-47.4
Greece	650	500	-23.1	15.4	-34.5
Hungary	3000	1860	-38.0	52.5	-29.2
Israel	1850	450	-75.7	23.1	-76.9
Netherlands	1290	1540	19.3	21.8	-6.7
Norway	971	1068	10.0	51.7	2.0
Spain	835	1606	92.3	11.4	56.2
Sweden	3341	3180	-4.8	77.2	-2.7
Switzerland	806	740	-8.2	20.0	-21.2
UK	9739	7280	-25.2	26.2	-27.2

Source: ILO, World Labor Report 1997/98, Annex Tables 1.1, 1.2 & 1.3

The unionisation rate starts to decline since 1980s with the introduction of new economic policy adopted by the World Bank and IMF. The new policies like privatization, liberalisation and globalisation are considered as the anti-union policies. This policy not only hits the unions of developed countries but also affects seriously to the unions of developing countries where the unionisation rate was already low.

The rate of unionisation of non-agricultural labour force ranges from 3.1 percent (Thailand) to 96.1 percent (Belarus) in 1995. Trade union density during 1985-95 periods had declined in most of the countries (in 29 countries out of 37) though the membership in absolute number has shown increment in 18 countries (Table 4.4). The declining trend of union membership is noticeable more in developed countries than the developing countries.

## **4.9 SAARC Trade Unions**

### **4.9.1 Status**

Out of the seven countries of the SAARC, up to now, Bhutan and Maldives have no any trade union organisation. However, Bhutanese refugees in Nepal have developed a trade union federation in exile. The trade union movement of Nepal started only from

the middle of the 20<sup>th</sup> century where in other four countries it was existed and developed in the colonial regime of British. After the partition of India and Pakistan and Pakistan and Bangladesh the development of trade unions differs slightly in these countries but the main nature is more or less the same.

South Asian unions have several common characteristics. First, union densities are low where only Sri Lanka is in favourable position being about 22 percent union density. The overall union density is low in South Asian Countries (SACs) but is high in formal sector while calculating separately. But it is difficult task due to unavailability of membership data separately by sector. Second, despite this low level of union density, unions have a proportionately larger amount of political power, largely due to their ties with political parties. Third, the links between political parties and unions are rather well developed with unions being seen as stepping-stones to leadership in the party. In all SACs the link between political parties and trade unions with external leadership has contributed to the multiple unions. Fourth, the union movement is highly fragmented. As a result average membership per union is very low (Table : 4.5). There are a number of unions with less than 100 members (ILO, 1999 : 5). Significant number of unions had very low membership where large national federations can be counted in the finger. Fifth, the political orientation of the labour movement has reserved the development of economic bargaining. Although there is no fundamental problem with having a politically active labour movement, it becomes a problem only if political issues determine union activity at the work place.

**Table: 4.5**  
**Number of Unions and Membership Status in SAARC**

Country	Number of Unions	Total Membership in '000	Average Membership per Union
Bangladesh	2956	1721	582
India	47014	6500	138
Nepal	1634	947	580
Pakistan	7273	984	135
Sri Lanka	1364	1640	1202
SAARC	60241	11792	196

Source: ILO, 1999

All the SAARC countries (where trade union is existed) with the exception of Nepal have set up EPZs that provide openhanded incentives and access to domestic and international markets. Workers' rights in EPZs are limited by restricting on trade unions within the zone though such areas are mainly characterized by bad working environment, long working hours, lack of social security, not protected by labour laws, sexual abuse to the women workers and so on. Generally trade unions have been discouraged or banned in such zones. In some cases, wages are even below than the non-EPZs enterprises. Very little is being done to build strong bilateral relations between management and workers. The growing incidence of unregulated work often goes hand in hand with poor wages.

The labour legislation of most of the SAARC countries is advanced and more or less similar being derived from the British labour laws except Nepal. But the law covers not more than 10 percent of the total workforce on the one and on the other implementation of the laws is generally very poor mainly because of the poor inspection, education and enforcement functions of the concerned institutions. Therefore the protection provided by legislation is not guaranteed in practice. Labor laws have not been tie up with economic policies and industrialisation strategies. Loopholes in the law and weakness in enforcement have created a situation where neither worker nor employers is happy with the current legal and institutional framework.

**Table: 4.6**

**Trade Union Membership and Union Density in SAARC**

Countries	Membership (in thousand)*		Change in Membership (%)	Trade Union Density of non- agricultural labour force	
Bangladesh	1090	1721	57.8	15.3	4.3
India	5917	6500	9.9	6.6	5.5
Nepal@	490	947	93.3	31.2	25.4
Pakistan	881	984	11.7	6.4	5.5
Sri Lanka	1565	1640	4.8	-	-

Source: *World Labor report 1997/98*, ILO.

@ Estimated on the basis of available membership data from the trade union confederations.

\* Data refers Bangladesh for 1985 & 1995, India for 1980 & 1991, Nepal for 1992 and 2002, Pakistan for 1987 & 1994 and Sri Lanka for the year 1985 & 1991.

Statistics shows that the union membership in absolute terms has increased by 57 percent, 9.9 percent, 11.7 percent and 4.8 percent in Bangladesh, India, Pakistan and Sri



Lanka respectively which is almost double for Nepal. But on the other there is a decline in trade union density in these countries.

According to the ILO report the trade union density of non-agricultural workforce in 1995 was 4.3 percent, 5.4 percent and 5.5 percent in Bangladesh, India and Pakistan respectively. But in all countries in the SAARC a large majority of the labour force is still in informal sector and further increasing as the process of economic liberalisation, privatization and globalisation process where unionisation rate is very low. In recent times there have been continuous efforts made by the trade unions to organise workers in the informal sector too by giving top priority.

#### **4.9.2 Trade Union Recognition**

The South Asian governments have expressed themselves in favour of strengthening trade unions and enacted labour legislations. But the government of SACs have forced by the IMF and World Bank after the implementation of liberalisation policy to take actions that are more pro-employer. Control on union activities in certain areas like EPZs is one of the indications of government favour to employer (ILO, 1999, 45-46).

Trade union recognition is a major issue in South Asia. While Bangladesh, Pakistan, some states in India and more recently Nepal have specific legal provisions on recognition of trade union as collective bargaining agent, such provisions by themselves have not helped reduce multiplicity of unions or strengthen collective bargaining. As long as political parties take interest in unions in a multiparty system, specific provisions on trade union recognition in SACs would not have the same impact as they have had in some South East Asian Countries (ILO, 1999 : 96).

#### **4.9.3 Problems Faced by the SAARC Trade Unions**

Multiple unions operating at the plant/ industry level, a small percentage of unionised workers in the total labour force and a division of the unions into many rival federations, mainly due to ideological, political or personality differences are the major characteristics of the trade union movement in South Asia. It is also widely believed that the division at national level is commonly reflected in industrial relations at the plant level where inter union rivalry prevails due to different political allegiances. The other main factors accounting for trade union multiplicity and politicization in South Asia

include the attraction for rules of democracy, low levels of education and influence of articulate political leaders. Consequently, this situation does not lead to a unitary structure for the trade union movement.

In the past decade unions generally have been on the defensive and change in technology is shifting the locus of control away from the blue-collar to white-collar workers. Organising the unorganised in small and medium enterprises will be a major challenge for unions in the years ahead since the vast untapped informal sector accounts for 90 percent of the workers in South Asia (ILO, 1999 : 79-81).

The urban informal sector is growing rapidly with increasing urbanisation and reduction of employment opportunities. In recent times, there have been continuous efforts by trade unions and other self-help groups to organise and recruit workers in the informal sector. With the fast changing pattern of employment, trade union activities should also cover self-employed workers both from the rural and urban areas. NGOs and cooperatives are also the challenge to trade unions.

#### **4.10 Factors Responsible to Decline in Trade Union Membership**

On the one hand involvement of union with international centres is increasing on the other union membership is declining day to day. Various factors are responsible to decline the trade union membership in the world. Though the major factors may differ country to country but in general the following factors are considered the major factors for most of the countries responsible to decline in trade union membership.

##### **4.10.1 Organisation of the Industry**

On the one hand in the present high tech industrial society technology has replaced workers, especially of lower levels of skill and unskilled. On the other when automation entered in manufacturing sector, employment generally shifted manufacturing to services. It has never been easy for trade unionists to organise white-collar workers especially those with better education and skills.

##### **4.10.2 Outsourcing and Informalization of Job**

Various manufacturing activities involving low level of skill are being shifted to the counties where wages are low and government policies are more favourable than the present place. Shifting from large factories engaged in mass production to smaller ones

producing specialized goods is also rampant which distributed the workers in different small firms that create a problem to organise the workers into trade unions.

#### **4.10.3 Mobility of Capital**

Recent developments made easier to movement of capital across international boundaries than the movement of goods and services. Capital, technology, raw materials and managerial expertise can all be moved easily and quickly from one country to another. Big corporations are constantly searching new locations where labour is cheap, taxes are exempted or low, profits are high. Thus capital flows from developed country to developing countries where above facilities are available.

#### **4.10.4 New Management Strategy**

In the 1980s management have begun to deal directly with workers rather than union leaders to improve productivity. The employers themselves offer high wages & benefits, employment security, career progress, etc. to convince workers that unions are not really necessary to protect and promote their rights and improve their living standard. Because the rigid union-imposed rules, which obstruct flexible use of labour, is the major issue of the management but not the issue of high wages. Similarly some of the employers start to install their firms/industry where there are no unions to destroy trade unionism in their firm.

#### **4.10.5 The Strike**

The productivity of the firm declines during strike because of man days lost. But in some cases employers themselves prefer strike and try to create the environment suitable for strike in order to move their firm towards a union free work place by closing at the present place.

#### **4.10.6 Changing Character of the Workforce**

Manual labour is the backbone of trade unions. But sharp reduction of the manual workers with the growth of the service sector because of technological change has radically changed the composition of labour force. Consequently new jobs have been created only to the workers with above average skills as known by knowledge work instead of manual unskilled work. Such knowledge workers with good education and high pay are generally too individualistic; often themselves feel as part of management

and never bother on the necessary of trade unions. On the other increasing employment of migrant workers instead of domestic workers by the MNCs to avoid union from their establishment also contributed significantly to decline union membership in the globe.

#### **4.10.7 Political Environment**

Some of the political intellectuals blame that union power is to be the cause of inflation, unemployment and poor economic growth. In many countries in the world the government adopted privatization policy. As a result of privatization of public enterprises not only employment has declined but trade union membership also declined. Generally it is true that trade union density is more in public enterprises compared to private one.

#### **4.10.8 Free Unionism from Compulsory Unionism**

The decline in trade union membership in several cases is linked to the shift towards free unionism from compulsory union membership in communist countries influenced by former USSR. This is particularly true in the countries of central and Eastern Europe including in those countries newly created from former Soviet Union. In these countries not only union membership has declined but also the willingness to participate in mass struggle and collective action has also go down.

#### **4.10.9 Static Character of Union Leadership**

On the one hand the pace of modernisation of trade union is very slow. On the other most of the trade union leaders are guided by the traditional belief or attitude. Generally they never bother to change their attitude or update the level of thinking on the basis of change in the outside world.

#### **4.10.10 Increasing Involvement of NGOs in Labor Issues**

Today NGOs are working in different parts of the country (from easy urban areas to remote rural areas) to mobilize different class and section of population launching various programmes with the aim to transformation of the society in particular and nation in general. In this connection they are attracting labourers working in different institutions related with any sector, especially in those areas and sectors where union activities were not reached or are not effective. NGOs easily attract to the poor and ignorant workers and they have the attitude of displacement of the trade unions as guided

by the capitalists or employers. The NGOs are not comparable institutions because trade unions are the cadre-based institutions while NGOs are based on staff approach. The former is permanent while the later is of temporary nature.

#### **4.11 Trade Unions and ILO**

Several attempts were made to form international organisation of workers due to growing feeling of international solidarity among the working class with the aim of meeting demands for freedom of association, reduction of working hours, abolition of child labour, freedom of migration and so on which come to be the subject of international labour conventions in the 20<sup>th</sup> century. Daniel le Grand (1783-1859) was a pioneer in the field of international labour legislation. His proposed international labour laws covering hours of work, weekly off, night work, poor and dangerous working environment, employment of children could be seen as forerunners of the international labour conventions developed by the ILO after its establishments in 1919. Similarly during the last quarter of the nineteenth century a number of international trade union organisations for workers in a particular trade or industry like TUIs, GUFs and were founded and played an important role in the ILO.

The link between the rights and conditions of workers in different countries and the economy has always existed a formal recognition that came only in 1944 with the ILO's declaration of Philadelphia, which states "Labor is not a commodity." This makes distinction between labour and product markets that is the essential economic basis for the protection of workers. ILO is the major international body dealing with labour and labour related issues. It is also the only body in the UN system, which is tripartite with representation of government, workers and employers. Now ILO has over 175 member countries.

One of the most important functions of the ILO is the development of International Labor Standards. These standards cover a wide range of association, the right to organise and bargain collectively, forced labour, child labour, equality, labour administration, industrial relations, employment policy, working conditions, social security, occupational safety and health. So far the ILO has adopted more than 180 conventions and even more recommendations up to now. The ILO holds sectoral

meetings, bringing together people from workers' and employers' organisations as well as from governments' representatives doing work in a specific sector.

As the main link between the ILO and workers union the Bureau for Workers' Activities (ACTRAV) coordinates all the activities of the office related to workers and their organisations both at headquarters and in the field. ACTRAV's mission is to maintain close relations with trade unions movement in all countries throughout the world to provide it with the support of the ILO actions to strengthen it, enhance its influence and its activities.

#### **4.12 Challenge to the Trade Unions**

The declining trend in the trade union membership all over the world especially in industrialised countries is not fully within the control of trade unions. Change in technology and its effects on employment are beyond the control of union but with some other changes union could have responded better and minimized the damage. In those matters, which do not touch a worker directly, a union cannot and will not challenge. The interests of the knowledge workers who constitute the majority through technological change are not limited to wages and working conditions. Only collective bargaining is of limited help in a situation where the power of strike has been reduced by the firms into smaller units.

Most of the observers agree that trade unionists must revise their agenda if they want to survive into 21st century. The American used to say that in this stage unionists should take greater interest in the quality of work life rather than old aspiration such as wages, hours of work, working conditions, etc on the other Europeans pleaded participatory management or labour participation in management. Some European countries now have advanced participative system in management that gives labour enormous influence over the way work is organised. Germany and Sweden are the countries where labour is involved in a participative relationship that trade unions have managed to survive the crisis (FES, 1994:7-8).

In the Nepalese context trade unions are operating in traditional lines mainly due to lack of knowledge. The horizon and thinking of the workers and leaders is narrow and guided by the same line. As a result most of them are unaware with the modern thinking which is essential to modernize the trade unions according to the changing situation of

the society and economy. For the effectiveness of the union activities trade unions have to adjust them with the changing pattern of employment through technological change on the one and on the other changing structure of market economy. In the present situation trade unions should have to given more emphasis to the informal sector for their survival.

Similarly to make the union activities more effective in favour of mass workers decentralizing decision making process through the massive participation and discussions with grass root level unions should be adopted instead of existing centralized decision making procedures. While adopting devolution decision policies the grass root level unions ensures their ownership on union activities and cooperates fully to gain more fruits from it.

Today, different NGOs and other forms of emerging organisations are working on labour fields in different parts of the country even in remote mountain areas where the access of trade union is absence. In this challenging situation Nepalese trade unions should be ready to compete and collaborate with such institutions, which helps to impress working class.

#### **4.13 Conclusion**

Trade union movement is directly related to the growth of industrialisation and exploitation of working class people from the employer. But fragmentation of trade unions in national as well as international level always suffered from the multiplicity caused due to mainly political reason. As the process of industrialisation in the world expanded the number of trade unions and their members has grown up. But the unions suffered much with the introduction of globalisation, which became one of the major causes of reduction of the union members. As a consequence trade union density has reduced in most of the developed countries. Contrary to this the SAARC countries have been experiencing growing trend of union density though it is insignificant.

In this changing situation the trade unions would be able to change them according to the technological advancement for the welfare of the workers and should emphasis more to the informal sector for their survival. But it is found that in most of the countries in the world the horizon and thinking of the workers and leaders is narrow and guided by the traditional line. Growing international solidarity and joint work among trade unions and labour institutions is the major achievement of the trade unions in the globe today.

## **CHAPTER V**

### **DEVELOPMENT OF TRADE UNION IN NEPAL AND ITS STATUS**

#### **5.1 Trade Union Movement in Nepal**

From the discussion above we understand that trade union movement is mainly associated with the industrialization of the country. The labour movement in Nepal was started only after the establishment of the modern industries. The history of organized industries in Nepal is not long though the development of cottage and small-scale industries has a long history. Cottage industries were in existence and running smoothly in Lichhavi period (around 639 AD.). Industrial policy adopted by the Malla rulers was more encouraging to the development of cottage industry. Consequently industries relating to weaving, papermaking, wood carving, sculpture and so on were well furnished at that time. This situation further improved during the rule of King Prithivinarayan Shah (1769) who tried to strengthen the national economy leading towards self-dependence. He introduced closed economic policy to encourage national cottage industries and protect them from foreign competition. During the 104 years of autocratic Rana regime industries could not flourish much because the main policy of Rana rulers was only to satisfy the British government to remain in power. However, in 1935 the then Rana Prime Minister Judda Shamsheer formed an Industrial Council intending to create infrastructure, favourable to the industrial environment in the country experiencing from the economic depression of 1930. Biratnagar Jute Mill is the first modern and large-scale industry established in 1936 as a joint stock company under the Nepal Company Act 1936. It opened the door of industrialization in Nepal. The management of the mill was totally under the control of Indian entrepreneur Radha Krishna Chamadiya who had invested 60 percent of the total investment. The remaining 40 percent shares were distributed between family of Judda Shamsheer and Chandra Shamsheer and few shares to non-Ranas high officials like Indra Bahadur Cornel, Hajuriya Cornel, Gunjaman Sardar, and others (Ojha, 2000).

Prior to the 1940 few other industries were established at Biratnagar and its periphery. During the Second World War those mills earned supernormal profit that inspired many Nepalese as well as Indian industrialists. Consequently during the 1940s industrial establishments in Nepal increased significantly on a joint venture basis. As a



result of this in between 1936 and 1951 nearly 65 modern industries such as jute, textile, match, soap, plywood, sugar, hydropower etc. were set up. Unfortunately due to the political instability and sharp decline on the demand of their products industrialization was also constrained since the post war period (Dahal & Inoue, 1994:17-19). After the introduction of democracy in the country in 1951 cottage and small scale industries like rice, pulses and oil mills, crystal and curio goods, perfumes and cosmetics, bricks and tiles, dying and printing, biscuits and confectionary, handloom and hosiery, bidi, ayurvedic medicines etc. has grown up.

Nepal was initiated planned development since 1956. Since that period each and every plans (First to Tenth) have given topmost priority for the industrial development in the country. Establishment of Industrial Development Centre, formulation and amendments of Industrial Policy, enactment of Factory and Factory Workers Welfare Act, establishment and operation of Industrial Estates, priority to the private sector for industrial development, regional balance policy, export promotion and import substitution policy, generating income and employment, making suitable environment to attract FDI are the prioritised issues for the industrial development. Cottage and village/small scale industries were also got equal priority in every plan period.

By the end of the 1979 the country had reported a total of 3528 industrial units in both the private and public sectors providing employment to 51,336 persons (Pant & Manandhar, 1998:9). The Census of Manufacturing Establishments 1991/92 recorded 4271 industrial units employing 10 or more workers. In total this sector provided employment to the 213653 labour forces in that year but after five years (1996/97) both the number of industrial units and employment declined by 16.7 percent and 12.3 percent respectively. Industrial units further declined by 9.8 percent during 1996/97 to 2001/02 where employment has declined by 3 percent during the same period.

Similarly the cottage and small-scale industries (providing employment to less than ten people) are suffering much more from the openness of the economy being unable to compete with cheap products imported from other countries.

Nepalese trade union movement had been started after 10 years of the establishment of modern industries in the country. Thus it had just passed half century. During this period various types of political system and labour movement have come and

gone on the stage of history. While looking at the events over the years reveals that the labour movement in the county have been largely influenced by the political environment of that time. In the early periods trade union activities were concentrated only to protect and promote the right of the industrial workers, but recently, trade union movement is expanding in the service sector and informal sector too. But only the workers of organised sector are enjoying far greater protection by law against unfair treatment, harsh punishment and unequal service conditions. Chronologically the trade union movement can be summarized as follows.

March 4, 1947	First worker's strike started at Biratnagar Jute Mill, Morang demanding right to registration of union, increment of wage and benefits, improvement of working condition, appropriate quarter facilities, fair priced shop.
March 10, 1947	Radhakrishna Chamadiya (major shareholder of the Biratnagar Jute Mill) wrote a letter to the than Prime Minister Padma Shamsheer demanding military force to control the movement.
March 25, 1947	Political as well as workers' leaders were arrested by the armed forces arrived from Kathmandu.
March 27, 1947	A notice issued by the Cornel Uttam Bikram from the side of the Mill threatening to the workers to return at their duty within 3 O'clock of the same day, otherwise the mill will be closed for uncertain period.
1951-1959	Few trade union centres including ANTUC and BWU were established.
1951-1959	The workers were divided into communist and congress formally.
1960	Ban on trade unions along with the political parties.
1963	Establishment of Nepal Labour Organisation (NLO) instead of trade unions under the Panchayat constitution.
1979-80	Industrial disputes of 1979-80 led to the recognition of trade unions to some extent.
1979-1990	Establishment of different 14 trade union centres as semi underground workers organisation.
1989	Establishment of General Federations of Nepalese Trade Unions (GEFONT)
1990	Ban on trade union was lifted.
1990	NTUC established immediate after the lifted on ban.
1992	Enactment of Trade Union Act
1992	Registration of GEFONT and NTUC as confederation under the Trade Union Act.

1992-2000                      Fast growth of union in union registration at enterprise level and national federation. Membership per union has declined.

For detail study of the trade union movement of Nepal is divided into four periods, the Rana Period, Interim Period, Panchayat Period and Restoration of Multiparty Democracy.

### **5.1.1 The Rana Regime (Before 1951)**

Within the short period industrial establishments were increased significantly being influenced by the windfall profits from shortages during the War period (Second World War). As the industrial units increased the number of workers also increased rapidly. But the condition of the workers was very miserable and unsecured. Very bad working environment, coercive management, extremely low wage rate and long working hours compared to neighbouring India and other negative situations were common at that period. The workers were not conscious on their overall rights where more than 90 percent workers at that time were Indian (Ojha (ed), 1996: 30). Among them some were experienced from Indian labour movement. Almost all workers were dissatisfied with the management and they were also waiting for appropriate time or favourable environment to launch struggle against the cruel treatment and exploitation from the management, because during Rana regime organisation and involvement in any rallies, mass meeting, opening of professional organisation, class organisation as well as social institutions, even to raise voices against injustice was strictly prohibited.

On the other, the freedom fighters against the dictatorial Rana regime realized that they would have to take the industrial workers in confidence for the achievement of freedom. They know that the only organized worker could be an asset to the freedom movement. Thus the then prominent leaders like Manmohan Adhikari joined at Chemical Industry of Biratnagar where Girija Prasad Koirala, Tarani Prasad Koirala had joined Biratnagar Jute Mill as a worker since 1944 (Pant & Manandhar, 1998:) and started campaigns of unionisation and mobilisation of workers taking in confidence to few conscious workers. The period was very risky because the than Rana rulers could do any thing to the workers involved in the movement. Besides those leaders some of the other politically motivated youths had been joined one or the other mill of Biratnagar. Their main objective was not to work for livelihood but to mobilise the workers against Rana rule. All most all they were assigned a supervisory work, which become favourable to

fulfil their mission. Adhikari was influenced by the Indian communist party and helped by Ratna Lal Brahmin (Mahila Bajee) a resident of Darjeeling as and when necessary. Similarly Naina Lal Bohora reached Biratnagar and join hands with Adhikari to fulfil his mission when he was warranted in India. On the other Koirala was backed by B.P. Koirala and the Indian socialists party.

The then unionist Naina Lal Bohora recalls the situation “ *The mill has to run for 24 hours, but the benefit compared to work was negligible. One has to work in heavy pressure. Thus the workers were waiting for the appropriate time to revolt against the Biratnagar Jute Mill.*” The then representative of the shareholders in Biratnagar Jute Mill, late industrialist Juddha Bahadur Shrestha added “*There was no labour laws, working hour was not determined, workers had to work for more than 12 hours per day, whereas the workers in the neighbouring India were enjoying 8 hours work per day only as their Labour Rules effective from 1926. The wage rate was significantly low, the managing director was entertaining absolute rights and management was practicing ‘hire and fire’ and every thing was dictatorial*” (GEFONT, 1991, Shramik Khabar Vol. 2, No. 1:3).

First recorded workers’ strike was held in 4<sup>th</sup> March 1947, which was jointly organised by the workers of Biratnagar Jute Mill and Morang Cotton Mill where more than 3000 workers were working. The workers of other mill extended their solidarity to the movement. As a result about 4000 workers were involved in the movement. Right to registration of union, increment in wage and benefits, improvement of working environment, appropriate quarter facilities, fair priced shop within the factory premises were the major demands of the strike though the hidden goal of the movement was to mobilize the mass to over throne the autocratic Rana rule. The movement was very effective and the situation of the time was critical which is proved by the letter to the Rana ruler Padma Shamsher by the then management of Biratnagar Jute Mill signed by Radhakrishna Chamadiya (major shareholder of the mill) in 10<sup>th</sup> March 1947 (**See Annex C**) The management realised that the situation was being worst day by day and out of control of the management alone. Different sources point out that besides Manmohan Adhikari and Girija Prasad Koirala leaders like Mahesh Prasad Upadhyaya, Tarani Prasad Koirala, Nara Bahadur Karmacharya, Yubaraj Adhikari, Bansidhar Das, Panchananda Das, Munnilal Chaudhari, Dinesh Dube, Raghu Nath Gupta, D.B. Rai,

Kirti Bahadur Karki, Shyam Narayan Mishra, Indra Pratap Sen, Chabi Lal Lamsal, Gahendra Hari Sharma were involved actively in the labour movement of that time.

B.P. Koirala also arrived at Biratnagar on 9<sup>th</sup> March, on request of the workers' leader. The peaceful strike continued up to 24<sup>th</sup> March. During this period discussion on the demands of the workers was continued between workers representatives and management. But unfortunately all the activists of the movement (political as well as workers leaders) B.P. Koirala, Balachandra Sharma, Gopal Prasad Upadhyaya, G.P. Koirala, Manmohan Adhikari, Gahendrahari Sharma, T.P. Koirala, Yubaraj Adhikari, and some of the socialist leaders of Purniya district, India were arrested early in the morning of the 25<sup>th</sup> March by the armed forces under the command of Cornel Uttam Bikram arrived from Kathmandu on 23<sup>rd</sup> March (Sharma, 1976: 408-409).

After the arrest of all the prominent leaders, the management of Biratnagar Jute Mill had declared that most of the demands of the workers were fulfilled and requested to return to their work. But the workers refused the request and continued their movement that was led by M.P. Koirala up to two days (25-26). The armed force controlled the demonstration of the workers through gunfire on 27<sup>th</sup> March. They also arrest some of the member of Koirala family including mother of B.P.

The then Badahakim (Chief of the Area Office) Resident Representative Major General Ram Shamsher JB Rana and Brigadier Cornel Uttam Bikram JB Rana from the side of the management issued a notice in 26<sup>th</sup> March to the workers requesting to return their works assuring their demands were fulfilled including salary and promotion. But no single workers returned, so again in 27<sup>th</sup> March they further issued a notice threatening to the workers to return in their duty within 3 O'clock of that day; otherwise the mill will be closed for uncertain period. The management also assured that if they return on work full pay of the strike period will be paid, wage will be increase by 15 percent, and other benefits will be provided as of the jute mills of Katihar (India) (**See Annex D**). But the workers could not hear the threatening of the management.

Remembering the event of 1947 the workers leader Koirala today says that "When the government started to shout dead the workers participated in the movement, the aggressive living workers takeoff their shirts and coloured it from the blood of their

dead friends and make it red flag hanging on a stick” (GEFONT, 2002, Shramik Khabar, No. 70).

The labour movement of 1947 has become the corner stone not just in the history of trade union movement of Nepal but deserves high importance in the Nepali democratic movement. From this movement the Rana ruler realised the strength of unity. Therefore fearing from the workers movement they had enacted the Association and Assembly Control Act in 1948 to control the union activities in the country.

All the trade unionists, professionals, scholars and politicians agreed on the issue of date and year of the first historical labour movement but there are controversies among them regarding the first trade union organisation, founder leader, and method of launching the movement. The debate is still not settled and no hope of settlement in future too.

Professor P. R. Pant stated that working class leaders like G.P. Koirala and M.M. Adhikari who were already in the workforce started campaigns for unionisation around 1944 and organised a union by the name of Biratnagar Workers’ Union (BWU) in 1947 (Pant & Manandhar (edt), 1998:82). He further added that the union movement of Nepal was born in politics and developed with the political movement. More or less the same view is presented by the Timilsina (1993). He considered BWU as a first underground trade union of Nepal.

Contrary to this Bishnu Rimal a well-known trade unionist found two main streams in the history of trade union movement in Nepal based on the opinions of the then organisers, leaders and activists. The first was related to All Nepal Trade Union Congress (ANTUC) and the second related to Biratnagar Workers’ Union (BWU) also known by Majdoor Sabha.

He wrote that Manmohan Adhikari returned from India and joined Biratnagar Chemical Industry in 1946. Then he started to organise the workers as underground status to prepare the ground of All Nepal Trade Union Congress (ANTUC) influenced by All India Trade Union Congress (AITUC). By the end of the 1946, ample ground for the organisation of workers’ union was prepared in various industries of Biratnagar but did not take organised shape at that time. On the other, during that period Girija Prasad

Koirala was working in Biratnagar Jute Mill and organising workers under the guidance of his brother B. P. Koirala and socialist party of India (Rimal, 1992).

On the contrary the then representative of share holders and an industrialist Juddha Bahadur Shrestha expressed that during the first recorded movement of workers in Nepal neither there was any workers union nor the leaders were divided into congress and communists. All of them were working together to fulfil their major goal to overthrow the dictatorial Rana rule through the mobilisation of workers. Manmohan Adhikari, Girija Prasad Koirala, Tarani Prasad Koirala, Yubaraj Adhikari and Gahendra Hari Sharma were the major activists leading the movement, which is also proved by the letter of 10th March 1947. He further added that Indian politician Jayaprakash Narayan and Ram Manohar Lohiya had supported the movement and the news of the Nepalese labour movement was published in Indian papers. Shrestha agreed that after the suppression of the movement of 4<sup>th</sup> March industrial workers organise their union in underground status and as well as the workers and their leaders started to divide into congress and communist gradually (Ojha (edt.), 1996:26-28).

From the above discussion it is clear that though the movement was suppressed but proved the strength of the workers to the then management and ruler. On the other, the movement become success to aware large number of labourers about their rights and responsibilities on the one hand and on the other the movement become the milestone for the democratic revolution of Nepal.

All the trade union leaders tried to prove that their leader as the founder of the movement and the union organised by the then leaders is the first union. In this context the left-tilted workers said that Manmohan Adhikari was the founder of the trade union movement where democrats plead Girija Prasad Koirala as a founder of Nepali trade union movement. Some of the trade unionists say that All Nepal Trade Union Congress (ANTUC) lead by Manmohan Adhikari was organised in the beginning of the 1947 with the influence of Indian Communist Party. Similarly Biratnagar Workers Union (BWU) also known by Majdoor Sabha headed by Girija Prasad Koirala was established in the same year influencing by the Indian Socialist Party. Others say neither there was any union nor the leaders were divided. In this context it can be assume that the conflict between the then leaders and workers was not for the leadership and political interest but of the personality and popularity among the workers.

However, the movement could not gain its goal at that time but it took important place in Nepalese history in two ways. First, it tried to establish the role and existence of workers at the initial stage of industrial development in the country and second, the movement also played positive and decisive role to overthrow the dictatorial Rana rule through ongoing democratic revolution of the country. The movement is also considered as a milestone for the democratic revolution of Nepal. After the military suppression of 1947 the goal of the workers to organise their professional union openly was not fulfilled during Rana regime but they organised in different underground workers unions. All Nepal Trade Union Congress (ANTUC), Biratnagar Workers Union (BWU), Independent Workers Union, Biratnagar (IWU), Cotton Mill Workers Union, Biratnagar (CMWU) were the workers organisations of that period and performing their activities as an underground status and linked their struggle for attainment of overall rights of working class (GEFONT, 1991: 1:3). But this is the contradictory expression, which is not proved by any studies and expression.

According to B.P. Koirala, the movement of 1947 was not only the strike of 5-7 thousand workers but also the first movement in the open space in the Nepali soil against autocratic Rana regime. This movement had given tremendous momentum to the country and there was a very encouraging reaction of the people. People came from the villages and donated cash and kind to feed the workers under strike. Thus the strike continued up to long time (GEFONT, *Workers News*, Vol. 32, 2002: 4).

The labour strike in Jute Mill areas in Biratnagar set up in the early years of war launched by Manmohan Adhikari who was a member of the communist party of India. The socialist party of Purniya (Bihar) had also been assist the Nepalese labour leaders involved in the strike against the Marwari Management Regmi, 1958: 193-194). Likewise, Pushpa Lal Shrestha highlighted that the Nepali Rastriya Congress organised just before a year backed the labour movement of Nepal started since March 1947. The movement was headed by G.P. Koirala and MM Adhikari as a President and Secretary General respectively. Koirala was influenced by the Indian Socialist Party where Adhikari was influenced by the Indian Communist party. The labour activists sent a copy of their demand sheet in Kathmandu where Puspallal and others circulated it producing thousands and thousands copies of it. As a result in the capital city the workers' of hospital, electricity and mint had also launch a strike with their own demand. The



pesants of *Naya Muluk* (western terai) organised a movement popular by 'Laganbandi' influenced by the workrs' movement of Biratnagar and Kathmandu (Shrestha, 1996:12-13).

Late Madan Bhandari tried to evaluate the event of 1947 as it has become the cornerstone not just in the history of trade union movement in Nepal but deserves high importance in the Nepali democratic movement. This movement is not valued just because this is the first event of this type but it's value is even more intensified with its spirit, clarity of the demands and as the beginner of the widespread democratic movement. The first anti Rana regime movement was embarked from here; which was later widespread throughout the country among the people. The autocratic Rana regime was forced to come into an agreement with the workers. However, the movement was brutally suppressed but it become able to tremble the foundation of Rana oligarchy. As a result the Rana government declared an Act in 1948 banning the right to organise and was also compelled to announce a National Assembly with legal provision of workers' representative on it. It can be considered as the success of the movement to compel an autocratic regime to include workers in its state machinery (GEFONT, *Workers News*, Vol. 32, 2002: 5).

Bishnu Rimal in an interaction said that trade union movement of Nepal was launched at such a time when international working class was declaring an international trade union body – the WFTU at 1945. It had resulted both positive and negative implications. On the one Nepal's trade union movement had become successful to draw international attention, on the other it also follow the rivalry and unhealthy competing trend of communist and non-communist of the international unions into Nepali soil.

### **5.1.2 Interim Period (1951-1959)**

After the advent of democracy in the country the expectations of the workers along with other professionals for better life were raised. Because the workers had been played a significant role in the democratic movement of Nepal. This is proved by making the hand grenade and conversion of tractor into tanker to fight the then dictatorial Rana rule by the workers like Panchananda Das and Shyam Narayan Mishra working in Biratnagar Workshop (Pvt.) Ltd. Where Gor Man Singh was the driver of the tanker (Rimal, 1992:27). The interim constitution had been provided right to organise and

express their views to the Nepalese citizens. Consequently there was a mushroom growth of movements of workers, farmers, students, women, traders and civil servants during the post 1951 period. Being a favourable environment trade unions have started to grow rapidly. But the expectations of the workers were not fulfilled mainly because the whole decade was dominated by political instability. Eight trade unions including ANTUC and BWU were organized formally under the control of various political groups during 1951 to 1959 (Pant, 1998:83). The unions and their year of establishment during interim period are presented in table 5.1.

**Table 5.1**  
**Number of Trade Unions and Year of Establishment**

Name of the Unions	Year of Establishment
Biratnagar Workers Union (BWU)	1947
Cotton Mill Workers Union (CMWU)	1951
All Nepal Trade Union Congress (ANTUC)	1951
Independent Workers' Union (IWU)	1952
Biratnagar Mill Workers Association (BMWA)	1958
All Nepal Trade Union Organisation (ANTUO)	1959
Nepal Labour Union (NLU)	1959
All Nepal United Labour Union (ANULU)	1958

Source: Pant & Manandghar (ed), Industrial Relations in Nepal, 1998

Pant further explained that amalgamating the three unions namely BWU, CMWU and IWU in 13th July 1958 formed the BMWA under the leadership of G. P. Koirala. Similarly ANTUO headed by M.M. Adhikari was formed after the merger of ANULU and ANTUC. This indicates that actually only five were the major trade union organisations of that period instead of eight. Similarly no one study proves the existence of ANTUO, which was organised under the leadership of Adhikari as stated by Pant, but various studies and surveys prove that M.M. Adhikari was the founder leader of ANTUC.

Soon after the declaration of democracy, ANTUC was formally established in Biratnagar in 1951 as a first national level trade union with the initiation of Nepal Communist Party and the union was affiliated with that party (IRF, 1991: 15).

In the absence of authentic record it is difficult to state the exact number of unions. All the literatures show that the unions were existed under the one or the other political party. But until 1950 the labour movement was not divided though there was little contradiction between the leaders on some issues. Among the formally organised trade unions ANTUC (1950) is the first and its influence was rising day by day between workers. The communist led this organisation. Thus the democrats organised another trade union called Biratnagar Workers Union (BWU) that was also known by Biratnagar Majdoor Sabha in 1951 under the leadership of G. P. Koirala to counter the ANTUC. Since this days the workers were divided into communist and congress formally which is still facing the problem of disunity (Rimal, 1992:25).

Ojha on his unpublished paper entitled “Trade Union and its Structure” indicated only three trade union organisations between 1951-59 namely ANTUC (1950), BMWA (1951) and ANSMS (1959). On the other Rimal claimed on the basis of the discussions with the living trade union leaders of 1947 movement and afterwards, only four major unions existed during that period. They were: ANTUC (1950), BWU (1951), BMWA (1951), and ANTUC (1951). Rimal further highlights the opinion of the living leaders that the conclusion of P. R. Pant is misguided and challenged to prove the existence of eight unions but Pant did not give any reaction. So there is a room for suspicion on the emergence of eight unions during interim period.

In a research article Bhattraï (1997:174) pointed out seven trade union organisations during the interim period (Table 5.2), which is also contradictory with other studies and writings.

**Table 5.2**  
**Trade Unions During Interim Period**

Name of the Unions	Year of Establishment
United Workers Union (UWU)	1950
Biratnagar Workers Union (BWU)	1951
Biratnagar Mill Workers’ Association (BMWA)	1951
All Nepal United Labour Union (ANULU)	1951
All Nepal Trade Union Congress (ANTUC)	1952
Biratnagar Mill Workers’ Association (BMWA)	1958
Nepal Labour Union (NLU)	1958

Timilsina (1993: 20) highlighted that the ANTUC was organised in 1951 as a first formal trade union in Nepal. He further said during interim period there were five trade unions including ANTUC. Other four unions are All Nepal Joint Workers' Union, Biratnagar Mill Workers Association, Nepal Workers' Union and All Nepal Trade Union Confederation.

In the absence of the official records regarding the number of unions various researchers, trade union leaders and activists claims different figures as well as name of the unions and their leaders. Looking at the state of present day trade union movement perhaps the researchers fails to distinguish between national centres or enterprise level unions. For instance CMWU might be the union of cotton mills and would have affiliation either with ANTUC or BWU. On the basis of the discussion by different scholars and trade unions it can easily draw a conclusion that there were only two trends of unions –communist and non-communist. The former was grouping under the banner of ANTUC and later was under the BWU (renamed as NLU).

G.P. Koirala, the founder president of Nepali labour movement in an interview with Bishnu Rimal said the union, which he led, had an affiliation with ICFTU. Mr. Koirala also claimed that he was in the founding Congress of ICFTU in 1949. On the other the leaders belonging with ANTUC say their group was affiliated with first ever launched international body the WFTU. Thus it proves the above statement – only two groupings were in existence in Nepali trade union movement. Other names of trade unions mentioned by the researchers and trade unionists may be the affiliates of any group working at enterprises.

During the open environment in the interim period trade unions were not developed as expected mainly because of three reasons. Firstly, during this period development of industries was more or less constant. As a result number of workers did not increase, secondly, the unions become weak to pressurise the government to protect and promote their interests due to division on the basis of political ideology and finally, the leaders of the then union fail to prove the importance and necessity of the union.

The Interim Constitution had provided the unions an open environment for functioning but the employers' did not recognised the unions and the government remain in favour of employers. They only worked as pressure groups because the government of

that time did not accept the legality of the trade unions but worked in favour of capitalists. Unions as organisations were weak in all respects. On the one hand the total trade union membership during that period was very low (estimated about 6000), on the other all they were affiliated in either one or the other politics. The major demands were limited in wage increment and reinstatement of dismissed employees. During this period two commissions – Labour Commissions 1951 and Biratnagar Jute Mill Labour Inquiry Commission 1952 were established. Nepal Factory and Factory Workers Act was enacted in 1959 immediate when the elected government of Nepali Congress started to rule the country but unfortunately enforced only since 1961(during party less Panchayat regime) with major amendments in favour of capitalists.

### **5.1.3 Panchayat Period (1960-1990)**

During the dark days of the autocratic party less Panchayat system or polity (1960) all type of trade union activities were banned along with the ban on political parties and other professional organisations. In July 1963 Nepal Labour Organisation (NLO) was established instead of trade unions under the Panchayat constitution as one of the six recognized class organizations. The basic aim of the NLO was to protect the workers' interests and integrate and utilise their combined strength for national development. But it tried to play a dual role - as a political (Panchayat Politics) organisation and as a trade union. But the NLO seems more political arm of Panchayat rather than trade union to please their bosses who had appointed them. The members of NLO were responsible to the Departmental Ministry rather than to the workers because they were appointed by the concerned Ministry. Thus it was failed to provide necessary services to its members or workers which created a vacuum that was fulfilled by various independent groups of trade unions at establishment level or individual leaders who were able to assist the workers on their problems even though their activities were not considered to be within the law. Although the system provided the workers dignity through their representatives in the national assembly (Rastriya Panchayat) but the so called leaders appointed for the nurturing the stability of Panchayat system were elected just in the name of workers because workers representation was only formality to keep the workers silence.

The Class Organisation Act 1976 assigned political roles to the NLO by putting it under the direct supervision of the Back to the Village National Campaign (BVNC) and the representatives on the national advisory committee were also nominated only on the recommendation of BVNC, thus the central leaders explicitly accountable to BVNC (Pant & Manandhar, 1998: 88).

The nation wide struggle of 1979 initiated the peoples of all walks of life towards their rights and dignity. The Nepali workers were also spontaneously wake-up from their working place like industrial estates, hotel, trekking, transportation, printing press and so on realising a strong need of national level trade union which contributed a lot to the future movement of the workers. As a result of the movement from various professional organisations along with the students the king announced national referendum in 1979 and suspended the BVNC and advisory committee under it. However, the primary and district level units of NLO were allowed to function as usual. But within some time all they were defunct in the absence of national committee.

However, industrial disputes of 1979-80 led to the recognition of trade unions by the government to some extent. As a result 14 trade union organisation came into existence among them the Independent Transport Workers Association of Nepal (1979), Nepal Independent Workers Union (1979), Nepal Independent Press Workers Union (1979) and Nepal Independent Hotel Workers Union (1980) were people based unions up to the central level (Ojha, nd: 56-57). But formation of national centres and coordination between the unions of different sectors could not be made possible. Increment in wage and other benefits, automatic permanent after continuous work of 240 days etc. are the major achievements of the movement of 1979-80.

A decade long exercise gave birth to the General Federation of Nepalese Trade Unions (GEFONT) in 1989 following the tradition of ANTUC (1947) as a common confederation of four national trade union federations (Nepal Independent Workers' Union, Independent Transport Workers' Association of Nepal, Nepal Independent Hotel Workers' Union and Trekking Workers Association of Nepal). Thus GEFONT is the first trade union confederation of this kind where no single federation was at that time. The main objective of GEFONT during its establishment was to coordinate various trade union organisations as a common platform of all labourers. During 1980s the workers launched various protests campaign for their rights and to end the exploitive system. The

workers of Balaju and Hetauda Industrial Estates, Biratnagar, Birgunj and other parts of the country had been actively participated in the labour movement. During 1980s a number of trade unions were organised in underground manner with the support of the various political parties band during that period. The trade union organisations of that time are listed in table 5.3.

**Table 5.3**  
**Trade Unions and Year of Establishment Prior to 1990**

Name of the Union	Year of Establishment
Independent Transport Workers' Association of Nepal	1979
Nepal Independent Workers' Union	1979
All Nepal Trade Union	1979
Independent Press Workers' Union of Nepal (Valley Ad hoc Committee)	1979
Nepal Independent Hotel Workers' Union	1980
Nepal Revolutionary Workers' Union	1980
Trekking Workers' Association of Nepal	1983
National Workers' Organisation, Nepal	1983
All Nepal Trade Union	1985
Nepal Progressive Workers' Union	1986
Nepal Trade Union Federation	1986
Nepal Independent Garment Workers Union	1986
Nepal Trade Union Centre	1986
All Nepal Trade Union (Valley Committee)	1986

Source: Bishnu Rimal, *Looking Back into the History*, 1992: 33.

Among the above unions only few were people based and working up to central level. Many organisations are only paper union and some have only valley adhoc committee. Trade union movement during this period was not developed due to cruel administrative suppression. Timilsina (1993:20) listed 16 trade union centres. Most of them are similar to the above unions where some are different such as Nepal Thanka Workers' Association and Janamukti Workers' Organisation (limited only to Hetauda) are new unions not mentioned above.

Virtually the whole Panchayat period is considered as absence of trade unions in the history that was replaced by yellow unionism backed by the government (Rimal, 1991: 1). The major role of the NLO was to support government and misguide the genuine workers. Few workers struggles were conducted but limited only at enterprise level. National level movements were rare

#### **5.1.4 Restoration Of Multiparty Democracy**

The popular political movement of 1990 was strongly supported by all independent trade unions whose activities were considered illegal. Fortunately, this movement becomes successful in re-establishing the multiparty democracy overthrowing the 30 years long party less autocratic Panchayat system.

With the introduction of multiparty democracy ban on trade unions was lifted. Consequently they started their activities openly. Immediate after the restoration of multiparty democracy NTUC came into existence as a follower of Biratnagar Workers Union (BWU). At present NTUC leaders say their initial organisation name is not Majdoor Sabha as printed in various literature but it is Nepal Majdoor Sangh. G.P. Koirala in his interview with Rimal said late Manmohan formed Majdoor Sabha but the union formed by him was Majdoor Sangh. Later the Sangh was renamed NTUC only because many ICFTU affiliates had name "Congres". But the organisation 'Majdoor Sangh' is not mentioned in any literature up to now.

Besides the two confederations -GEFONT and NTUC, various other national centres too declared their existence under the link with different political parties. However, after the enactment of Trade Union Act 1992, all of them except GEFONT and NTUC could not gain legal status as confederation being unable to meet necessary requirements set by the Act. The trade union movement of modern lines came to be organized only after the enactment of Trade Union Act 1992.

Since the end of the 1997 the total number of registered trade union confederations reached three with the registration of Democratic Confederation of Nepalese Trade Unions (DECONT) splited out from NTUC. Similarly large number of national federations and enterprise level unions are registered in different Labour Offices. Since last few years' union registration in informal sector and service sector is



growing. As a result the number of enterprise level unions increased rapidly after the introduction of Trade Union Act.

With the second amendment of the Trade Union Act in 1999 it has become possible to unionise the informal sector workers too including agricultural workers and even self-employed. Thus the coverage of the labour laws has been extended considerably to address the problems of the blue-collar workers of all sectors through Trade Union Act, but required provisions in labour laws have not been inserted. But still large parts of the workers are deprived from the right to organise in union or professional organisation.

## **5.2 Legal Provision**

During the Rana period no legal provision was set up for the welfare of the workers. Immediately after the advent of democracy in 1951, need of labour law was seriously realized in order to promote labour welfare and maintain industrial peace. Consequently an Enquiry Commission was set up in 1952 to study the problems of labour and also to recommend suitable remedies for the enactment of labour law to regulate labour–management relation (ILO, 1998:14). But any labour law did not formulated up to 1958 mainly caused by political instability.

The Factory and Factory Workers Act was enacted in 1959 immediately after the elected government started to rule the country first time. But unfortunately this act was not materialised during the 18 month of the rule of that government. This Act was materialized only since 1961 with vast amendment after the introduction of party less Panchayat system banning the multiparty democracy. After the restoration of multi party democracy (1990) this Act was replaced by Labour Act 1992, which covers all sectors of the economy.

In the same year a law on recognition and regulation of trade unions in Nepal was enacted. The Act is known by Trade Union Act 1992. While the Trade Union Rule came in 1993. The Act provides the framework for the registration and functioning of trade unions in the country. The Act is the reflection of the Article 12(2) C of the Constitution of the Kingdom of Nepal 1990, which guarantees the right to freedom of association.

The preamble of the Act says that the Act is useful to make legal provision regarding registration and operation of trade unions and other necessary provisions

relating to it for the protection and promotion of professional and occupational rights of the workers working in enterprises. The third amendment (1999) of the Act has widened and includes workers working outside enterprises like agriculture, trade and service sector including self-employed.

Similarly the Act clearly defines the term 'Workers'. According to the present amendment of the Act all types of workers (permanent, temporary, contract, daily wages, piece rate, etc) working in industry, trade, business and services within and outside enterprise including agricultural labour and self-employed. But the Act excludes Manager, General Manager, and Head of the branch, sub-branch and unit offices, from the category of workers. Agricultural workers are further defined as those whose livelihood mainly depends on wage and salary from agricultural sector. Besides these the Act also clearly defines other various terms related to trade union. The Trade Union Act 1992 clearly explained distinct three-tier system of trade unions in Nepal. They are:

### **5.2.1 Enterprise Level Trade Union**

The workers of each establishment can form enterprise level trade union in order to protect and promote their professional rights and interests. In order to register an enterprise level trade union, an application in the prescribed form signed by at least ten members of the Trade Union recommended by the working committee along with the constitution of the trade union, prescribed amount of fee, and other particulars should be submitted to the Registrar. The Registrar provides certificate to the applicant after completing the whole process mentioned in the Act. In an establishment there will be more than one union but may not be more than four because to register an union it has to be members at least 25 percent of the total workers of the concerned establishment. No workers shall be eligible to be a member of more than one establishment level trade union at the same time.

Similarly there will be a new type of trade union in establishments constituting joint organisation of workers from two or more establishments of similar nature on the basis of mutual contract. On the other there is a provision of authorized trade union (Constituted among the registered trade unions working in the establishment through secret ballot of the workers of the concerned enterprise) in the Act where more than one union in an enterprise exists with the purpose of collective bargaining and negotiation

with the employer. The concept of authorized trade union emphasis on one enterprise one union that also helps to reduce the industrial dispute.

### **5.2.2 Trade Union Federation**

The second tier of the trade union is called Trade Union Federation. This is the national level trade union though the Act has not defined national level trade union. Such federations can be formed in various ways.

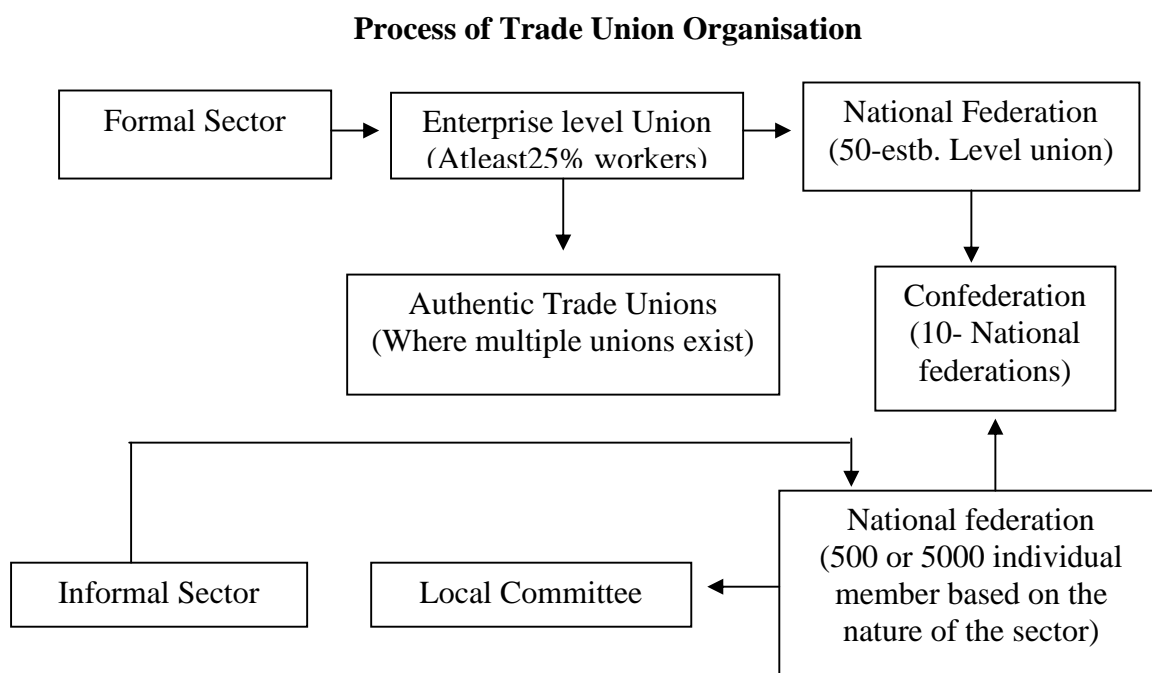
- ) This can be constituted with at least 50 enterprise level trade unions of similar nature. No any enterprise level union can become a member of more than one trade union federation.
- ) At least 5,000 workers from the enterprise of similar nature may constitute trade union federation by mutual agreement.
- ) At least 500 (instead of 250 of 1993) workers or self-employed working at small enterprises with similar nature, trade/business, service can form a trade union federation by mutual agreement. Workers working at trade/business, service and self-employed are included within the definition of workers in the recent (1999) amendment.
- ) The present amendment (1999) of the Act has given opportunity to form trade union to the agricultural workers too. A national federation of agricultural workers can be formed submitting signature of at least 5, 000 agricultural workers at least from 20 districts (not less than 100 from one district) by mutual agreement to the labour office.

### **5.2.3 Confederations**

The third tier or the apex body of trade union is called General Federation of Trade Unions (confederation) that will be constituted from the Trade Union Federations. At least ten officially registered federations can form a general federation through mutual agreement. Recently the Department of Labour introduced a new provision to control the unhealthy competition between the unions. According to the new provision among the ten federations at least six should be organised either from the 50 enterprise level unions or from 5000 members. The confederations should also follow the procedures and formalities for registration as of enterprise level unions and national level federations as prescribed by the Registrar General. No trade union federation can become a member or shall be eligible to be a member of more than one general federation of trade unions at the same time.

The enterprise level unions are affiliated to the national federations and national federations with the confederation according to their preference in the formal sector, where in informal sector first there will be national federation, then it could organise local level committee up to grass root level. Looking at the organizational structure of the trade union in Nepal at different level it is clear that primarily trade unions will function at plant level or enterprise level or grass root level. The enterprise level unions are the real centres of performing trade union activities. Collective bargaining in the labour issues is permitted only at this level, however, there is a provision for federations and confederations to deal with matters such as workers' education and training, contacts with international organisations, advising to the government on labour policy and other related issues, joint consultation, labour related research and publications to promote and protect their members. Outsiders are not allowed to be a general as well as executive member or consultant at enterprise level trade unions, but in the federations and confederations 10 and 25 percent outsiders respectively is allowed.

**Figure: 5.1**



### 5.3 General Objectives of Trade Unions

The common objectives of trade unions outlined in the Trade Union Act 1992 are:

- ) To work for the social and economic upliftment of workers by improving their working conditions,
- ) To make an effort to establish good relationship between workers and management,
- ) To assist in the development of enterprise by increasing the productivity of the concerned enterprise,
- ) To try to make the workers dutiful and disciplined.

In addition to these objectives, Trade Union confederations and federations will have the following objectives:

- ) To conduct programmes to provide education to the workers,
- ) To establish relationship with international organisations and associations for the welfare of the workers,
- ) To provide necessary advice to the government in formulating the Labour Policy,
- ) To publish facts and figures which are useful to the workers by conducting necessary workshops, seminars, meeting, etc. in order to enhance social and economic standard of the workers,
- ) To hold talks and negotiate with government and take other necessary measures within the existing law in relation to the protection and promotion of the rights and interests of the workers.

#### **5.4 Present Status of Trade Unions**

After the changed political system of 1990 a number of worker's organisations came into existence. Registration of trade unions at enterprise level started only since 1993 following the enactment of Labour Rule. Looking at the position of the trade unions registered and active since 1994 to 2002 shows that the tendency to register union at enterprise level is high in the beginning and than starts to decline gradually every year. The available information clearly indicates that the number of registered trade unions reached more than double during the short period of time (Table 5.4). The highest growth is found in 1994–1995 period (40%) and lowest in the year 2000 showing declining trend every year in the registration. In 2001 the number of registered unions has shown negative. This is only because the Department of Labour had started to deduct the unions from their list when they did not renew within the prescribed time (i.e. two years). This further increased in 2002. The new system adopted by the department is not scientific it creates confusion to the data users. All the unions registered are not active except 1994 and 1995 where it was 95 percent in 1996 and they are declining every year

except the year 2000. The proportion of active unions to the total registered unions was lowest (less than 50%) in the year 2001 than again increased slightly in 2002.

**Table: 5.4**  
**Status of Trade Unions in Nepal, 1994 to 2002**

Status of Unions	1994	1995	1996	1997	1998	1999	2000	2001*	2002*
Total Registered Unions	711	995	1183	1428	1627	1840	2054	1491	1634
Total Active Unions	711	995	1121	1045	1051	1137	1795	731	935
Total Union Lost	-	-	62	383	576	703	259	760	699
Percentage of Active Unions	100.0	100.0	94.7	73.2	64.6	61.8	87.4	49.03	57.2
Percentage of Union Lost	-	-	5.5	26.8	35.4	38.2	12.6	50.97	42.8
Percentage Growth of Trade Unions	-	39.9	18.9	20.7	13.9	13.1	11.6	-27.4	9.6

Source: GEFONT, *Trade Union Adhikar*, Various Issues

\* Unions only after deducting those who failed to renewal as prescribed by the Trade Union Rule.

The information also indicates that the proportion of active unions as compared to their registration is declining remarkably over the years. This is mainly because their seems a competition to register trade unions among the different blocks of trade unions, but increasing proportion of them fail to renew their registration completing the regular formalities as prescribed by the Act. This may be due to being unable to perform any activity after their registration.

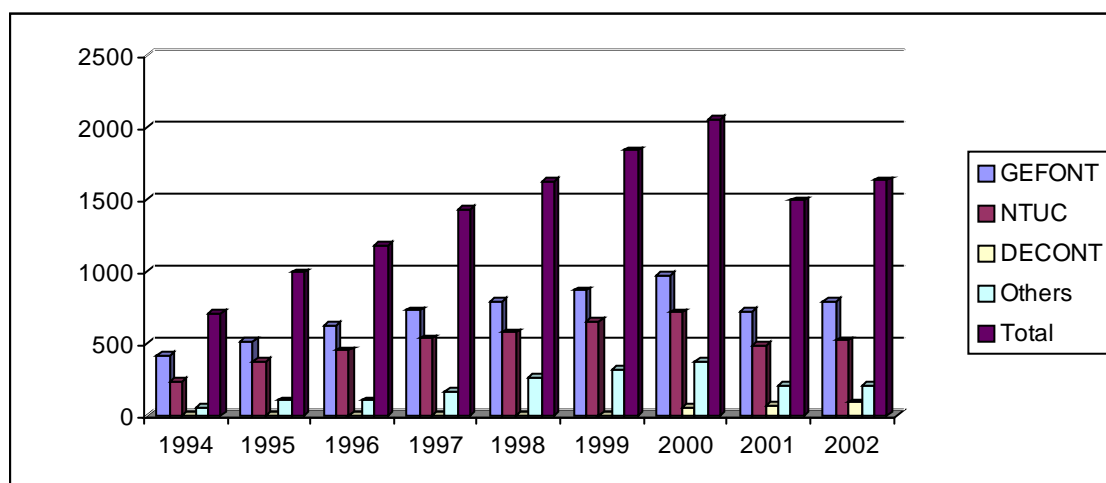
The period of 1993 to 1999 is considered a favourable period while after that regarded as shocking period from the point of view of trade union activities. Maoist conflicts, the anti trade union attitude of employers, declaration of the state of emergency and the closing of many establishments have contributed for the decline in trade union movement in Nepal (GEFONT, 2003 : 3). The available information from the Department of Labour, the share of GEFONT in the registration as well as active unions is found highest in each year followed by NTUC. The unions affiliated with DECONT was recorded separately only since 2000 while it was included in others prior to this date. The number of unions affiliated with DECONT is increasing (Table 5.5).

**Table: 5.5**  
**Actual Position of Trade Unions by Confederations**

Year	GEFONT	NTUC	DECONT	Others	Total
<b>Total Registered Unions</b>					
1994	420 (59.1)	239 (33.6)	-	52 (7.3)	711 (100.0)
1995	515 (51.8)	378 (38.0)	-	102 (10.3)	995 (100.0)
1996	629 (53.2)	449 (38.0)	-	105 (8.9)	1183 (100.0)
1997	730 (51.1)	532 (37.3)	-	166 (11.6)	1428 (100.0)
1998	788 (48.4)	574 (35.3)	-	265 (16.3)	1627 (100.0)
1999	867 (47.1)	651 (35.4)	-	322 (17.5)	1840 (100.0)
2000	968 (47.1)	713 (34.7)	59 (2.9)	373 (18.2)	2054 (100.0)
2001	726 (48.7)	483 (32.4)	71 (4.8)	211 (14.2)	1491 (100.0)
2002	791 (48.4)	519 (31.8)	88 (5.4)	207 (12.7)	1634 (100.0)
<b>Active Unions</b>					
1994	420 (59.1)	239 (33.6)	-	52 (7.3)	711 (100.0)
1995	515 (51.8)	378 (38.0)	-	102 (10.3)	995 (100.0)
1996	602 (53.7)	416 (37.1)	-	103 (9.2)	1121 (100.0)
1997	591 (56.6)	348 (33.3)	-	106 (10.1)	1045 (100.0)
1998	580 (55.2)	297 (28.3)	-	174 (16.6)	1051 (100.0)
1999	614 (54.0)	336 (29.6)	-	187 (16.4)	1137 (100.0)
2000	853 (47.5)	630 (35.1)	28 (1.6)	284 (15.8)	1795 (100.0)
2001	452 (59.5)	182 (23.9)	25 (3.3)	101 (13.3)	760 (100.0)
2002	561 (60.0)	247 (26.4)	37 (4.0)	90 (9.6)	935 (100.0)

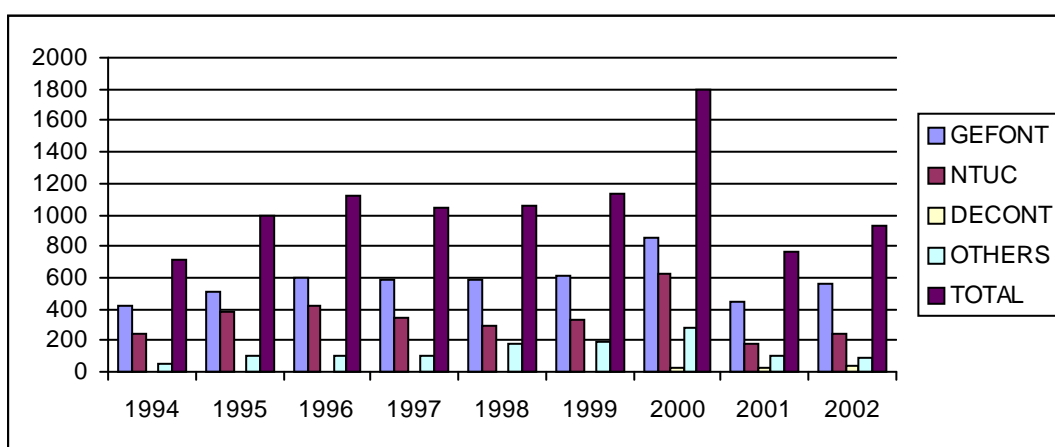
Note: Figures in parenthesis indicates the percentage of unions  
Source: GEFONT, *Trade Union Adhikar*, Various Issues.

**Figure: 5.2**  
**Registration of Unions**



All the unions registered are not active affiliated with all the confederations and the unions outside the umbrella of these confederations except two years of the beginning (1994 and 1995). Available information by the Department of Labour (DOL) shows that there is a declining trend in the proportion of active unions up to 1999 while the year 2000 shows improvement by declining the share of unions lost and fluctuating after 2000.

**Figure: 5.3**  
**Number of Active Unions**



Among the three confederations GEFONT is in better position losing less unions compared to other confederations and non-affiliated unions (Table 5.5).

**Table: 5.6**  
**Proportion of Active Unions to the Registered Unions by Confederations**

Year	Confederations				
	GEFONT	NTUC	DECONT	Others	Total
1996	95.7	92.7		98.1	94.8
1997	81.0	65.4		63.9	73.2
1998	73.6	51.7		65.7	64.6
1999	70.8	51.6		58.1	61.8
2000	88.1	88.4	47.5	76.1	87.4
2001	62.3	37.7	35.2	47.9	51.0
2002	70.9	47.6	42.0	43.5	57.2

Source: Calculated on the Basis of Table 5.4.



The official source of data related to the trade unions in different categories of establishments is completely lacking in Nepal. To fulfil the gap to some extent a sample survey was conducted by GEFONT covering 25 administrative districts out of 75 and 11 zones out of 14. The ultimate sample size was 2,901 establishments that are under the access of union activity. The establishments under the study have been categorized into – Hotel and Tourism Service; Food and Beverage; Textile and Garment; Carpets; Transport and Allied Services; Tea and Processing; Iron and Chemical; Construction Services; Public Enterprises and others where trade unions are mainly concentrated.

Generally as the number of workers in an establishment increases the chances of registration of multiple unions in an establishment also increases. About one third industries are employing less than 10 workers where enterprise level union is completely absence because the Trade Union Act 1992 and its rules 1993 has restricted to register a union at the enterprise level having less than ten workers. But they (workers of such enterprises) can join central level union (federation) on individual membership basis. About 78 percent enterprises have absorbing up to 100 workers. As a result 78 percent unions are concentrated on small establishments employing less than 101 workers. Generally the ratio of establishment to union increases as the number of workers in the enterprises increases. Multiple unions have been observed only in the enterprises employing more than 300 workers (Table5.6).

**Table: 5.7**

**Sample Establishments by Number of Trade Unions and Size of Workers**

Description	Number of Workers							
	<10	10-50	51-100	101-200	201-300	301-500	501-1000	1000+
No. Of establishments	923 (31.8)	1322 (45.6)	302 (10.4)	164 (5.7)	54 (1.9)	37 (1.3)	40 (1.4)	17 (0.6)
No. Of Registered Trade unions	-	854 (59.8)	257 (18.0)	146 (10.2)	40 (2.8)	41 (2.9)	59 (4.1)	31 (2.3)
Ratio of establishment to Union	-	0.64	0.85	0.89	0.74	1.11	1.48	1.82

Note: The figure in parenthesis indicates percentage to the total.

Source: Calculated from the data presented by GEFONT in *Trade Union Rights*, 1998.

Even though the Act had provided the right to organize the workers working in thousands of small manufacturing enterprises employing less than ten workers as well as

firms/workshops, construction, agriculture, self employed including other informal sector are particularly deprived from the right to join trade unions yet due to many other regions besides legal, where exploitation of worker is extremely high as compared to organized sector. Thus the trade unions have also to focus in these sectors though it is difficult to organize the workers of informal sector.

The campaign of registration of national level association was started since November 23, 1994. The first registered national federation of Nepal is 'Nepal Independent Workers Union'. Since then the registration of federations is also increasing every year under the different confederations and independently. In the beginning only GEFONT had registered national federations. The record of national federations by confederations is not available for the year 1997 and 1998 where active unions is recorded only since the beginning of the new century.

**Table: 5.8**  
**Number of Registered National Trade Union Federations**

Year	GEFONT	NTUC	DECONT	Others	Total Registered	Active
1995	5				5	
1996	13	10		6	29	
1997					34	
1998					53	
2000	18	22	11	20	71	49
2002	15	19	18	33	85	56
2003	16	21	18	36	91	52

Source: GEFONT, *Trade Union Rights*, Various Issues

Among the registered federations 69 percent were actively working in the year 2000 where it was only two third in 2002 declining by three percentage point during two years. This further declined by about 10 percentage points during 2002 to 2003 mainly because cancellation of the national federations has been increasing significantly during this period. Of the total federations registered (91) about 43 percent have been lost their registration because of the non-fulfilling the legal requirements prescribed by the Trade Union Act. This figure indicates that the share of actively working national federation is also declining gradually as of the enterprise level unions. Independent level federations have suffered more from losses (only 25 percent federations are active). The major cause

to gradually increase the proportion of inactive national federations is to unhealthy competition to register unions, which could not perform any activities after registration for the welfare of the working class being a paper union.

Among the 56 federations actively working to meet their goal in 2002 only 18 percent are formed by enterprise level unions, one fourth by 5,000 or more individual members. Vast majority federations are registered fulfilling the membership criteria of at least 500. The share of small size workers is high with non-affiliated unions (more than 80%), followed by DECONT, NTUC and GEFONT.

**Table: 5.9**  
**Number of National Federations Formed Under Different Criteria, 2002\***

Criteria	GEFONT	NTUC	DECONT	Others	Total
At least 50 Enterprise Level Unions	7	3	-	-	10 (17.9)
At least 5000 Individual Members	3	4	5	2	14 (25.0)
At least 500 Individual Members	5	10	8	9	32 (57.1)
Total Active Federations	15	17	13	11	56 (100.0)

\* The federations whose registration is cancelled in the year are excluded from the list.

Source: GEFONT, *Trade Unions in Critical Situation*, 2003.

Only GEFONT (70%) and NTUC (30%) have become able to form national federations under the Clause 4 (1) of Trade Union Act (organising from 50 or more establishment level unions). Though the legal status of the federations formed on individual membership basis is equal to the federations of enterprise level unions but at the local level they are not effective in collective bargaining, do not participate in labour relations committee, become authentic through election, run plant level welfare fund and engage in day- to- day problems of workers. Such unions are also irrelevant in an enterprise where industrial relations are formally regulated. In this situation only the federations organised at the enterprise level have the real capacity to empower the unions in the Nepalese labour market. DECONT is playing effective role at central level but does not have its role effective at the local level.

During the more than half century of the trade union movement in the country, the number of trade unions and their members has increased remarkably. But still the movement is weak mainly because of limited resources of union on the one hand and on

the other they are suffering from political affiliation with one or another political parties, multiplicity and inter and intra union rivalry.

## **5.5 Women Participation in Trade Union Movement**

A significant improvement has been occurred in the number and proportion of women in the paid job in the labour market after the restoration of multiparty democracy. Especially the female employment has been increased in the public sector services, educational institutions, financial enterprises, airlines and trade sector. But generally employers of either sector prefers to females in low paid and less responsible job.

Nepali society is largely patrimonial by tradition. Its culture, norms and values are still not women friendly. Trade union movement has also been influenced by this attitude that is dominant in the society. The traditional responsibility of women has not changed, nor the patrimonial psychology. All these factors create a barrier to foster women's effective participation in the union movement (Pandey, 2001: 73-74).

Registration of trade union from enterprises to national federation has been accelerated after the enactment of Trade Union Act. But the participation of women in union movement is insignificant. The presence of women in the leadership level of all confederations is only 12.6 percent while their presence in national federation is only 11.9 percent. The women representation in the enterprise level is further low. Female representation in most of the enterprise level unions is only just physical because neither they got any important responsibility nor they could perform their role effectively. Women participation is rising in present days but the slogan of 'equal participation' is far to achieve without changing the present socio-economic and cultural situation of the nation and society. The GEFONT viewed that the physical presence alone does not produce expected results. Realising this fact GEFONT had maintained a slogan "not mere representation but equal participation" in its policy document. But it has less than 9 percent representation at National Council where 6 percent at executive of the confederation. On the other NTUC advocate for at least 30 percent quota for women members in each committee but fail to fulfil it. The number in the committee is not important, the most important is the effective participation in each and every union activity.

**Table: 5.10**  
**Women in Top Leadership of Trade Unions by Confederations, 2001**

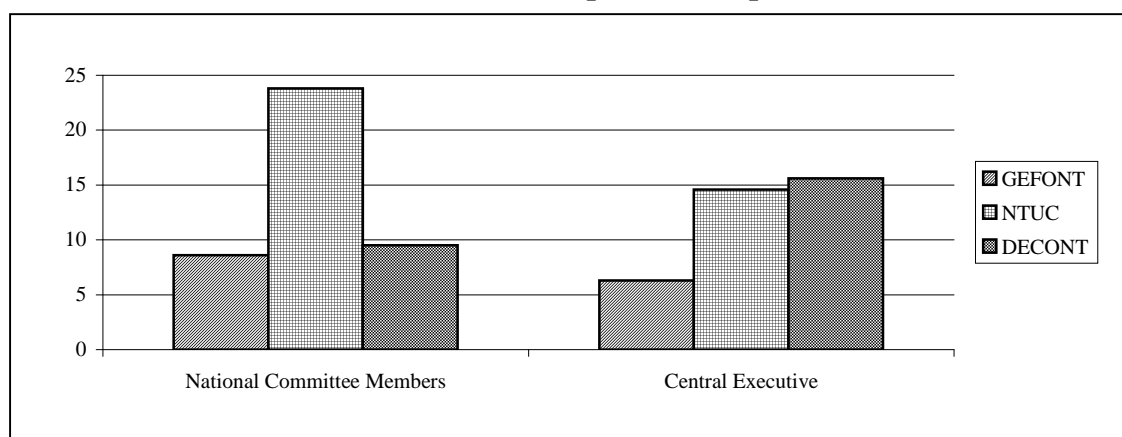
Confederation	National Committee Members		Central Executive*	
	Total Members	Percent of Women	Total Members	Percent of Women
GEFONT	35	8.6	206	6.3
NTUC	21	23.8	239	14.6
DECONT	21	9.5	141	15.6
Total	87	12.6	586	11.9

\* Executives Member of Confederations and national federations

Source: Binda Pandey, *Women Participation in Nepali Labour Movement*, GEFONT, 2001.

Now the participation of women in trade union movement is very low. Thus efforts should be made to upgrade the capabilities of women for equal participation in every sector and assign responsibility as per their capability. Low level of women's participation is reflected in various national federations. The low level of women's participation is not only due to the less capability of them but also due to the low level of employment and union membership. This problem can be solved permanently not by providing quota but providing equal opportunity in education, training and employment.

**Figure: 5.4**  
**Women in Top Leadership**



In the Nepalese trade union movement GEFONT comes at the first rank but it is far behind in women representation both in the National Council as well as executive body. In this respect leader of GEFONT tried to highlight their policy of equal participation but not materialised and there is no ray of hope this will be materialised in near future too. They opined that mere representation only encourage the 'cosmetic personality' instead of developing real women leadership.

Since 1947 Nepalese trade union movement is continue passing various ups and downs. It is not long as of the other countries in the SAARC region but the labour movement of Nepal is much more important because in other countries the labour movement was guided by political movement but in Nepal the seed of politics was transplanted through the labour movement.

## 5.7 Trade Union Confederations at a Glance

The basic objective of all the three confederations is to promote and protect their members from exploitation and uplift their living standard by establishing their rights in the workplace. But the process or methods to fulfill their goal is slightly different. Similarly, there is some variations on the organisational structure, their basic principles, general objectives, activities, future plan, etc. which are presented below.

GEFONT	NTUC	DECONT
<b>History</b>		
<p>An initiative was undertaken on July 20, 1989, which ultimately gave birth to GEFONT as a follower of All Nepal Trade Union Congress (ANTUC, 1947) and it was formally registered as the first national trade union confederation in the country in 1992.</p>	<p>Its history dates right back to the democratic movement of Nepal. It came into existence following the labor's movement. Nepal Trade Union Congress (NTUC) is the sole institute, which has been working continually since 1990 immediate after the restoration of multiparty democracy as a follower of Nepal Mazdoor Sangh initiated in 1947 and officially registered in 1992 as a second trade union confederation.</p>	<p>Established on 1 May 1997 realising a strong need of an independent trade union by 700 representatives of different unions. It is also known as a union splited from the NTUC because it was organised by a group of unionists dissatisfied with the functioning of the NTUC. Official recognition has got in the same year as a third confederation of Nepal.</p>
<b>Organisational Structure</b>		
<p>National Congress is organised in every four years represented by elected delegates from the national affiliates, which elects National Council (NC) and National Executive</p>	<p>National Convention is organised in every four years, which elects National Council (NC) and National Executive Committee. The NEC consists of 27 members (12 Executives - President, Sr. Vice-President,</p>	<p>The National Congress (NC) is organised at an interval of every three years. The congress elects Central Executive Committee (CEC). The CEC consists of 27 members including President,</p>

<p>Committee (NEC). National Council consists of proportionately elected members from each of the affiliates, plus full time activists, advisors and experts (not more than 25% of total elected members). NEC is to be elected by NC. The NEC consists of 21 members including Chairman, Vice-chairman, Secretary General, Treasurer, five regional coordinators, chief of the central departments (Central Women Workers Department, finance, office &amp; publication, education, foreign affairs &amp; labour relation), Chair person of zonal committees and elected members. Central Office, Regional Coordinating Committees (3), Central Departments, Central Commissions, National Affiliates (16) and Zonal Committees (10) are directly responsible to National Executive Committee.</p>	<p>Vice Presidents (Regional President), General Secretary, Deputy Gen Secretary – 2, Treasurer and 15 Members including five women reserved from the constitution. President of each of the affiliates national federations will be an ex-officio member of the National Council. The National Committee of NTUC consists of nine departments - Child Labor Elimination, Organization, Education, Women, Publication and research, Finance, Youth and HIV Aids, Trade Union Rights and Other Human Rights, Occupational Safety and Health. Similarly NTUC have 22 national affiliated unions. In addition to central office NTUC have 62 district offices through which it coordinates the activities of different affiliates at the local level.</p>	<p>Senior Vice President, Women Vice President and Secretary General. DECONT have five Regional coordination Committees headed by Regional Vice-president and 18 affiliated national unions organised in different sectors. It has twelve departments – Organisational, Dispute settlement, OSH, Women, Publicity, Legal, Training and Education, Youth, Cooperative, Child labour, Research &amp; Publication and Foreign Affairs. It has extended its organisation through 41 district committees too. Workers who do not have member of any affiliates can obtain direct membership of DECONT.</p>
<b>Objectives</b>		
<p>To build awareness in working class on their rights and responsibilities, to strengthen unified pro worker trade unionism, to eliminate feudal production relations, to be active for international solidarity of working classes against capitalist globalisation, to strengthen the role of the working class in social movement, to assist the</p>	<p>It has been working towards conserving and integrating all round rights of the workers who believe in nationality, democracy and socialism. NTUC is a non-profit making organization. The specific objectives of NTUC are: To dedicate to support nationality and democratic socialism through developing democratic order, dignity and</p>	<p>To develop democratic culture among workers, to endeavour to increase security and facilities for employed workers and to create employment extension, to make sincere efforts for cordial industrial relations, to fight against every inequalities and discrimination prevailing in the society, to involve more</p>

<p>establishment of people's pluralistic democratic political system.</p>	<p>behavior for reestablishment of democratic institutions, to organise workers scattered in different sectors, to protect and promote professional rights and benefits of the workers, to uplift the economic condition of the worker's based on democratic socialism, to help the industrial development in the country for the development of the national economy, to create favourable environment for proper utilization of wastage labour of the country on productive sector, to help for the creation of mutual relationship between labour and management, to make continuous endeavor for world peace, human rights and environment, to operate appropriate and necessary programmes for the welfare of the workers and their family, to pressurize the government to create employment opportunities, to maintain legal norms of the workers and their organization, to fight for reasonable salary or wages to the workers, to strengthen the right of collective bargaining, fight for to establish guaranteed social security system for the workers, to work for the development of the society along with labour rights and benefits.</p>	<p>and more women participation and to develop women leadership, to develop friendly relationship with all trade unions, to support and extend solidarity to every trade union working for labour rights, to not affiliate itself with any organisation or political party as a sister organisation.</p>
<p><b>Activities</b></p>		
<p>Training programmes on trade union education and other basic, advance and special</p>	<p>NTUC has been conducting various activities relating to the organizational expansion,</p>	<p>Elimination of child labour, operation and management of cooperatives, leadership</p>



<p>courses including OSH, skill development, establishment of an “emergency fund” for the welfare of the workers, free legal service to the workers to fight in the court against injustice over them, organisation of national and international level conferences, seminars and interactions on the workers related issues, continuous campaign towards elimination of child labour gradually, continuous intervention in national policy (particularly labour related and generally socio-economic and others) formulation and implementation, massive unionisation of informal sector workers including agriculture and liberating the bonded labour in practice and enabling them to enter into labour market, re-organizing some large federations, women workers campaign since 1992, human resource development under GEFONT umbrella, successful organisation of health cooperatives and conduction of mobile health clinic, campaign for own labour building construction, research work on the current issues of labour.</p>	<p>development of workers skill and welfare. NTUC has been conducting educational programs (especially trade union education) considering their moral obligation through central, regional, district and plant level unions. Similarly, NTUC has been raising the subject of workers Social Security as a major issue and has been continuously pressurizing the government to formulate a law in this subject. NTUC is also conducting school for child labours and OSH programs. Apart from these, NTUC has been organizing several other social programs too.</p>	<p>empowerment programme, mobile health clinic, organisation campaign to organise the unorganised workers are the major activities to fulfill its objectives.</p>
<b>Publications</b>		
<p>Shramik Khabar (monthly), Workers News (quarterly), Shramik Mahila (annual), Trade Union Adhikar in</p>	<p>Trade union Samachar, Mukti. Besides these regular publications NTUC is publishing books, booklets</p>	<p>Few occasional publications on organisational and educational materials for labour.</p>

<p>Nepali and Trade union rights in English (annual), Pro-worker voice (annual). Besides these regular publications GEFONT have several occasional publications in the forms of books, booklets, reports, cartoon, etc. on the issue of workers.</p>	<p>occasionally on labour related matters.</p>	
<b>Coverage</b>		
<p>General manufacturing, textile, garment, carpet, transportation, hotel, tourism, trekking-travels-rafting, printing press, tea plantation, auto mechanics, painters, plumbers, electrician, construction, garbage cleaners, food and beverage, chemical iron, rickshaw pullers, agriculture, street vendor.</p>	<p>Teachers, hotel, tourism, general manufacturing, garment, carpet, health, press, transport, public enterprises, tea plantation, financial sector, barbers, rickshaw puller, leather workers, construction, commercial, cultural workers.</p>	<p>Carpets, restaurants &amp; small hotels, airport and custom, film, barber, garment, transport, agriculture, construction, rickshaw &amp; cart puller, commercial, manufacturing, health, press, automobile, banking &amp; financial institution</p>
<b>Future Plan of Action</b>		
<p>Educational campaign, organisational expansion and mobilization, development of unified trade union movement, involvement in the issue of social concern, planned movement in basic levels, social security campaign, campaign for an effective implementation of labour laws, programme for human resources development, worker's co-operatives for collectivism, programme for financial independence, campaign for women workers, action research and policy intervention, joining hands</p>	<p>Educational programmes, organisational campaign, social programmes – social security, volunteer group of social service, employment security, establishment of Labor Democracy Development Study Centre.</p>	<p>Provide financial assistance to the workers, establishment of strike and labour welfare fund, lunch programme for the fixation of minimum wages in every sector, struggle for the effective enforcement of labour laws, liberate bended labour and secure the rights of informal sector workers including agriculture, lunch OSH programmes, operate health care centers, conduct income generating programmes for the worker's family to eliminate child labour, lunch NFE programmes,</p>

with political parties for social transformation, foreign employment and programme for migrant workers, development of international relations, publication reflecting collectivism and based on target groups.		establishment of DECONT award, DECONT women award and generous scholarship.
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## 5.8 Conclusion

Nepalese trade union movement has crossed half century since its first movement initiated strongly in late 1940s but suppressed badly using military power. It was at the stage of grown up during Interim period (1951-59) but again ban by the Panchayati regime up to 1990. The ban on trade union movement of Nepal was lifted following the restoration of multiparty democracy. During the 1990s the movement has been developed remarkably but the movement is very weak in informal sector where more than 90 percent workers are concentrated. The Trade Union Act 1992 granted legal status to the Nepalese trade unions for the first time in the history of trade union movement. The second amendment of the Act (1999) has provided right to unionise the agricultural workers and self-employed, but still large number of workers are deprived from the right of unionisation. Similarly, the implementation part of the labour laws is very weak since its enactment. This shows trade unions have to focus their activities towards the unionisation of informal sector workers on the one and on the other it is essential to pressurise collectively for the implementation of the laws. Initially Indian labour movements guided the Nepalese labour movement but in the later days of 1990s it is leading by the domestic leader in their own experience.

# CHAPTER VI

## ASSESSMENT OF TRADE UNION MOVEMENT IN NEPAL

### **6.1 Background**

Nepalese trade union movement has crossed more than half century since the beginning of the trade union movement in 1947. During this period a lot has been achieved by the trade unions, even though much more remains to be done. The movement has developed significantly though the unions were ban in most of the period. This chapter tries to undertake SWOT analysis of Nepalese trade unions highlighting the strength and opportunities on the one and indicating the weakness and threats on the other. The assessment will be based on the secondary informations available in the country supplied by the Nepalese trade unions and other institutions in different forms.

Prior to the restoration of the multiparty democracy the trade union activities were ban in almost all periods throughout the history of trade union movement in the country. During this period most of the workers were not aware on their rights. Consequently they were exploited to a large extent.

After the restoration of multiparty democracy in 1990 there have been countable achievements in the Nepali world of work. Much of these achievements can be illustrated with pride. The institutional development of the trade unions, establishments of rights and legal bases, publication of valuable materials on workers education and training, wider exchange of experiences, increased participation in different national and international forums, increased capability of policy intervention etc. are some examples in this context. Large number of trade union activities now are concentrated to aware the workers on their rights and organising them to achieve the welfare of the working mass.

The effort for building consensus among the social partners is one of the appreciable initiatives of this period and reproaching the cycle of never-ending conflicts, destruction, unhealthy competition and ultimately the division of trade unionism. Among a number of achievements – the Dhulikhel Declaration of trade unions on elimination of child labour, consensus on the prioritization of common agenda among the three trade union confederations, joint mechanism of gender equality and empowerment, high level task force to move towards single unionism and bilateral agreement for the timely

amendment of labour laws are some of the examples. It is believed that these examples are the concrete answers to the pessimists towards trade union movement in Nepal. Liberation of bonded Kamaiya, minimum wage for agricultural workers, improvement on the minimum wage of organised sector workers, trade union rights in the informal sectors etc. are some of the notable achievements goes definitely to the continuous and undelivered struggle of the workers in Nepal (GEFONT, Workers News, Vol. 35, 2003:8).

## **6.2 Strength of Nepalese Trade Unions**

During short period of time Nepalese trade unions have been acquired a lot of improvements in various issues among them increase in membership, militancy of the union, collective bargaining capacity and the changing attitude of the society towards trade union is considered as remarkable strengths.

### **6.2.1 Membership**

The strength of the trade union can be generalized mainly from number of trade unions, their membership in different sectors, unionisation rate and so on. The proportion of workers who belongs to a union has been the most visible symbol of union strength. The power of trade unions is normally measured by the density of membership or the number of employees actually enrolled as union members. Financial resources, area and activities, power and prestige, success and failure of any trade unions largely depend on its membership force. In Nepalese case there is no verification of membership number of a trade union as well as time series membership data are not available. The data of trade union membership are based on the informations supplied by the unions themselves on ad hoc basis without any proof. There is some doubt on the accuracy of membership claimed by the unions in the formal sector because in some enterprises where multiple union exists it is also observed that the total number of member claimed by the various unions are more than the total number of employees in the enterprise. Similarly there is no positive or negative relationship established between increase or decrease in the enterprises and average membership. There are some firms/enterprises where whole workers are involved in trade union, on the other still there are a significant number of enterprises where trade unions are not formed.

**Table: 6.1**  
**Status of Trade Unions and its Membership**

<b>Year</b>	<b>Registered* Unions</b>	<b>Membership **</b>	<b>Average membership/Regis- tered Unions</b>
1994	711	560333	788
1995	995	595500	598
1996	1183	630667	533
1997	1428	665833	466
1998	1627	701000	431
1999	1840	762621	414
2000	2054	824241	401
2001	1491	885862	594
2002	1634	947482	580

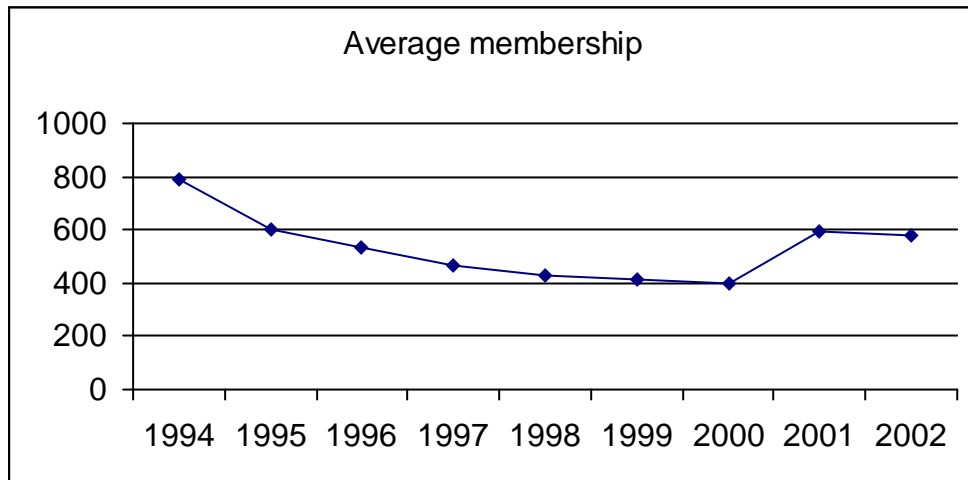
\* Table 5.3

\*\* Mathur supplies the membership figure for the year 1992 while it is by the trade unions for the year 1998 and 2002. Membership figure for other years are estimated assuming equal growth.

The proportion of workers who belong to a union has been the most visible symbol of union strength. The average size of trade unions in Nepal is very small which makes them weak in terms of finance and bargaining power. Only few trade unions are large in size but most of them are extremely small. Trade union membership size per union has been declining each year with the increment in the number of unions registered since 1994 to 2000 while it shows an increment in 2001 and again starts to decline. This increment is not natural because the Labor Office started to deduct the unions from their list while they fail to renew as prescribed by the Labor Act. The table 6.1 shows the number of registered unions had declined after 2000 that is quite unnatural because the number of union registered never declines because it is a cumulative figure of each year. Thus in actual terms the membership per union is declining further.

**Figure: 6.1**

**Average Membership per Enterprise Level Union**



A union draws its strength primarily from its membership. The larger the membership the more powerful it is. In other words the membership is considered as a soul of a trade union. Thus each union tries to attract as many members as it can in its favour. This involves in keen competition and rivalry with other unions, because generally when one union gains members where other union loose them especially in the constant employment scenario like ours.

The trade union membership in Nepal is categorized into three types – paid up member, signature member and associate member. During one decade of trade union movement since the enactment of Trade Union Act the membership of GEFONT, NTUC has increased by about 50 and 45 percent respectively while during the same time the membership increment of other non-affiliated federations/ unions is estimated 25 percent. DECONT has been reported surprising membership figure in 2002 by growing more than 200 percent during the four years period. This figure is unbelievable but president of DECONT plead the membership figure is real because during the short period they become success to organise the large number of workers from informal sector (including agriculture) where 90 percent workers depends for their livelihood. But there is a room to doubt on their figure when it reported the membership figure (35,000) of Barber Workers Union without accessing the total employment in this profession. Other two unions are also registered in this profession besides DECONT affiliated. The proportion of paid up member is important part form the point of view of trade union

movement. But in Nepal it is not more than 17 percent (GEFONT Brochure) to the total members and growing very slowly.

**Table: 6.2**  
**Change in Trade Union Membership by Confederations**

Union	Membership			
	1992*	1998**	2002**	Change During 1992-2002
GEFONT	210,000	303000	314075	49.6
NTUC	160,000	196000	232100	45.1
DECONT	-	82000	251307	206.5
Others	1,20,000	130000#	150000#	25.0
Total	490000	701000	947482	93.4

\* Ajeet N. Mathur, *Labor Institutions and Economic Development*, p.32.

\*\* Concerned Trade union Confederations (see Annex A)

# Rough Estimate on the basis of membership data provided by few federations outside from the three registered confederations assuming constant growth of all federations.

Trade union density is only one indication of the influence and general state of the unions but no doubt it is an important factor. When membership size of a union declines it reduces the strength, influence and credibility of the union on the one and on the other income of the union from membership subscription decreases. If income of a union declines it could not perform necessary activities and services for the welfare of its member. This cycle will continue. On the other generally there is a positive relationship between the unionisation rates and the number of ILO conventions ratified by the country. This means higher the unionisation rate of the country higher will be the number of conventions ratified by the particular country.

According to the national population census the total gainfully employed labourforce reached 1,00,28,397 in 2002 from 70,58,717 of ten years ago by growing 3.6 percent annually. This figure was estimated about 9463 thousand in 1998. Among them more than 90 percent are concentrated in the informal sector. Agriculture sector is an important under informal sector occupying a large proportion of labour force.



**Table: 6.3**  
**Trade Union Densities in Nepal**

Particulars	1992	2002
Total Gainfully Employed Labor force 15 years & above	7058717	10028397
Agricultural Employment	5488969	6790377
Non-agricultural employment	1569748	3238020
Formal sector employment	-	879000*
Informal sector employment	-	8584000*
Total Trade Union Members	490000	947482
Agriculture	-	126000 (13.3)
Non-agriculture	490000	821482 (86.7)
Formal	-	470330 (50.4)
Informal	-	477152 (49.6)
<b>Trade Union Density</b>		
Total Employment	6.9	9.4
Agriculture	-	1.9
Non-agriculture	31.2	25.4
Formal	-	53.5
Informal	-	5.6

\* CBS, *Nepal Labor Force Survey*, 1998/99

Source: Adjusted and calculated on the basis of data supplied by the CBS and various trade unions

Only slightly more than two percentage points had increased trade union density during a decade since 1992. This rate is far below than the change in the labour force (57.5) and employment (42.1%) of the country during the same period. This shows that unionisation in Nepal could not follow the growth of employment mainly because the employment in informal sector has increased rapidly but unionisation in this sector is

insignificant because of various reasons. On the other informalization of formal sector due to the globalisation is also a major constraint to increase the unionisation rate in the country. The second amendment of the Trade Union Act in 1999 had been given right to organise to the workers working in informal sector including agricultural sector too. Within the short period about two percent agricultural workers has been unionised. But trade unions involved in the organisation of the agricultural workers from their experience hoped that large number of agricultural workers could be unionise within few years if the Maoist insurgency stops. The trade union density has been declined in non-agriculture sector during one decade by about six percentage points even though the union membership increased by 3,31,482 in absolute terms. Thus the decline is not due to decline in the absolute number of workers in the sector but due to the increase in the employment is far more than the increase in the unionisation of the workers.

Some federations are of both characteristics (formal and informal) such as garbage cleaners. On the other the workers working as tea plantation, inter corporation, finance are working as an organised workers but they joined trade unions as an individual membership basis. Thus it is difficult to distinguish the workers by formal and informal category. But in this study formal and informal sector are distinguished on the basis of the general practice and personal judgment after discussion with some of the trade unionists at confederation level. Even though it may not present the real picture of membership but shows the trend of membership in these broad sectors.

Out of the 55 national federations registered in the concerned Labor Offices and affiliated with the three registered confederations, 29 (52.7%) belongs in formal sector where rest 47.3 percent in the informal sector. On the other membership in both the formal and informal sector unions is more or less equal. The table 6.4 also highlights that less than one fourth unions holds 57 percent and three fourth union members respectively in formal and informal sector showing uneven distribution of membership in different unions in both the sectors, but more in informal sector.

**Table: 6.4**  
**Frequency Distribution of National Federations based on**  
**Estimated Membership by Broad Sector\***

Size of Membership	No. of Federations		Total Members		% of Federations		% of Members	
	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal
< 1000	1	2	630	1560	3.45	7.69	0.16	0.39
1000-5000	6	10	18480	30300	20.69	38.46	4.59	7.67
5000 to 10000	9	6	67800	36781	31.03	23.08	16.85	9.31
10000 to 20000	6	2	85400	30500	20.69	7.69	21.23	7.72
20000+	7	6	230020	296011	24.14	23.08	57.17	74.91
Total	29	26	402330	395152	100.00	100.0	100.0	100.00

) Only National federations affiliated with GEFONT, NTUC and DECONT are analysed because membership of other federations is only estimated in total.

) For detailed membership by National Federations see ANNEX - I

Source: Calculated from the Boucher of the concerned confederation

Of the total membership claimed by the three confederations GEFONT is in the first position holding 39.4 percent membership where DECONT and NTUC comes at the second (31.5%) and third (29.1%) rank respectively.

The strength of the three confederations is not the same in all sectors. One confederation is strong hold in one sector where others have in another sector on the basis of membership. All the confederations have been strongly realised the need of unionisation of informal sector workers to make the trade union movement strong where about 90 percent workers are concentrated. On the other the formal sector is also going to be informalization due to openness of the economy. So the informal sector is going to be broadening day by day. In the broad groups out of the total membership of the concerned confederations DECONT has strong hold on informal sector followed by GEFONT where NTUC still has concentrated in formal sector and weak in informal sector.

GEFONT still has been showing its strength in manufacturing/industry sector though the total membership in informal sector has exceeded the formal sector in total membership. Agriculture and transportation & communication are the other sectors with high membership. NTUC has shown strong hold in service and manufacturing/industry sector concentrating 73 percent membership only in these two sectors. Similarly DECONT is also showing its hold in manufacturing /industry sector followed by service,

construction and agriculture sector. All the unions are weak in finance and trade sector where large number of self employed as well as paid workers is concentrated and it is growing day by day. Thus Nepalese trade unions have also thought over to organise the workers of such sectors too. The main cause of low unionisation in service sector is that most of the white-collar workers hesitate to join trade union because of their superiority feeling that considered the term worker and their union as inferior.

**Table: 6.5**  
**Percentage of Membership by Sector and Confederations**

Sector	GEFONT	NTUC	DECONT
Total (N)	314075 (16)	232100 (21)	251307 (18)
Total (%)	39.4	29.1	31.5
Formal	44.1 (10)	78.5 (11)	32.5 (8)
Informal	55.9 (6)	21.5 (10)	67.5 (10)
Agriculture	23.9 (1)	-	20.3 (1)
Industry/Manufacturing	29.9 (6)	30.4 (5)	24.7 (4)
Construction	7.2 (1)	7.0 (3)	20.6 (1)
Transport & Communication	22.5 (2)	7.8 (3)	4.0 (3)
Finance/Trade	1.1 (1)	7.2 (2)	3.5 (2)
Service	12.4 (4)	42.7 (5)	21.6 (5)
Others	3.0 (1)	5.0 (3)	5.2 (2)

Note: The figures in parentheses indicates number of national federations

Source: Calculated from the Boucher of the concerned confederation

Both the NTUC and DECONT has been exceeded the share of membership in the Service and Finance/trade sector compared to GEFONT because these two unions have been affiliates of white collar workers such as from bank and financial institutions, school teachers, public enterprises, health workers, etc where still non of the organisations from the white collar occupation has joined GEFONT though the dialogue is going on.

## **6.2.2 Militancy of Nepalese Trade Unions**

Nepalese trade union movement was very weak prior to 1979. The workers had got limited liberty as a result of the nationwide movement of 1979 where workers have been also played very effective role for the success of that movement. This was the period of contradiction between employers and workers where strike was the main weapon of the workers to pressurise to their masters. The whole period of 1980s was also passed with the contradictory relationship between workers/unions and management though during this period workers were organised to some extent spontaneously against their exploitation.

The contradictory relations continue during the first two years after the restoration of multiparty democracy but slowly diverted to negotiation. This period was passed on preparation of legal framework related to labour issues. After the enactment of the labour laws in 1992 the place of contradiction had took by the dialogue on the issue of labour (policy formation, law enforcement and so on). Gradually the relationship between employers and workers has improved remarkably. Strike was considered only the weapon of the workers to fight with the management against their exploitation prior to 1995 but after that focused was given to dialogue instead of strike which is proved by the declining number of strikes in the recent years. In recent years the government and employers have been started to accept trade union as a social partner gradually as the strength of the trade union has improved.

It can be conclude that Nepalese trade unions are not much militant mainly because of legal ban up to long period of its history and low unionisation though they have been contributed a lot in the national movements for democracy and economic development.

## **6.2.3 Improvement in the Collective Bargaining Power**

The trade unions in Nepal are not strong. Though the member of registered unions at enterprise level is increasing every year but in fact all of them are suffering from many problems.

Collective bargaining process is as old as labour movement but not strong due to weak condition of the trade unions up to long time. With the openness of the trade union

movement after 1990 the role of union on the process of collective bargaining seems to be stronger compared to the past though the labour movement become success to gain more facilities/benefits from the employers since the first labour movement of 1947. After the first labour movement the industrial workers again become success to increase benefits (monetary as well as others) from the movement of 1979 and 1982. Similarly in 1988 the textile workers launch a movement to pressurise the employers to fulfill their demands. As a result they become success to increase wage of the workers and obtain permanent appointment.

During 1990-92 (following the restoration of multiparty democracy and prior to enactment of Labor law) trade unions again gain some important success on increase on wage, leave facilities and so on. After the enactment of labour laws the provision of Labor Advisory Committee, Labor Relation Committee including the representation of worker or their union, establishment of Labor Court are the achievements of the workers movements.

Nepalese trade unions achieved a lot of strength through their collective bargaining power and increasing efficiency of the workers on collective bargaining process. But it is a matter of sorrow the implementation part is very weak. As a result the unions are forced to conduct movement again and again for the same demand due to non-implementation attitude/practice of the management, which was fulfilled during negotiation. On the other the monitoring mechanism for the proper implementation of labour acts and laws is virtually nil in the country. Thus the workers/unions are compelled again come to the street to force the employers for the implementation of the agreement.

#### **6.2.4 Change in Public Opinion from Negative Towards Positive**

The strength of a trade union depends on the support of general public. To gain public support unions have to consider themselves an instrument of society and consistently bear in mind that their actions should strengthen society as a whole and not just its members in isolation. If the union, being a voluntary organisation loses the sympathy of the wider public, it would be unable to be success to achieve its goal. Thus linkage with society is crucial for the effectiveness of trade unions. The public image of trade unions has in recent past undergone a change in the unions no longer enjoy the

same respect in the eyes of the general public. This is mainly because the unions have to work for the welfare of a section of the population, namely employees especially in organised sector but ignored other working groups existing in the society. This class constitutes a small percentage of the working population in the country. Thus many people in the country feel that trade unions have ignored large segments of the population. Realising this weakness trade unions are now making some efforts to reach those segments of the population, which have remained, unorganised so far and indirectly related to workers and their families. But still public opinion is not much favourable for trade unions as people consider them the wings of political parties. People have not yet recognized trade unions as the actors of social movement.

### **6.3 Weaknesses of Trade Unions**

Nepalese trade unions are suffering from various weaknesses such as low membership, multiplicity of unions on the one and one the other inter and intra union rivalry among unions, weak financial position, weak leadership, low level of wages, remarkable unemployment and underemployment situation in the country, etc. Because of this problem they cannot function effectively as needed.

#### **6.3.1 Multiplicity of Unions**

The multiplicity of unions leads to a waste of energy; resources and a lack of unity and motivation in the way workers defend their rights. One of the major weaknesses of trade unions is the multiplicity based on the political ideology, leg puling nature of the leaders and in some cases on the influence of the individual political leader that they believe or support. Similarly there are separate unions of white and blue-collar workers supporting the same political ideology in the country. This problem can avoid only if various trade unions joining hands with one or the other political parties or affiliated or controlled by them could come to some understanding as a basis for their common programme which may be possible only if the workers themselves becomes sufficiently educated and rational to understand the defects of multiplicity in the trade union movement and realization a need of a single union of the working class. Koirala suggested to a single confederation of trade unions to solve the labour problem, which is the demand of the present situation of the country. But the current attitude and practice of the different trade unions are rigid and all are anxious to preserve their own identity.

Thus seems to be a single union of workers is impossible in near future though the major trade unions at present have been starting to work together in some common labour issues. In this context the only way to solve the problem is to organise a federation with the representation of all the unions affiliated with either politics or independent.

At present all the trade unions are directly associated or linked with one or the other political parties and working as a cell of the party they support though most of them plead themselves as independent. The direct relationship between political party and trade union is clearly evident from the division of trade union organisation following the fragmentation in the political party and merger immediate after the merger of the party. The trade unionists said that trade union movement could not be apolitical organisation. To fulfill its goal trade unions should work keeping hands to hands with political parties. From the experience it is clear that the membership, militancy and capability of the trade unions to resolve the workers problem as well as to conduct different welfare activities in favour of workers is always high in those unions who are affiliated or supported by the ruling party or the major political parties outside the government where the unions related with small parties or independent could not do it efficiently and remain far behind in trade union movement of the country. This proves that trade unions in Nepal could not be isolated from politics if it is organised for the welfare of their members and general workers. The list of the trade unions in Nepal and the political party in which they are affiliate is presented in table 6.6. Besides these trade unions all most all parties existed in the country had tried to register their own trade union but all they are paper union neither they have any office nor members and office bearers. They have no any role in the trade union movement of the country.



**Table: 6.6**

**Some Trade Unions in Nepal and their Association With Political Parties**

<b>Trade Union</b>	<b>Affiliation with</b>
GEFONT	CPN (UML)
NTUC	Nepali Congress
DECONT	Nepali Congress (Democrats)
National Democratic Trade Union Council (Mahasangh)	Rastriya Prajatantra Party
Nepal Revolutionary Workers Union	Nepal Workers and Peasants Party
All Nepal Trade Union Congress	Unity Centre (Mashal)
All Nepal Trade Union Congress	NCP (Maoist)
Nepal Trade Union Federation	CPN (United)
Nepal Sadvawana Majdoor Manch	Nepal Sadbhawana Party
All Nepal Trade Union Federation	Janamorcha
Nepal Trade Union Centre	NCP (Marxbadi)
Nepal Progressive Trade Union Federation	NCP (ML)

This shows that the trade union movement of Nepal is badly affected by political intervention and direct party affiliation that directly reduced the bargaining power of the unions and creates obstacles in implementation of agreement. Thus the development of multiple unionism may not be healthy and could affect the interest of workers. One positive development is the formation of federation effectively may help to overcome from the problems emerged due to multiple unionism. Generally in Nepal if one union launched a protest programme with a list of demand in favour of workers another union who belongs to ruling party countered it blindly without thinking over demands of the workers. But since last 2/3 years this situation is improving and some of the powerful trade unions started to prefer the workers welfare rather than political interest. As a result unionist started to fight with their own party too giving more emphasis on workers welfare rather than blindly support the party's attitude towards workers and their unions or policy regarding workers.

Trade unions in Nepal like other developing countries are maintain direct relationship with the political parties realising that trade union alone will not sufficient to change the society. So partnership with political parties is an inevitable fact to achieve their goal of social transformation. Considering this fact all the Nepalese trade unions

walk hand in hand with political parties who they believe even though they realised the effect of multiplicity on trade union movement.

The existence of more than one union in any establishment is a serious obstacle to show the proper performance by the unions. The union rivalry further widespread significantly while the employer supports some unions and oppose to others. The rivalry between unions not merely competitors in the trade union field but they are also political rivals. The degree of rivalry varies one union to another. Inter union rivalry is a serious handicap to the union's functioning. There is always a hangover the fear of rival unions waiting to take advantage from the weaknesses of others. This further helps to reduce the bargaining power of the unions from grass root level to higher level.

There may be various causes responsible for the split of the unions, but the major cause is the national legislation that allows a union can register in the concerned Labor Office only with the signature of the 25 percent of the workers. The country is also experiencing the appearing and disappearing of unions at a fast rate. The average membership per union is low and declining each year where proportion of union lost every year is high. Multiplicity of union cannot be checked only through the legislation. It needs strong will of the political parties, because all the political parties would like to have its own trade union wing. Contrary to this all the workers and its leaders should have to keep workers welfare at the top priority rather than political interest.

Likewise, the development of multiple unionisms may not be healthy, which creates obstacles in implementation of policies on the one hand and on the other it brings conflicts among the unions and affects the production.

Measures directed at strengthening the trade unions' concerns, legislative or other initiatives to minimize trade union multiplicity, promotion of internal leadership, regulation of decision-making process, finance, etc. require great sensitivity. Attempts to promote collective bargaining and measures to minimize inter and intra-union rivalry leads to confusion about motives and outcomes of government initiatives, which may be perceived as government interference. Governments should develop sufficient consultation and confidence before they can expect co-operation from major trade union federations

### **6.3.2 Inter and Intra Union Rivalry**

Nepalese trade unions like other south Asian countries are not only suffering from the multiplicity but also affected badly by inter- union and intra -union rivalry from centre to the grass root level. Mostly they are fragmented on the basis of political ideology so the unions follower or supporter of either ideology struggle each other even in normal issues. Generally a union always draws its strength primarily from its members. The larger the membership the union considered more powerful. Consequently each union tries to attract as many members it can and this involves in keen rivalry among them. Because one union gain members means the other loose it in the situation where the number of workers remains constant normally.

On the other trade unions are also divided even though all of them are followers of the same ideology. For example the struggle between unions affiliated with the NTUC and DECONT since the emergence of DECONT in 1997, rivalry between GEFONT affiliated unions and so called confederation ICONT prior to the merger of CPN (UML) and CPN (ML). Rivalry between affiliated national federations verses non-affiliated unions and also rivalry within the three confederations at the top level is also observed sometimes. Similarly intra- union rivalry is common in some unions for the leadership or personality issues within the unions. Personal ego of the leaders also plays an important role to divide the members of the union into groups and sub-groups and sometimes it reached up to the stage of division of unions. These activities form either side ultimately helps to make the union weak. All the Nepalese trade unions are suffering badly from this problem.

### **6.3.3 Trade Union Finance**

Finance plays the key role. If the union have sufficient fund the movement will be alive and strong. When funds is lacking the movement shrink away. A union should carry over various activities like regular meetings of the executives, publication and distribution of propaganda literature, adoption of various means of communication and public relations, helps to save the members during the period of strike or lockout, carry over the legal proceedings for the workers, provide social securities and other constructive activities for the welfare of its members that deserve huge expenditure. So a union can live and progress only if it has ample funds at its disposal. If a union spends all

that it receive from its members for their own welfare, the faith of members in the union increases and they are willing to give their subscription regularly.

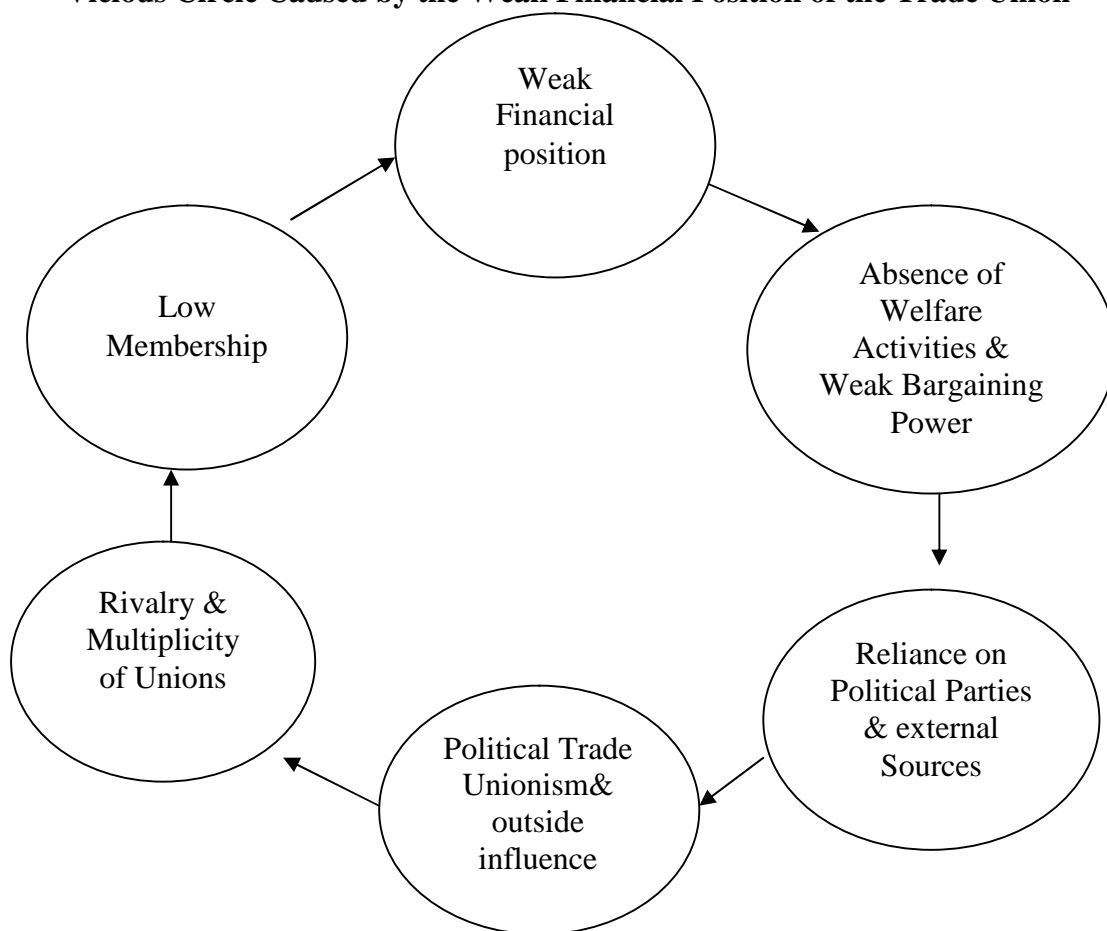
Looking at the financial side of the Nepalese trade unions, all they are in financial difficulties. Financial constraint is also a major weakness of the trade union. The primary source of income of the unions is the membership dues. The quantum of these dues often depends on their membership strength, which is very low in Nepal. On the one total number of union membership is low and on the other the volume of paid up members is significantly low. Similarly the annual rate of membership fee is very low though it varies union to union. Therefore the volume of contribution from membership dues is insignificant to their total income. Apart from the membership dues there are other sources of funds such as: donations from different organisations to conduct particular activities, sales of periodicals and special collections, research and action programmes, etc. The financial position of all the trade unions in the country is generally weak. Recently the major source of Nepalese trade unions is estimated funds rose for the research and action programmes on contemporary labour issues through national and international partners. The financial dependency of the trade unions will not be beneficial in the long run for the trade unions. So they have to manage their own regular source for continuous and effective functioning of the unions.

As a consequence of the irregular and weak financial situation, the unions are often unable to expand their welfare activities as necessary and not in a position to provide adequate services to their members that reflects to low unionisation, which helps to reduce the bargaining power of the unions. When bargaining power of a union is weak it could not save the workers from injustice. To save the union and their members from injustice the union should rely on outside resources. When a union relies on other institutions the influence of outsiders mainly affiliated with politics will automatically increase in the union and the political leader naturally guide the trade union towards political direction. The political affiliation of a union further helps to inter and intra union rivalry and again the membership will reduce. This vicious circle will continue until and unless a union could not financially strong. All the Nepalese trade unions are suffering from this vicious circle.

In some well organised unions the members themselves reports to the union office to pay their membership dues on the other those who are not well organised have

to make strong and sufficient arrangement for regular collection of dues. But in general the picture of union finances is unsatisfactory. An important factor limiting the effective functioning of unions in Nepal is their financial weaknesses.

**Figure: 6.2**  
**Vicious Circle Caused by the Weak Financial Position of the Trade Union**



### 6.3.4 Leadership Development

As of the other South Asian countries trade union leadership in Nepal did not develop from within the mass of the workers. During last 12 years since the enactment of Trade Union Act trade unions become success more to make the workers aware on their professional rights and welfare but the workers still not able to reach in the top leadership mainly due to low level of education. Consequently the outsiders generally influenced by political parties lead the unions. Thus a vicious circle as regard the inherent weakness of the trade unionism continued. The unions are closely associated with political parties and political leaders continue to dominate the unions. As a consequence the interest of the leaders have tend to become tools of party politics and

the workers have become pawns in the hands of political trick. Generally the outsider leader tries to fulfill their vested political interest rather than the welfare of the working class. This problem was clearly evident during the Panchayat period when NLO was effective but this problem is not seen acute after the establishment of open environment for trade union movement though there is influence of political parties continuously. To overcome from this vicious circle the workers should build up internal leadership through implementing massive and effective education and training programmes to the workers from establishment to confederation because at present large mass of the workers are illiterate and those who are literate their level of education is very low. Most of them are deprived from professional training and they are also not aware on the workers rights and responsibilities. The Trade Union Act of the country also allowed the 10 and 25 percent outsiders in the executive of the national federations and confederation respectively where no outsiders are allowed in the enterprise level unions. Nepalese trade unions are conducting various leadership training with the help of the different organisations from different countries and international institutions. But the outcome or achievement is not much effective as expected, mainly due to the poor level of education of the Nepalese workers.

Outsiders in the leadership developed mainly because of the illiteracy and lack of ability of the workers on the one and their inferiority on the other is one of the major problems of trade union unity. Generally the outsiders are guided/influenced by the political parties.

There is a great debate whether the outsiders should be or not a trade union leader. Historically the leaders associated with the trade union movement were committed to the well being of the working class. But as the time passes the trade union leaders are divided into three categories. They are: identified themselves completely with labour, engaged completely in political activities and working both in the political as well as labour fields. The first and third type of leadership is not harmful for the trade union but the second type generally creates problem to the effective functioning of the trade unions.

### **6.3.5 Low Level of Wages**

Wage rate of the Nepalese workers is very low compared to other South Asian

countries. Wages of the workers is considered a principal cause of industrial disputes in most of the developing countries. Nepal is not an exception from it. Fixation of minimum wage in Nepal was started only since 1965 to the workers involved in manufacturing sector in some industrial areas though the Factory and Factory Workers Act was enacted in 1959 as a first labour legislation. The Act had incorporated the provision of minimum wage fixation to the workers. The concept of minimum wage still covers the manufacturing sector only. A separate minimum wage rate is fixed for the workers working in tea estates of the country, which is below than the minimum wage for the workers in the manufacturing industries. In 2000 the government has fixed the minimum daily wage for the agricultural workers too but up to now it is not revised and implemented effectively.

Available information shows that, time and again the money wage is increasing. During 1965 to 2003 the money wage has increased by about seventeenth times but in real terms the wage rate has declined significantly (36%). The increment of minimum wage of 2003 is more significant as compared to earlier. On the other the minimum wage earned by the workers is found far below then the minimum amount needed to the worker's family for their minimum subsistence. Consequently, the living standard of the working family has declined instead of increase. Which reflects the deteriorating condition of the Nepalese economy. But both the money and real wages on the basis of 1992 prices has increased during the period of 1992-2003 reflecting positive role of trade unions on the wage issue though the increment is insignificant.

On the other there is no any specific rules for the fixation of minimum wages. The first Wage Fixation Committee (1965) has fixed the wage rate considering the subsistence need of the workers, their efficiency and paying capacity of the industry. The rising cost of living is to be met by dearness allowance. But the subsequent increments are based mainly on the influence of the workers representatives in the tripartite committee for fixation of wages of the workers. Thus mainly all increments followed the dispute of the workers or pressure of the workers union to the management frequently even though there is a common understanding of revision of minimum wages in every to years.

Similarly, only fixation of wage cannot maintain healthy industrial relations. Its proper implementation and regular monitoring by the government is equally important

which is virtually absent in Nepal. As a result of this, workers of those sectors or enterprises where union is absent or weak are still compelled to work at lower rate than minimum wage to escape from starvation. This situation caused to increase in the number of disputes in the organization.

The major demand of the workers unions is that to prevent the living condition of the workers at least constant. To fulfill this demand it is necessary to fix the minimum wage considering the prevailing inflation rate at a fixed interval of time preparing a wage index separately for different sectors.

### **6.3.6 Low Level of Unionisation**

The unionisation rate in Nepal is low as of the other south Asian countries. The number of trade unions in Nepal has increased considerably. But the membership of the unions did not increase as compared to unions' growth. This indicates the declining membership per union. The average no of membership per union was 788 in 1994 that declined gradually by more than 200 during 1994-2002 periods and reached 580 in 2002. As explained earlier while analyzing the strength of the Nepalese trade unions the unionisation rate in Nepal is estimated 9.4 percent of the total employment in 2002 that was 6.9 percent in 10 years ago (1992). This proves that there is no satisfactory growth of union members in comparison to the growth of the workers during the same period. One out of four workers are unionised in non-agricultural sector but only less than 2 percent workers are unionised in the agricultural sector where about three workers out of four are involved. Unionisation in the formal sector is satisfactory but it is very poor in the informal sector where large number of labour force involves. This shows more than 90 percent of the total workforce are still out of the union umbrella. Large informal sector still not unionised. As a result bargaining power of the union is very weak where it is almost nil in informal sectors.

### **6.3.7 High Unemployment and Under Employment**

The capacity of employment generation of the Nepalese economy is poor and far behind in comparison to the fast growth of the labour force. Consequently unemployment rate is increasing sharply. On the other large proportion of workers has lost their job as a result of the privatization of the public enterprise by the government. Informalization of the formal sector has increased with the increasing emphasis on



causalisation, subcontracting of work, sub contracting of labour and use of contract labour. Family based production system widened instead of large factory system involving huge number of workers producing various types of goods and providing different services at one place or enterprises. Generally without increasing in the rate of employment of the labour force trade union membership could not increase. But in Nepal unemployed mass is increasing along with the high growth of population where employment opportunities are more or less constant. Similarly large part of the labour force is deprived from full time work though they are employed. The unemployed and underemployed situation not only affects the strengthening the trade unions but also affects to the economic development of the nation.

## **6.4 Opportunities**

Trade unions in Nepal had not only suffered from various weaknesses but also had gain a number of opportunities to strengthen the organisational capability, change the feeling of the society towards the workers from negative to positive, improvement the level of awareness on their rights and responsibility, expansion of working class solidarity, build on leadership capacity, etc.

### **6.4.1 Awareness of the Workers Increased**

Level of awareness and education of the Nepalese workers working both in the formal and informal sector is still very poor. Realising the fact trade unions of Nepal are bother on the poor educational status of the workers from the very beginning especially after the openness of the trade union movement (after 1990). All of the trade unions have been included various programmes and activities on their priority basis like awareness raising, skill improvement and education targeting to trade union leaders (from grass root level to the confederation) and workers (both in the formal and informal sectors) with the financial as well as technical support of the various institutions within and abroad. Their internal resources also support some of the activities. Among the various activities conducted by the Nepalese trade unions training/workshops in different contemporary labour issues in order to strengthen the leadership quality, seminar and conferences, formal and informal education programmes, campaigns (on holiday on 8<sup>th</sup> March, fundamental workers rights, liberation of bonded labour, elimination of child labour, organising informal sector works especially agriculture sector. etc), exposure tour within

and outside the country, publication of education and training materials, research activities on contemporary labour issues, production of audio visuals as a teaching material are experienced more effective to uplift or raise the level of awareness of the workers and their leaders.

Level of awareness among general workers, members and activists of trade unions from grass root to confederation level have been enhanced remarkably especially on the issues of trade union movement, workers rights, labour relation and so on within a decade of open trade union movement.

#### **6.4.2 Human Resource Development**

Human resource development programme has been given due emphasis among the various activities conducted by the Nepalese trade unions especially after the enactment of the Trade Union Act 1992, in order to strengthen their organisational capability as well as human resource development. These programmes have targeted various sectors and level of workers from both the formal and informal. Trade union activists from establishment level to the central leadership were benefited from the programmes conducted by the trade unions in different time periods. Union activities also have been given equally importance to the upliftment of women workers and their participation in union activities. As a result participation of women in union activities is increasing gradually.

Series of training, workshop, education programmes and number of publications related to labour issues were major visible activities conducted by the trade unions directed to human resource development among the working class giving top priority. Similarly participation in research on labour related issues and exposure of the union leaders in different programmes within and outside the country organised by various institutions helps to strengthen their capacity and morale bust up. As a result large number of union activists and general workers were benefited from the activities of the unions directly and indirectly. A team of trainers or educators has been developed within the trade unions at central level under human resource development programme. Similarly trade union activists at central level are more or less competent to conduct training and research activities using their internal human resource.

Nepalese trade unions are dedicated for the development of skill of the workers and creation of employment for the economic upliftment of the workers through various programmes. The demand for skilled human resources in the country is increasing with the expansion of the economy and change in the technology. Union leaders are aware on the fact and trying to do accordingly as much as they can.

### **6.4.3 National and International Solidarity**

In present days globalisation has brought countries closer to each other. It has also created competitive and more complicated environment than before. Thus to be able to adjust and meet new challenges by the working class collective efforts is crucial. In the present globalized world capital has become international, than the labour too has to be internationalized. This will require the collective efforts of national trade union movement backed by the active support of international trade union organisations (Venkata Ratnam & Sinha, 2000:156-57).

Solidarity of trade unions is much important in the present context. In the present globalized world single union of any country could not fight against the negative impact on the working class and exploitative motive of the multinational companies (MNCs). Thus national as well as international solidarity will be the most important tool to fight against the evil of globalisation by which the unions of any country can acquire enough information and solidarity strength from their counterparts. In this context trade union leaders of Nepal frequently travel abroad likewise they also invite trade union leaders from abroad for mutual exchange of information and views. Internal as well as international solidarity of the workers has increased in Nepal along with the development of the trade unions.

Nepalese trade unions have been extending their friendly relations with various national trade union centres working in different countries of the world. Similarly they are receiving cooperation from a number of regional and national organisations to strengthen their movement. In addition they have link with the various international forums as well.

Celebration of International May Day, International Women's' Day (8 March), Trade Union Rights Day, International Commemoration Day of Accident Victims (April, 28), International Migrant Day (December, 18), Child Rights Day (June, 12) and other

labour related events by organising various programmes, monitoring labour standard in the country are the major activities that helps to extend national as well as international solidarity.

Participation and addressed by the senior leaders of five major political parties, all of the trade unions and 16 plus international unions' representatives including the representatives from all the International Trade Union Centres in the 4<sup>th</sup> National Congress of GEFONT (May first, 2004) is the recent example of national and international solidarity of Nepalese trade union movement.

#### **6.4.4 International Recognition**

International relation and networking of the trade unions is very much remarkable. Likewise noteworthy is the success to develop and strengthen relation with a number of national trade unions, labour related NGO/INGOs and international community. All the Nepalese legally recognised trade unions are representing in the meetings and other programmes of ILO and other national and international institutions. One trade union confederation (NTUC) had been developed linkage with ICFTU since very beginning where GEFONT has been maintaining good relation with ICFTU, WFTU and WCL. DECONT is also maintaining comfortable relation with these global unions. Similarly some of the national federations in Nepal are affiliated with the one or the other GUFs, TUIs and ITUFs. Similarly all the confederations have good relation according to their capacity with the national unions actively working in different countries in the world.

#### **6.4.5 Capable to Perform Various Welfare Activities**

Now significant number of trade unions from the enterprise level to confederation level became able to conduct different activities for the benefit and welfare for their members in particular and workers in general with the financial as well as technical support of different national and international organisations. Among them the following are the major activities conducted by the Nepalese trade unions.

- ) Leadership training, seminar and workshops,
- ) Training on trade union education, market based skill development,
- ) Action programme for the elimination of child labour,

- ) Research on various contemporary and sensitive labour issues,
- ) Conduction education programmes – formal and informal,
- ) Awareness raising programmes regarding on OSH at enterprise level and pressurise to the employer for implementation of OSH measures in their enterprises,
- ) Establishment of Emergency Fund Scheme by the workers themselves for the assistance and welfare of workers on strike, injuries and during other genuine problems,
- ) Free legal service to the victimized workers,
- ) Organisation of international trade union conference on contemporary issues,
- ) Policy intervention – contribution to formulate and implement national labour policies and their update,
- ) Continuous and hard effort to organise the informal sector workers working in different sectors,
- ) Women workers upliftment programmes with the slogan “not mere representation but participation”,
- ) Different programmes targeted to human resource development,
- ) Workers Cooperative – Health Cooperative, Health Insurance Scheme by GEFONT and Saving/credit Scheme by both the GEFONT and DECONT separately.

All the confederations have been conducted a number of activities listed above. Among the three confederations performance of GEFONT in various activities is found more effective.

#### **6.4.6 Unified Trade Union Movement**

In the present global context labour power is weakening day by day especially in the developed countries where developing countries are not free from it. Thus it is believed that it is difficult to strengthen the working class movement for their welfare and benefit. There is no doubt multiplicity of unions could not raise voce effectively on the workers’ issues and compel to the employers to fulfill the genuine demand of the workers. But like other south Asian countries multiplicity of trade unions in Nepal has been started since its inception and increasing day by day. But now all the three trade union confederation have been realised the disadvantage of the multiplicity of unions and trying to work jointly in some labour issues since last few years even though their

policies, principles and beliefs are different to achieve the goal. The major joint works conducted by two or three confederations are listed below.

- ) Formation of Trade Union Committee for Gender Equality and Promotion (TUC-GEP) conducted jointly by the three recognized trade union confederations to build common understanding on gender issues.
- ) A common effort of all the three trade unions is going on creating on seven issues, which aim at amending the labour laws. The achievement with regards to the review of minimum wages has been the success of common work.
- ) Series of meetings and interactions were conducted between GEFONT and NTUC in the context of building one union. Consequently NTUC-GEFONT Board is formed on April 2004 supported by Danish Trade Union Movement LO/FTF as a political body between two confederations to promote single union campaign and hoped that the unions outside these two confederations will be positive towards this initiative.
- ) Joint activities continue amongst Nepali national federations affiliated with global union federations. Affiliates of global union federations are involved in promoting unification process through ‘Affiliates Committee’ of global union federations. These committees are – GEFONT affiliates fostering partnership with NTUC and DECONT affiliates through IFBWW affiliates committee.
- ) The ICEM coordination committee led by GEFONT is developing joint campaigns with a union of the confederation of professionals and of NTUC.
- ) Jointly celebration of May Day since 2000.

Both the GEFONT and NTUC have agreed to form a single union umbrella for the welfare of working class in Nepal. DECONT is not in favour of single union but prefers work unitedly on labour issues. This is a matter of happiness from the point of view of working class and hope in future all the trade unions in the country will join hands in any labour issues to strengthen their power to preserve workers’ rights and benefits through timely amendment and proper implementation of labour laws.

#### **6.4.7 Representation in Different National and International Bodies**

Nepalese trade unions especially GEFONT have been contributed lots in the formulation of National Labor Policy 2000. In the same way Nepalese trade union confederations have been representing many government and non-government organisations, national and international organisations for the formulation and implementation of policies and programmes related to workers rights and welfare and

contributed valuable inputs through their representatives. Among them following are the mentionable organisations where all or one or more unions are representing.

- ) Central Labor Advisory Committee (CLAC)
- ) Expert Committee of the Debt Bondage Project (PAC- Asian Development Bank)
- ) Freed Kamaiya Rehabilitation and Livelihood Development Programme
- ) ESPS National Coordination Committee and Component Committees
- ) National Welfare Fund Tripartite Management Committee
- ) Labor Act Drafting Sub-committee
- ) Occupational Safety and Health Project Committee
- ) National Steering Committee on Elimination of Child Labour
- ) Minimum Wage Determination Committee
- ) CTEVT Managing Committee and Curriculum Development Taskforce
- ) EEOW National Steering Committee
- ) Gender Main-streaming National Committee
- ) Health Micro-insurance Scheme National Committee
- ) Other various short term and long term committees including various committees among trade unions

Besides national representation Nepalese trade unions are also representing ILO and other various international trade union centers.

Nepalese trade unions are committed for the promotion and protection of worker rights, employment security, social security and dignity of the workers engaged in formal and informal sector of the economy all over the country. Trade unions are fighting against exploitation, suppression, injustice and discrimination of members in particular and working class in general. It promotes relationship with the national and international organisations that are committed for democratic values and fundamental principles of the workers.

## **6.5 Threats to the Nepalese Trade Unions**

As the level of development goes up people of that country are becoming more and more materialistic, conservative and individualistic. Such kind of individualism is further strengthened by some government actions in the area of industrial relations through policies and legislative. This will be one of the greatest challenges for trade

unions that are based on collective action and benefits. Nepalese trade unions have various threats while performing their activities to achieve their goal.

### **6.5.1 Foreign Direct Investment (FDI) Influenced**

Huge capital investment is needed to achieve fast economic growth for the national development. National capital is not sufficient for it. So the government of Nepal like other neighbouring countries seeks foreign capital and technology to invest in various sectors making favourable environment to attract it. The basic aim of the multinationals is to earn maximum profit, mainly through reducing the cost of production. Among the various means to reduce the production cost availability of cheap labour is an important means, which is available in Nepal. Government has made other environment too favourable to attract the FDI. But large number of committed FDI projects were not came into Nepal and diverted other countries. Among the different reasons one of the possibility is the presence of strong trade union in the country. The multinationals want to avoid trade union in their enterprises mainly because they will not be free to exploit workers more through providing low wages for more working hours as well as hire and fire as they wish without any legal cause. They always looks trade unions as problem creator instead of social partner.

### **6.5.2 Informalization of Formal Sector**

With the globalisation of capital, the contract labour system has become powerful. This is a worldwide trend and Nepal is not an exception. The situation varies from one sector to another. The globalisation, liberalisation and privatization of the public enterprises posed major threats to the workers.

Economic liberalisation, privatization and globalisation have distorted the rapport between the three social partners of industrial relations (government, labour and management). Control of capital over investment, trade and labour have created uneven risk and benefits for capital and labour which in turn has had an adverse effect on labour and society (ILO, 1999:1). Economic policies and industrialisation strategies have changed, but social and labour policies remain unaligned. Employment in the organised sector is declining particularly in the public sector, and the proportion of casual and contract labour is increasing.

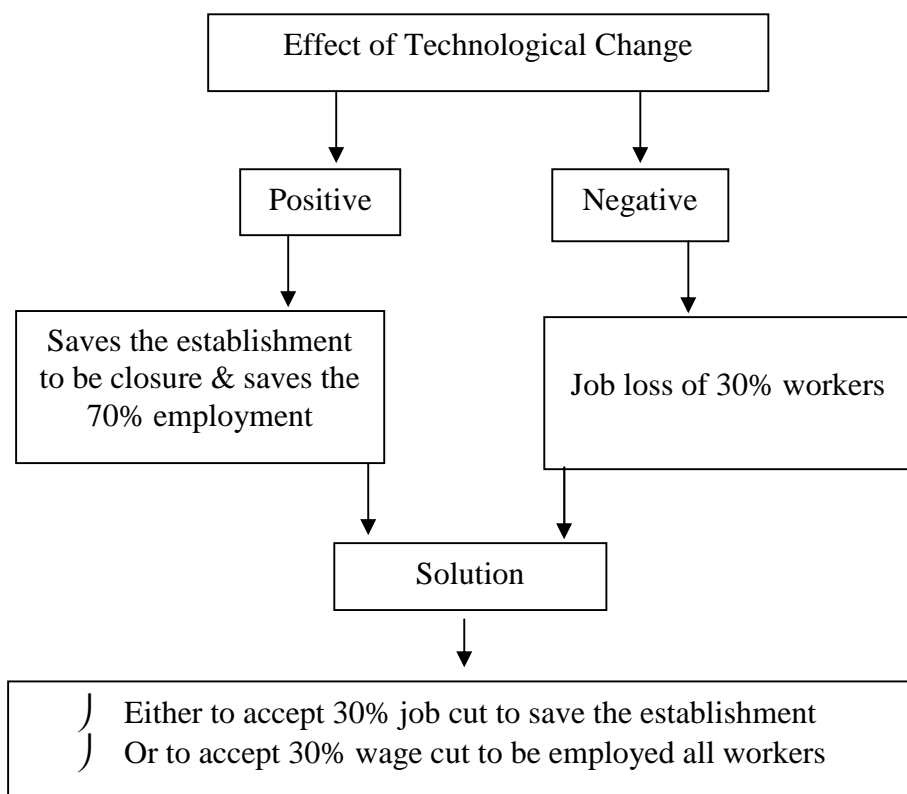


It is generally agreed that the advent of globalisation has considerably reduced union power. However, this has happened through several different mechanisms and understanding those mechanisms is important.

### 6.5.3 Change in Occupational Structure

Employers in the present situation started to appoint contractor for certain work and run their enterprises keeping direct relation with the contractor. This made the gap between workers and management wider and wider. Workers started to work in their households on a piece rate basis and exploited more. Similarly on the one hand temporary, part time and seasonal workers has increased and on the other women workers especially in the trade and service sector increased remarkably. Such workers have no union and they have no representation in the union. Consequently they are not entitled to get rights and benefits as mentioned in the Labour Act. Consequently the workers are exploited more. Among them women and children are suffered much. The structure of employment has changed at a fast rate along with the expansion of globalisation.

**Figure: 6.3**  
**Consequences of Technological Change**



The large number of unskilled workers could not change their level of knowledge as the changes in the technology in the production system. As a result the problem of unemployment increased gradually. However, technological change also generates new type of skills and job. It is evident that the proportion of white-collar employment has increased with the change in the occupational structure. This change not only affects the trade union density but it might also affect the ability of unions to act as radical or protest organisation.

The workers are victimized more in the enterprises where union is absent. The management dismissed the workers on false charges too without giving chances to defend themselves. The increased supply of labor force in the economy has helped the employers to hire workers in temporary, job contract or on piece rate and casual basis. All of us observing that the tendency to hire employees on these terms has also increased in 1999. This is a bigger challenge imposed by globalisation on union movement.

#### **6.5.4 Issues of Child Labor**

Child labour is a serious problem in Nepalese labour market. In present socio-economic context of the country rapid elimination of child labour is not possible. Hence strategy of progressive elimination is to be adopted. In coming years, contribution will be extended further in order to fulfill social responsibility of the trade unions in basic as well as contemporary issues. Child labour is increasing every year mostly in the domestic sector especially in the bazaars and big cities despite of legal ban. Liberation of the bonded Kamaiya system and Maoist insurgency further contributed to increase child labour in Nepal.

#### **6.5.6 Social Responsibility**

In the present context trade unions could not remain strong without changing the traditional norms of the society. Considering this fact trade unions of Nepal have been involved towards social transformation through changing their traditional work style since last few years.

Besides the economic empowerment of the working class trade unions has been committed to eliminate child labour, freedom of bonded labour, prevent gender discrimination in the workplace and society as well. Similarly at present days trade

unions are also involved in promotion of social security system for the workers, implementation of OSH measures that directly related to the welfare of the working people, support for the employable vocational education to their members and other various activities which directly or indirectly affects positively to the working class in particular and society in general. But still the Nepalese society especially in rural areas is suffering from superstition and could not solve only by the effort of the trade unions. It needs strong cooperation and coordination of all institutions involving in the society. This is a major challenge in front of the trade unions in Nepal.

### **6.5.7 Gender Discrimination**

Involvement and active participation of women in social movement is necessary for the social transformation and significant change in the society. Gender discrimination in our country has been a common characteristic from work place to the national level. The degree of discrimination is more in rural areas compared to urban areas. Likewise, gender discrimination do not exists only among illiterate population it is also serious within the educated people too and from the evidence it is found that large number of educated people with higher education do not feel the necessity of change such discrimination. Gender discrimination in our society and family prevails from birth to after death. In recent years gender discrimination has been declining with the increase of the female employment in gainful activities on the one and on the other a series of women focused activities conducted by the nation in general and trade unions in particular. But it is just beginning.

### **6.5.8 Negative Attitude of Management**

The relationship between workers and employers is very much important. Friendly industrial relation, stability and progress of the establishment are beneficial to both the workers and employers. In general employers or management are against with the presence of trade union in their establishment. Some of them publicly opined that trade union is problem creator. To some extent it is true from the point of view of the management because trade union controls over the illegal action of the management and pressurise them to implement labour laws and increase wage and benefits for the upliftment of the working class. In the non-unionised establishments employers are normally free to hire and fire, wage and other benefits is low compared to unionised

establishments and workers are deprived from the legal protection. Thus the employers intended to labour exploitation creates various obstacles to the workers to organise in the union. If they organise for their welfare the management of the establishment never cooperates to the union. As a result cold war between workers and employers develops.

### **6.5.9 Non-implementation of Labor Laws**

After the restoration of multiparty democracy in 1990 ban over the labour unions was lifted and various labour laws and rules were enacted to preserve the rights of the working class. Time and again these laws are amended according to time and suggestions from different institutions and individuals. Labour laws of Nepal tried to preserve workers from the exploitation of the management theoretically but implementation of these laws is very weak. So Nepalese labour is not free from exploitation due to the non- implementation of the labour laws where management always denies implementing it saying that Nepalese labour laws only favours working class.

### **6.5.10 Organisation of Informal Sector Workers**

The vast unorganised sector that accounts more than 90 percent employment is a virgin field for trade unions of Nepal. But it is not an easy task to organise the unorganised. This is a biggest challenge and opportunity before trade unions. Generally it is observed that the workforce of the unorganised sector shows greater commitment and loyalty than an average worker in the organised sector.

In more than 50 years' history of the Nepalese trade union movement more than 75 percent time was spent without any countable improvement but within a short period it has grown significantly though labour movement is still suffering from various problems. Now the trade unions of Nepal should try to capitalize on strengths and minimize the weaknesses. Similarly they have to exploit the opportunities and overcome the threats.

## **6.6 Conclusion**

During short period of time Nepalese trade unions have been acquired a lot of improvements in various issues among them increase in membership, militancy, collective bargaining capacity and the changing attitude of the society towards trade

union is considered as remarkable strengths. Trade union density during 1990s has increased very slowly compared to the labour force size and employment. As a result of various awareness raising programmes such as, training, workshop, education programmes, research and exposure programmes directed to the human resource development of the union conducted by the trade union within a short period general workers, members and activists of trade union from grass root to confederation level have been benefited.

Low trade union density, multiplicity of unions, intra union rivalry among unions, weak financial position, weak leadership, low level of wages, remarkable unemployment and underemployment situation in the country are the major weakness of trade union. The union density of Nepal proves that there is no satisfactory growth of union members in comparison to the growth of the labour force during the same period. One out of four labour force are unionised in non-agricultural sector but only less than 2 percent workers are unionised in the agricultural sector where about three workers out of four are involved. Generally without increasing in the rate of employment of the labour force trade union membership could not increase.

In the present globalized world trade union could not survive without extending their solidarity. Internal as well as international solidarity of the workers has increased remarkably in Nepal along with the development of the trade unions. Similarly international affiliation, relation and networking of the trade unions are remarkable.

Nepalese Trade union confederations have been representing many government and non-government organisations, national and international organisations for the formulation and implementation of policies and programmes related to workers rights and welfare and contributed valuable inputs through their representatives. They are committed for the promotion and protection of worker rights, employment security, social security and dignity of the workers engaged in formal and informal sector of the economy all over the country.

On the one the current changing environment of occupational structure made the gap between workers and management wider and wider on the other temporary, part time and seasonal workers has increased remarkably. It is evident that the proportion of white-collar employment has increased with the change in the occupational structure. Both of

these situations are not favourable for union development. Large number of unskilled workers could not change their level of knowledge as the change in the technology in the production system. As a result the problem of unemployment increased gradually on the other privatization of the public enterprises posed major threats to the workers.

Child labour problem is serious in Nepalese labour market. Nepalese trade union have been involved towards social transformation through changing their traditional work style since last few years considering trade unions could not remain strong without changing the traditional norms of the society.

## **CHAPTER VII**

### **ANALYSI'S OF WORKERS' DEMANDS**

#### **7.1 Background**

Since the very beginning of the industrial development of the country Nepalese workers were not organised, unaware of their rights and unable to raise the voice against their employers, as a result they were exploited. For the first time the industrial workers of Nepal have been submitted their demands/claims to the management only in 1947 and called a strike to pressure the management to fulfill their demands though this movement was guided by the then underground politicians. The strike was started from Biratnagar Jute Mill and Morang Cotton Mill where workers from other industrial units also have been confessed solidarity to the movement. Since these days many workers feel a strong need of unity and solidarity among the workers. As a result they started to unite and keep their demands to their respective management even though there was absence of legal provision of submitting demands sheet. The process is continued and only after the enactment of labour act the workers were bind through a legal process of submitting demand sheets and call a strike as their fundamental right. The right of collective bargaining is only limited to the workers of formal sector while informal sector workers are still deprived from this right.

#### **7.2 Causes of Industrial Disputes**

The available information shows, in general labour disputes reportedly increased after the introduction of multiparty democracy (1990). But unavailability of statistics is considered a major problem to verify properly the causes and consequences of dispute. However, mainly economic and social causes are responsible for labour disputes since the beginning of the movement.

Realising this lackings of information on causes of labour disputes, Democratic Confederation of Nepalese Trade Unions (DECONT) tried to fulfill by conducting a study. The study analyse 100 demands submitted by the establishment level trade union to their respective management during 1995/96 and 1996/97 from the districts of Kathmandu, Morang and Sunsari. The result of the study shows that 70 percent of the demands were related to legal provision mainly non- implementation of the provision maintained in the Labour Act. Thesealso includes appointment letters, permanent

positioning, redeployment of workers dismissed illegally, transfers, grading, provident fund, contract labour, health and safety issues, bonus distribution, canteen, restroom facilities and accident compensation. Similarly 20 percent demands were related to various allowances, gratuity, provision of training and education to uplift the skill of the workers as of the change in the technology where social recognition to the workers, tradition of the society and establishment etc. had covered 10 percent to the total demands (DECONT 1998: 50 – 51).

A study conducted by NEFAS highlighted the most important reasons for disputes are absence of work evaluation (29%), negligence of management (19%) and behaviors of owner who treat the workers as slaves (10%). Permanent appointment, improvement of workplace, job guarantee etc. are also the important reasons for labour disputes (Dahal et al., 1999: 62 – 64).

Government is one of the principal actors of industrial relations system. The government of Nepal has playing dual role – leadership role being a larger employer and legislative, regulatory, advisory as well as adjudicatory roles through Ministry of Labour. Department of Labour is the executive body where Regional Labour Offices are responsible for all aspects of regional labour administration.

The Federation of Nepalese Chamber of Commerce and Industry (FNCCI) is only the employer's organisation at national level as an apex body of the District Chamber of Commerce and Industry. The employer's organisation is taken as one of the consultation body of the government on the labour related issues. But this organisation in Nepal has not paid serious attention assuring their industrial relation functions.

The principle of workers participation in management in our country was totally out of context prior to enactment of recent labour legislation. The recently enacted labour legislation has inserted some clause of workers participation in management to avoid labour dispute in the establishments. So we hope workers participation in future will increase. Nepalese trade union are raising the voice in each and every aspect of labour welfare but preferably they focus on the issue of minimum wage, job security, social security, working conditions, occupational safety and health, unfair labour practices, etc. Nepalese trade unions are in favour of need-based minimum wage.



### **7.3 Stats of Industrial Disputes**

The concept of industrial relations in Nepal is still at the infant stage and least priority area for the government. The trade unions, employer's organisations and the government are the major actors of industrial relations. The actual number of industrial disputes may be more than what is maintained in the available statistical tables, because information on disputes settled bilaterally at the enterprise level is rarely recorded in the government statistics. Therefore, it is difficult to trace the actual occurrence of industrial disputes in the country. However, the available information shows that in general the labour disputes have reportedly increased after 1990.

In Nepal, the major labour unrest has always coincided with political movements of the country since the first recorded labour dispute of 1947. Some of the labour disputes were also observed during the interim period (1951-1959). But labour disputes were suppressed by banning the trade union activities during the Panchayat period (1960-1990). This restriction has been lifted after the restoration of multiparty democracy in 1990 (Manandhar, 1998:13).

During the last one decade the number of complaints logged has increased more than three times where individual complaints increased always significantly. On the contrary collective complaints started to decline with the growth of unions. This shows union plays positive role to reduce the complaints challenging the general thinking of the employers.

Similarly complaints settled, as percentage of complaints logged was high in the beginning but drastically dropped in 1995 and again increased with some fluctuations, but always remain not less than two thirds of the total complaints logged. The year 95 shows the poor performance of collective complaints settled. The figure of dispute has declined showing gradual improvement in industrial relations in the country. The major cause of dispute is strike in each years except 1998. The available information shows that on the one hand the numbers of strikes by the union are increasing every year where the management-initiated lockouts seem less common as compared to strikes. Most of the strikes took place during the fiscal year 1978/79 and 1979/80. The period was associated with the wake of the national referendum. After that high number of disputes were

recorded during period of people's movement for democracy in 1990. There are some indicators that reveal the industrial relations scenario of the country (Table 7.1).

**Table 7.1:**  
**Status of Industrial Relations Indicators in Nepal**

<b>Indicators</b>	<b>1993</b>	<b>1995</b>	<b>1998</b>	<b>2002</b>
Complaints logged	440	693	725	1530
Individual	248	420	544	1393
Collective	192	273	181	127
Complaints Settled	396	484	623	1350
Individual	228	339	484	1242
Collective	168	145	139	108
No of disputes	71	31	21	18
Due to strike	47	27	7	13
Due to lockouts	5	4	14	5
Man days Lost	77794	43533	156476	60658
Due to strike	38652	33944	24573	12355
Due to lockouts	8758	1814	52921	31908
Due to layoffs	30384	7430	78982	16495
Due to Accidents	17	345	-	-

Source: Department of Labour.

The number of Man days lost has also low in 2002 compared to 1993 but it was more than double in 1998. Contrary to the less number of disputes occurred due to lockouts the maydays lost because of lockouts increased significantly after 1995 lacking far behind the maydays lost because of strike by the workers, which proves since the second half of the 1990s workers' union become more serious to save the enterprise. Thus in totality industrial relations is improving now because on the one worker also realised that their employment is secured only if the enterprise continue on the other the employers also started to respect the workers and their unions as a social partners since the beginning of the 21<sup>st</sup> century.

#### **7.4 General Issues of the Workers**

Most of the enterprises, both in the private and public sector are affected by labour dispute at one or another point of time. Labor demands were strongly popularized

with the privatization of the public enterprises. The labour issues like labour participation in management, fixation or amendments and implementation of minimum wage rate, enactment and enforcement of labour laws and policies, hire and fire of the workers, social security measures, human development issues, welfare of women workers, trade union rights and labour incentives such as – insurance, bonus, provident fund and various retirement benefits, etc. were discussed broadly in 1990s. The enactment and amendments of labour Acts made labourforce comparatively more powerful than prior to the restoration of multiparty democracy.

The cause of labour dispute happened both in public and private sector establishments are mainly labour concern but industrialists or employers blames the political party and trade unions that more than 90 percent disputes are guided by them. The employers point out that the hidden interest of the workers is political rather than their real professional problems because of the strong affiliation between political party and trade unions. They also blame that the political parties blindly supports the strikes undertaken by the workers without analyzing their demands. Contrary to this in the opinion of the union leaders, always the management have negative attitude towards the workers demand though they are genuine.

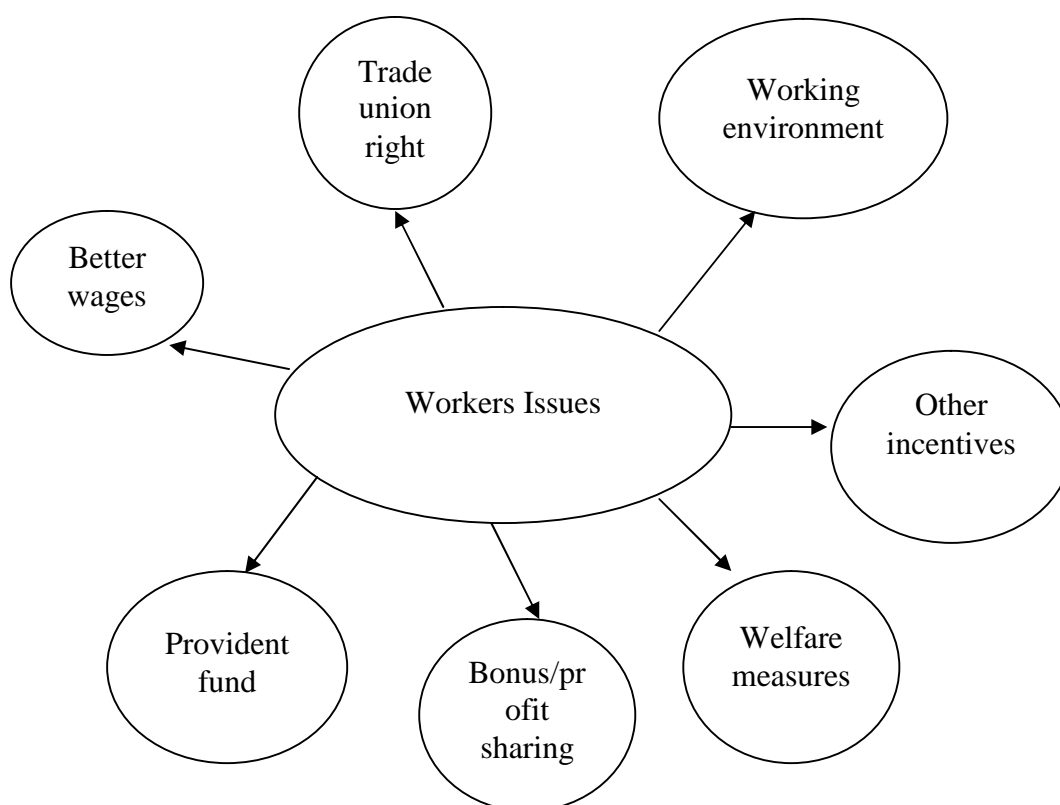
Almost all employers' express that labour is innocent but their leaders who come from non- working class manipulates them for strikes. Therefore, the genuine labour issues are always putted aside during the final negotiation. It is also found that most of the employers are aware on their responsibility to provide better working environment, bonus, provident fund and other incentives which the workers deserves. The on going disputes are play of a strong role of political parties and trade unions. The recent labour disputes projects the good hope for future because in some cases their demands are for companies future and most other cases are purely related to their welfare. Labor alone is not responsible and management also has to take initiative (BM, 1999:43).

The employers not only blame the political party and trade unions on workers demand they also blame the provision of Labour Act. The employers interprets that the current Labour Act favour workers or it is a worker biased. Since the enactment of Labour Act in 1992 the major demand of the trade union movement has been effective implementation of labour laws made at policy level remained ineffective due to their non-implementation.

## 7.5 Major Issues Raised by the Workers

After the restoration of multiparty democracy the workers raised various labour related issues. Strike is the legitimate means to pressurize the management to fulfill the workers' claim and promote their demands, an integral part of collective bargaining, and a basic human right. Nepalese trade union are raising the voice in each and every aspect of labour welfare but preferably they focus on the issues of minimum wage, job security, social security, working conditions, occupational safety and health, unfair labour practices, fundamental trade union right and overall welfare of the workers.

**Figure 7.1**  
**Major Issues of the Workers**



The labour unrest also increased significantly due to the privatization of public enterprises with adoption of liberal economic policy. The working class stood against the privatization policy of the government. Since than many discussions, seminars, workshops and conferences were held to identify the problems. These issues are influenced mainly by role of trade unions, employers' attitude and existing labour laws.

## 7.6 Nature of Workers Demands

### 7.6.1 Historical Background

In the beginning of the industrial development most of the industry were established by the Indian entrepreneurs jointly with Rana rulers. The Indian capitalists not only brought the capital from India but also brought almost all workers from their own country to run the mill. The Indian workers were conscious about the wage and facilities provided by the Indian industry of the same type. Thus they started to demand the same wage and facilities with the mill management but the workers became helpless and compelled to work at minimum facilities due to lack of the legal provision in Nepal. The management of that time was cruel and consuming absolute power up to hire and fire as their domestic servant. The exploited workers started to organise in an underground way and were waiting of favourable time. The first formal and written demand sheet of the workers was submitted in 1947 to the management of Biratnagar Jute Mill for the rights and welfare of the working class. The demand sheet includes implementation of eight-hour working hour per day, supply of daily consumable goods to the workers at cheapest price at factory premises, and wage increment on the basis of inflation. During that period most of the demands were fulfilled though the historical movement was suppressed using military power. After the suppression of the movement the workers did not have favourable environment to put their demands until the establishment of democracy in 1951. After the establishment of democracy the workers unions have started to work freely and had submitted demands with the respective management at several times. Among the demand sheets the *Morang Award* was in favour of workers because it includes various demands directly or indirectly related to the rights and welfare of the workers prepared by the ANTUC. The workers had submitted it and pressurise the government for its implementation, but the government becomes success to suppress the workers movements through the divide and rule policy. In 1953 the government announced *Katihar Award* instead of *Morang Award* because in *Katihar Award* limited demands were incorporated in comparison to *Morang Award*. BWU had helped to the government to implement the *Katihar Award* (Bohara & Kharbir, 1990:3.18).

In 1954 the factory workers of Biratnagar strongly realised the need of a factory Act to protect the rights of the workers. Therefore, they formed a committee to prepare an appeal to the king for the enactment and implementation of factory Act. It was handed over to the king during his visit at Biratnagar with the signature of large number of workers. As a consequence of the workers' constant pressure the Factory and Factory Workers Act was enacted in 1959 but it was materialised only in 1963 when the rules of the Act were published.

Similarly the then union leaders realised that one of the major reason of the labour exploitation is the absence of minimum wage. Then they have prepared an application regarding the fixation and implementation of minimum wage after the detailed study of the Indian minimum wage provision. The application was submitted to the government of Nepal in 1964. Consequently Minimum Wage Fixation Board was constituted in 1965 and the Board becomes success to fix the minimum wage for the factory workers of Biratnagar. This was the first attempt for the welfare of the working class saving from the employers of industrial sector. The above discussion concludes that the major demands of the workers in the early phase of the trade union movement were concentrated on wage and other economic benefits, enactment and implementation of the labour Act, OSH, social securities, etc. (Bohara & Kharbir, 1990: 3-18).

The workers of different sectors had submitted various demands based on their professional rights and welfare at different point of time during the Panchayat period (1960-1990) though the trade union activities during that period were strictly restricted. The major demands raised during this period were concentrated on: increment on minimum wage and its proper implementation, provident fund, grade, bonus, insurance, gratuity, allowances, permanent appointment, leave facilities, workers' welfare fund, working hours, social security, abolition of contract system, enactment and implementation of progressive labour act, control on hire and fire system, etc.

### **7.6.2 Nature of Demands After 1990**

The major issues of the early unions were mainly related with 'Bread and Butter'. Since the enactment of Labour Act in 1992 the major demand of the trade union movement has been effective implementation of labour laws made at policy level remained ineffective due to their non-implementation. But on the other the management

side denied to accept it. They asked to make it clear in which areas and which points were not put action. To answer the question of the industrialists GEFONT conducted a survey covering 750 enterprises from East Jhapa to Far-west Kanchanpur district representing most of the sector to make public the situation of labour law implementation in 2001. The survey raised the issues like appointment letter, automatic permanent of the workers after continuous 240 days work, provident fund, implementation of minimum wage, fixation of working hours, leaves – weekly, public holidays, home, sick, festival, maternal, funeral etc., collective bargaining, trade union rights, OSH, unfair labour practices and so on. Out of the surveyed 750 establishments 46 have not provided any of the above basic requirements, which are essential to the workers and as well incorporated in the labour laws. Others are violating one or more issues (GEFONT, 2001 –Trade Union Rights).

The demand sheets collected for the analysis in this study covers the period 1994 onward. Of the total demand sheets (39) containing 10 to 20 demands are nearly three fifths where less than 10 demands are also submitted by more than one fourth union (Table 7.2). In the total demand sheets analysed the number of demand were distributed from single to thirty-one.

**Table: 7.2**

**Distribution of Demand Sheets by Number of Demands**

Range	Demand Sheets	
	Number	Percentage
Less than 10	10	25.6
10 to 15	11	28.2
16 to 20	11	28.2
20 to 25	4	10.3
26 & above	3	7.7
Total	39	100.0

Source: Calculated from the demand sheets collected from the Zonal Labor Offices

Higher proportions of demands were collected from food and beverage sector (22.7%) followed by tea and hotel sector where few demands were collected from garbage cleaners and press workers. Average demands per demand sheet in total are 15, while it varies from one sector to another. Generally tea plantation, food and beverage,

textile/garment, finance, carpet and construction sectors have submitted their demand sheets containing more than average and rest sectors have low demands than the average. Tea sector workers have been submitted more demands (22.2 per sheet) among the sectors from where demands were collected while finance, construction, textile/garment comes at the second, third and fourth place respectively.

**Table 7.3**  
**Number of Demands by Sector**

<b>Sector</b>	<b>Number of Demand Sheet</b>	<b>Average number of demands per sheet</b>	<b>Total Number of Demands</b>	<b>Percentage to the total demands</b>
Tea	5	22.2	111	18.9
Food & Beverage	8	16.6	133	22.7
Textile/Garment	3	17.7	53	9.0
Finance	1	22.0	22	3.8
Garbage Cleaners	1	8.0	8	1.4
Hotel	6	12.0	72	12.3
Chemical-Iron	4	13.3	53	9.0
Transportation	2	10.5	21	3.6
Carpet	2	17.0	34	5.8
Press	1	8.0	8	1.4
Construction	1	19.0	19	3.2
Others	5	10.4	52	8.9
<b>Total</b>	<b>39</b>	<b>15.0</b>	<b>586</b>	<b>100.0</b>

Source: Calculated on the basis of demand sheets available from Zonal Labor Offices

Generally the people including some scholars understand that trade unions are the political organisation and the political parties mobilize the workers' leaders to fulfill their vested interest. The industrial dispute occurs on the hint of the political leaders. This may be true in some respect but cannot generalized.

While analyzing the demands of the workers submitted to the management there is no room to prove the general understanding. Among the total demands no single demand was found political. The demands related to enactment, amendment and implementation of the law/act were labeled as political demand by some body but such



demands are the legal demands. But the process adopted by the workers to pressure the employers more effectively to fulfill their demands some times may be political.

**Table 7.4**  
**Percentage of Workers Demands by Type and Zonal Labor Office**

Type of Demands/ Zone	Jhapa	Biratnagar	Kathmandu	Hetauda	Butwal	Nepalgunj	Total
Economic	31.5	28.9	37.4	38.5	36.8	26.3	34.8
Legal	7.2	15.7	18.3	8.2	12.5	26.3	12.6
Social security	21.6	18.1	18.3	20.5	14.0	5.3	17.9
OSH	4.5	3.6	0.9	4.1	2.2	5.3	3.1
Moral	4.5	4.8	1.7	4.1	3.7	0.0	3.6
Work Place Environment	8.1	13.3	9.6	4.9	16.2	21.1	10.8
HRD	3.6	1.2	0.9	4.1	4.4	0.0	2.9
Trade Union Rights	5.4	8.4	1.7	5.7	3.7	5.3	4.8
Women Specific	5.4	0.0	4.3	0.8	0.7	0.0	2.2
Production Improvement	3.6	4.8	4.3	4.9	1.5	0.0	3.6
Others	4.5	1.2	2.6	4.1	4.4	10.5	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Total (N)</b>	<b>111</b>	<b>83</b>	<b>115</b>	<b>122</b>	<b>136</b>	<b>19</b>	<b>586</b>

Source: Calculated on the basis of demand sheets collected from Zonal Labor Offices

In each demand sheets economic demands placed the top priority though the proportion may vary in each establishment and also differs by time and situation. The economic demands contains more than one third in the total demands ranges from 26 percent to 39 percent. Economic demands are followed by social security demands that rose only in the recent years. Demands related to the legal provision as well work place environment are also the major demands of the workers' union in Nepal.

The economic demands still have dominant cause of individual dispute. It ranked first in all sectors except in garbage cleaners and transportation workers. On an average demands related to social security and legal demands placed at second and third rank respectively. Nearly half demands to the total demands of the transportation workers are based on legal provisions where social security demands (37.5%) got top priority in garbage cleaners. Now a days social security issue is being more popular in most of the

sectors analysed in this study. Workplace environment issues are also raised in all sectors except carpet and printing press. The workers working in the finance sector as compared to other sectors analysed focused this issue more. It is surprising that the carpet workers union raised no single demand related to workplace environment though this sector is famous for being poor workplace environment. The issues of OSH, moral, women specific, production improvement, HRD and trade union rights were not raised by the workers of all sectors.

**Table: 7.5**  
**Types of Demands by Sector\***

Sector	Economic	Legal	Social security	OSH	Moral	Work Place Environment	HRD	TUR	Women Specific	Production Improvement	Others
Tea	31.5	7.2	21.6	4.5	4.5	8.1	3.6	5.4	5.4	3.6	4.5
Textile/Garment	28.3	15.1	20.8	3.8	1.9	17.0	1.9		3.8	-	5.7
Food & Beverage	37.6	9.8	18.0	3.0	3.0	15.0	2.3		4.5	0.8	1.5
Finance	36.4	13.6	0.0	0.0	4.5	27.3	4.5	0.0	-	4.5	9.1
Garbage Cleaners	12.5	12.5	37.5	12.5	0.0	12.5	0.0		12.5	-	-
Hotel	34.7	18.1	20.8	0.0	2.8	8.3	2.8	6.9	-	4.2	1.4
Chemical-Iron	37.7	7.5	15.1	3.8	3.8	7.5	5.7		5.7	-	9.4
Transportation	14.3	47.6	4.8	-	9.5	19.0	-		0.0	-	-
Carpet	52.9	5.9	17.6	-	-	-		0.0	11.8	5.9	5.9
Printing Press	37.5	25.0	25.0	-	-	-	-	12.5	-	-	-
Construction	36.8	15.8	21.1	5.3	-	10.5	-		5.3	5.3	0.0
Others	36.5	13.5	13.5	5.8	7.7	3.8	5.8	5.8	1.9	1.9	3.8
<b>Total</b>	<b>34.8</b>	<b>12.6</b>	<b>17.9</b>	<b>3.1</b>	<b>3.6</b>	<b>10.8</b>	<b>2.9</b>	<b>4.8</b>	<b>2.2</b>	<b>3.6</b>	<b>3.8</b>

\* See Annex E.

Source: Calculated on the basis of demand sheets collected from Zonal Labor Offices

## 7.7 Status of Fulfillment of the Demands

Majority of the demands presented by the union belongs to the wage/salary and other economic benefits followed by workers right and welfare as well as sustainability and progress of the establishment that they are working. Some of the management expressed that they themselves review the wage and other benefits in every two years.

All the unions submitted their demands to their respective management through legal process prescribed in the section 10 of the Labor Act 1992 and its amendments. The employer agreed that mostly the workers organisations try to follow the rules and regulations while presenting or submitting their demand to the management. But some time they try to press the management without any legal ground to fulfill their demands.

Generally disputes between workers and management are settled bilaterally. Tripartite committee is used only in some cases where both the workers and employers did not come down from their stand. Union mostly follows the legal procedure through submitting their demands to negotiation. The Act itself had provided different stages of discussion (bilateral, Tripartite) on the demands submitted by the workers union. Unions are compelled to follow the rule.

During the discussion the environment depends on the issue of the workers. The workers express that management always tries to dominate the representative of the worker while union representatives also try to dominate the management when situation favours. Contrary to the blame by trade union leaders to the management, the management said they never tries or could dominate the union leaders or workers. But it is experienced that some time the unions themselves raise voice against the top-level executive of the establishment in public sector. Domination of the union leader and general workers experienced sometimes in some private institutions especially those where the capitalists directly involves in the day-to-day executive work.

The workers expressed their experience that generally during the tripartite discussion the government representative tries to take the side of the management though the role of the government would be neutral while the management viewed just opposite to it. They further said all the clause of the labour act is in favour of workers. Some time the union leaders tries to stimulate the workers against the management and government to fulfill their vested interest. On this issue labour officers tries to clear the role-played by them. According to them the role of the labour office is to implementation and monitoring the laws and regulations formulated by the government to make cordial industrial environment. So the government representative always remains in favour of laws and regulations. Any party (management or workers) who tries to fulfill their vested interest going against the laws and regulations the government representative stood against them. Thus such blames from either party have no any ground.

Trade union leaders concerned to the industrial relations blamed generally the management always threatens to the workers and their representatives, if they submit any demand which creates more liability to the establishment they are ready to close the establishment. All the management denied that they never close the establishment with the fear of workers demand. They try to convince the workers and their leaders saying that strike is not solution of the problem faced by them.

All the social partners accept that there is no basic change in the nature of demands of the workers in the past and present but a little change is observed on the style of presentation and collective bargaining. Preference has given to the economic demand in the past and present too. But the change is that now the union has also started to think over the stability and betterment of the establishment. From the past experience they feel continuity of their employment in the establishment is more important rather than any other benefits.

While analyzing the workers' demand it is also important to know the status of fulfillment. Most of the important demands related to the workers' right and welfare as well as the betterment of the establishment are fulfilled in public sector where trade unions are comparatively satisfied with the management. But the case in private sector is different. In this sector on an average only less than 50 percent demands are fulfilled. The private sector management argued that the workers puts as many demands which is impossible to fulfill by the establishment assuming that management will not fulfill all demands. The workers expectation on their demand is, at least half will be fulfilled during negotiation where they can bargain on their genuine demand. On the other the experience of the unions is that among the demands submitted by them to the respective management on an average 60 to 70 percent are declared fulfilled during the negotiation between union and management. But in practice implementation of the demands fulfilled is very low. This is the major cause that in all demands sheets few demands are related to non-implementation of the demands negotiated previously. According to the unionists the management failed to implement the negotiation primarily because of three reasons.

- ) Employers accepts the demands during discussion to check the immediate strike by negotiating with the union in all demands, but then after they did not bother until the union again push the bell,
- ) Bad intention of the management towards workers and their unions, and

) Personal ego or prestige issue

Not implementation of the negotiation by the management is another problem faced by the workers union. They are repeating each time to implement the negotiation with them. In this context all the managements both from public and private sector accept it. They said some times it happens because of the technical problems even though the demands are genuine. They accept management alone is responsible on it. But they did not accept it as a weakness of the management but it is their compulsion. This is one of the major problems to maintain good industrial relation.

Trade union not only concentrates on the right and welfare of the workers being workers' representatives but also concerns on the issue of national development as a citizen of the state. Thus trade union movement itself is not a political movement. It is a professional movement in favour of workers. But to raise voice against the various events like exploitation and oppression of the workers, to fight against the discriminatory laws and practices formulated and implemented by the state, work to establish a workers as a honourable citizen in the society by changing the attitude of the people, protest against the wrong policies and programmes of the government which negatively effects the state and its citizens, etc are considered political movement in the country which is not true. The workers being a citizen of the country has right to revolt against bad practices of the government and other institutions.

## **7.8 Nature of Demands of the Workers**

The nature of demands in each time is dominated by economic demands and there is no fundamental change over the years in the nature of demands of the unions. Looking at the practice of the past the workers are generally agreed to end up the dispute while the employers showed willingness to fulfill the major economic demands putting aside other demands. This practice is more or less the same at present context too though the trade unionists themselves says that to emphasis more on economic demands may misled the movement towards economism. This is not a healthy practice and should also equally emphasis the demands related to legal, social security, workplace environment and so on which are directly related to the protection and promotion of the workers.

It is suggested that while preparing future demand the workers organisations should consider the size and nature of the organisation where they are working, type of

the investor – domestic or joint stock, wage and benefits given by other establishments of similar nature and status. Similarly each and every demand should dedicate to the objectives of the trade union leading to the development of the country, which is almost lacking in Nepalese trade unions at present.

From the study of the workers demands at different periods it could be conclude that there is not fundamental change in the demands of the workers since the beginning of the labour movement in the country. There is a little change that was brought by time and situation. Thus the nature of the workers' demands is constant up to 2000. With the beginning of the 21<sup>st</sup> century workers unions started to think over the continuity of the establishment on the one hand and on the other they also extended their activities towards the change of the society realising that without the change in the society the trade union movement could not strengthen because the worker him/herself is a part of the society.

## **7.9 Management on Union Demand**

Two classes of people generally run an establishment. One is management (capital) and the other is a worker. These two classes of people have divergent goals though they are working within an establishment in different capacity. The goal of the first group is to earn maximum profit while for the second group it is well being of their own class. Both the goals could not fulfill at a time. Therefore, there will be tussle between these classes for their own interest. The management always tries to exploit working class to fulfill its goal while the workers trying to get their rights through their union. Union puts the workers demand in front of management and starts to pressure the management through legal methods, on the other management tries to avoid to fulfill the workers' demand. As a result industrial dispute occurs and these two social partners seems as a rival. One group of people always blames other groups for the dispute. In this connection the management side had been expressed their views as follows regarding to the demands of trade union.

Majority of the demands presented by the union belongs to the economic followed by workers' rights and welfare as well as sustainability and progress of the establishment. Economic demands were reviewed in every two years in the initiation of the management itself. Mostly the workers' unions try to follow the rules and regulations

while presenting or submitting their demand to management. But some time they try to press much to fulfill their demands avoiding legal procedures. Generally dispute was settled through bilateral dialogue. Tripartite committee was used only in insignificant cases in the past. Unions mostly follow the legal procedures from submitting their demands to negotiation on it.

Contrary to the expression of trade union leaders the management justify that they never try to or did dominate the union leaders or workers but some time union leader themselves raised voice as their demand to expel the top-level administrative employee of the establishment mainly in public sector. Domination of union leaders was experienced some time in several private institutions. Domination to the workers by management may exist in those establishments where capitalist directly involves in regular administration and in the process of discussion.

Unions generally charge the management that they themselves close the establishment to avoid workers' demand. But all the managements denied it. They further tried to give explanation - the capitalist should bear more loss while closing the establishment than the workers. In the beginning they try to convince the workers and leaders to settle dispute and avoid strike in their establishment. But they are compelled to close it in the last stage to save the establishment from further loss when unions not agreed upon the size of cake provided by the management during the negotiation as much as the establishment could bear.

The unions generally used to say that the government always favours the management. But the management pled that the government always remains in favour of laws and regulations. Any party (either management or unions) who tries to subside the laws the government representatives stood against them. Thus such blame of the union to the government has no ground. Saving the government from the unions' blame the management charge that the unions some time try to stimulate the workers against management and government to fulfill their vested interest. In this issue the labour officers also express more or less the same type of opinion. On the other management is also blaming the government representative while implementing the provisions outlined in the labour laws because these provisions are against the exploitation of the workers. Thus the government has to bear the blame from both sides said by the labour officers.

During the discussion over the workers' demand union representatives always have been preferred to the economic demands in the past and present as well. But recently the attitude of the leaders has changed slightly and started to show their interest on the stability and development of the establishment. But they are not ready to accept it as a positive attitude of the workers and their leaders. They used to say the change in the attitude of the leaders has brought by the current world situation.

All the management from the public sector is proud by fulfilling most of the demands, which satisfies unions in this sector. But the case of private sector is different. In this sector on an average only 30-35 percent demands were fulfilled during negotiation where implementation rate is further low. On the issue of low level of fulfillment and implementation the private sector management said that it is not the weakness of the management but their compulsion.

## **7.10 Conclusion**

The industrial workers of Nepal have been started to submit their demands/claims to the management since 1947 and called a strike to pressure the management to fulfill their demands. The strike was started from Biratnagar Jute Mill and Morang Cotton Mill where workers from other industrial units also have been confessed solidarity to the movement. Since these days many workers feel a strong need of unity and solidarity among the workers. As a result they started to unite and keep their demands to their respective management even though there was absence of legal provision of submitting demands sheet. The workers had also achieved legal recognition of collective bargaining with their employer by Trade Union Act 1992. But this opportunity is only limited to the workers of formal sector while informal sector workers are still deprived from this right.

Of the total demands submitted by the workers' union to their respective employer economic demand comes to the first rank where the issues of social security, legal enactment and workplace environment are also the major demands raised for the welfare of the working community. The numbers of demands of the union in each dispute are always counts more in number. The reality behind it is that the union frequently repeats almost all major demands especially related to economic benefit and law enforcement due to not implementation by the employer after negotiation.



## CHAPTER VIII

### BACKGROUND OF WORKERS AND THEIR LEADERS

#### 8.1 General Information of the Workers and Leaders

To know the background of the workers and leaders selected for the study some of the informations relating to their demographic as well as socio-economic characteristics were collected. Such characteristics of the workers and leaders play an important role in the union activities.

##### 8.1.1 Demographic Characteristics

An individual should have to cross a minimum age to find out any employment in the formal sector. In Nepal no one is legally eligible to be an adult employee without reaching age of 18. Thus all the respondents from workers and leaders were not selected from below the age of 20. More than 70 percent of the trade union leaders and about two-thirds workers belongs to the young age group (20-39) where only about 30 percent are aged 40 and more. This information indicated that in Nepal most of the workers are belongs to the adult and energetic age group (Table 8.1). The employment of such group of labour force directly reflects in the union leadership too. Of the total workers and leaders selected for the study proportion of women is only 5.7 and 6.7 percent respectively. The low level of participation of female in the union is mainly because of the low level of female employment in the establishments selected. Female employment in formal sector is considerably low compared to the informal sector.

**Table: 8.1**  
**Age Distribution of Respondents**

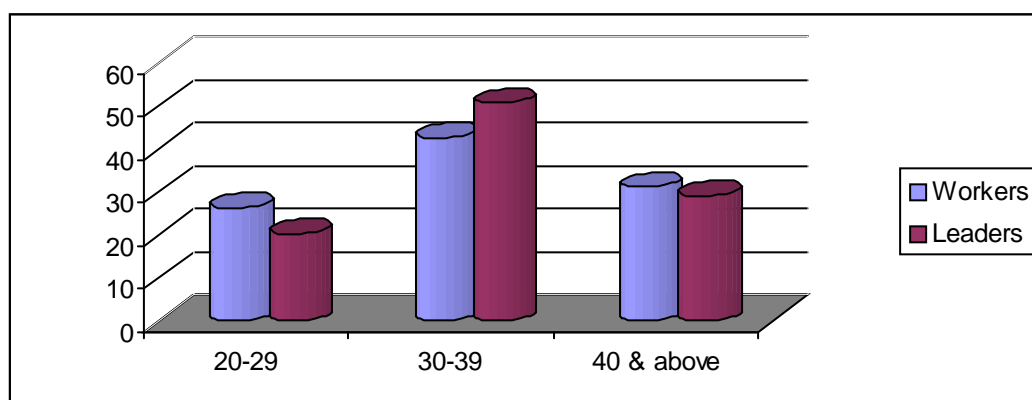
(In percent)

Age group	Workers	Leaders
20-29	26.4	20.2
30-39	42.5	50.6
40 & above	31.1	29.2
Total (%)	100.0	100.0
Total (N)	106	89

Note: Of the total respondents only 12 are females (6 each from workers and leaders)

Source: Field Survey, 2003

**Figure: 8.1**  
**Age Distribution of Workers and Leaders**



Among the workers surveyed nearly four-fifths have been already married where this proportion for leaders is slightly less than 90 percent. The share of widow/widower and separated is also significant among the working community (Table 8.2). The proportion of married is more or less equal with the study by GEFONT in 2003 on workers working in different sectors from 20 districts (GEFONT, 2003:36) where share of widow/widower/ separated is remarkably high than that study.

**Table: 8.2**  
**Marital Status of Respondents**

(In percent)

<b>Marital Status</b>	<b>Workers</b>	<b>Leaders</b>
Never Married	16.0	10.1
Married	78.3	86.5
Others	5.7	3.4

Source: Field Survey, 2003

About two out of three workers and more than 50 percent leaders are from rural areas of different parts of the nation. The proportion of workers and leaders from urban places is significantly high compared to the share of urban population in the total population (Table 8.3). It clearly reflects that employment opportunity for the urban labour force is high in formal sector. Besides employment opportunity in the urban areas the urban population are more educated and trained better compared to the rural population so they can get employment easily where most of the rural labour force could not compete with the urban educated labour force.

Similarly 56 percent workers and 63 percent leaders are from the same districts (Table 8.3) where they are working at present and the rest are migrated from different parts of the country. On an average a significant size of the workers (more than 10%) migrated from India are also working in the sectors under study despite of the restriction by Nepalese Labor Act. The share of such workers is high in private establishment because they intentionally provides job to the foreign workers to make the union weak by replacing national labour who involves in union activities and demands his/her right. But the Nepalese Trade Union Act restricts to be a union member for the foreign workers.

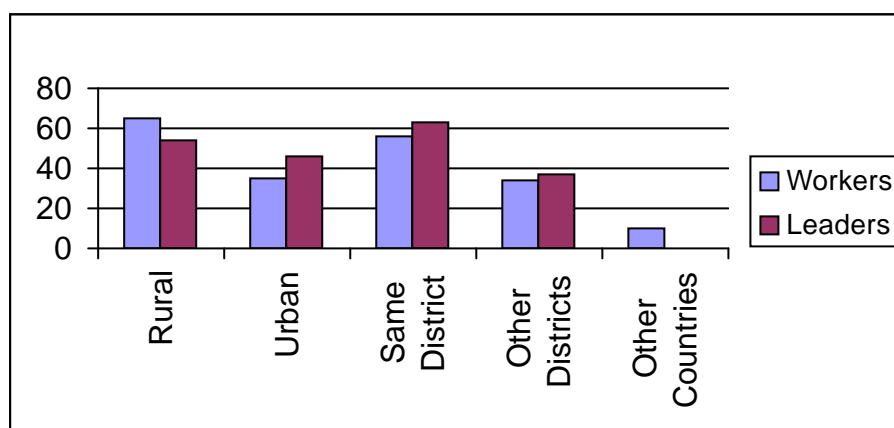
**Table: 8.3**  
**Permanent Residence of Respondents**

(In percent)

<b>Residence</b>	<b>Workers</b>	<b>Leaders</b>
Rural	65.0	53.9
Urban	34.9	46.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Same District	55.7	62.9
Other Districts	34.0	37.1
Other Countries	10.4	-
Total (%)	100.0	100.0
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Source: Field Survey, 2003

**Figure: 8.2**  
**Permanent Residence**



## 8.1.2 Social Characteristics

The upper caste people especially Brahmin have been fully dominated in employment. The share of Brahmin in leadership is further higher compared to the share in employment of the labour force in the sectors under study. The Proportion of chhetri/Thakuri and other castes is more or less equal involved as a workers and leaders. Other caste here denotes Tamang, Magar, Rai, Tharu, Kayastha, Yadav and Dalits in workers and Tamang, Rai, Magar in leadership. The domination of Brahmin in the employment may be due to two reasons – one generally the Brahmin community is more educated and clever compared to other communities in Nepal and secondly this community prefers to involve more in service sector where other caste/ethnic groups prefers business and trade as well as other self employed occupation too.

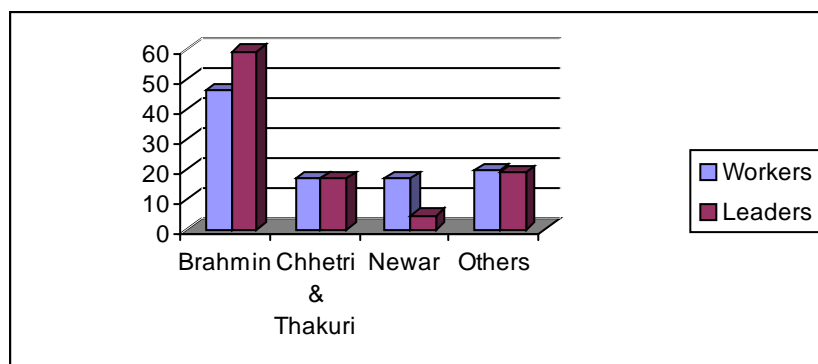
**Table: 8.4**  
**Percentage Distribution of Respondents by Caste/Ethnicity**

(In percent)

Caste/ethnicity	Workers	Leaders
Brahmin	46.2	59.5
Chhetri & Thakuri	17.0	16.9
Newar	17.0	4.5
Others	19.8	19.1
Total (%)	100.0	100.0
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Source: Field Survey, 2003

**Figure: 8.3**  
**Distribution of Respondents by Caste/Ethnicity**



All the workers and leaders are literate because no one could enter in any job in the formal sector without being literate but their level of education varies. Still 14 percent workers and 2 percent leaders are found literate without attending any regular educational institutions where more than 40 percent workers and nearly 30 percent leaders have been studied at school and completed various grades. The highest proportion of workers and more than two-thirds leaders have completed different levels of higher education. This indicates that educational status of the workers working in the formal sector is comparatively far better than the national figure. But it is known that skill of the Nepalese workers is very low and no one management ever conducted any skill development programmes to uplift the workers but they substituted the unskilled Nepali workers from Indian skilled workers. This is one of the major regions to increase unemployment rate in the country.

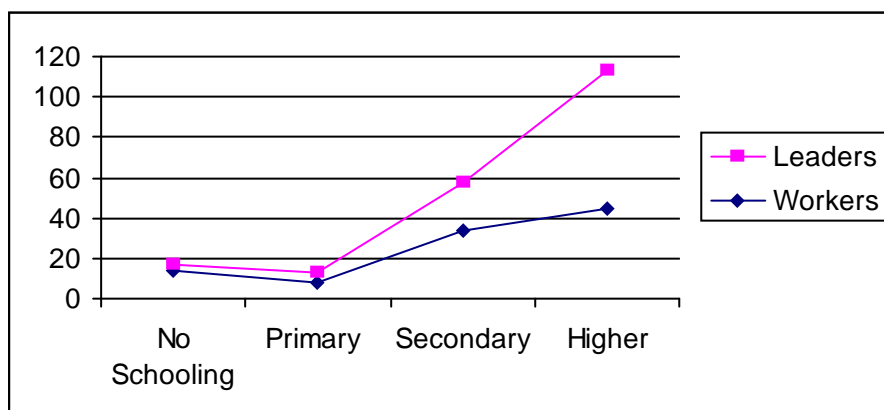
**Table: 8.5**  
**Educational Attainments of Respondents**

(In percent)

<b>Educational Attainment</b>	<b>Workers</b>	<b>Leaders</b>
No Schooling	14.2	2.2
Primary (1-5 class)	7.5	5.6
Secondary (6-SLC)	34.0	23.6
Higher	44.3	68.6
Total (%)	100.0	100.0
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Source: Field Survey, 2003

**Figure: 8.4**  
**Educational Attainment**



### 8.1.3 Economic Status of the Respondents

Out of the total respondents three-fourths workers are selected from manufacturing sector where only one-fourth from the service sector. On the other the number of workers selected from public and private sector is nearly equal (50.9 % public & 49.1% private). The leaders from confederations and national federations affiliated with the three legally recognized confederations represents more than 66 percent (16.9% & 49.4%), while it is 28.1 percent and 5.6 percent respectively from the establishments related with manufacturing and service sectors. Similarly the public and private sector establishment each have been selected 17 percent leaders (33.7% in total) and rest two-thirds from federations and confederations (Table 8.6). Most of the leaders selected from the confederation and national federations were also workers in one or the other establishments in the past but at present they are working as a full time union activists. The service sector covers all white-collar workers while in manufacturing sector all workers belong to the blue-collar workers. But the leaders from manufacturing sector are both from the white and blue-collar category.

**Table: 8.6**  
**Sector of Employment of Respondents**

(In percent)

<b>Sector<sup>4</sup></b>	<b>Workers</b>	<b>Leaders</b>
Manufacturing	74.5	28.1
Service	25.5	5.6
Others*	-	66.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Public	50.9	11.2
Private	49.1	22.5
Others*	-	66.3
Total (%)	100.0	100.0
<b>Total (N)</b>	<b>106</b>	<b>89</b>

\* Others include the leaders from national federations and confederations.

Source: Field Survey, 2003

Majority of the workers (38.7%) have been directly join the present job after living educational institutions followed by agriculture (29.2). More than 10 percent

workers in the establishments were working as government and semi-government institutions prior to join the present job where 7.5 percent landed in this profession from other manufacturing establishment due to various causes. The other jobs performing by the workers were wage/contract worker, helping in domestic work, self-employed outside agriculture where about 2 percent were living idle. On the other majority of the leaders working in the establishments were from agriculture background followed by student and wage/contract labour (Table 8.7). Self employment, service of government/semi-government, working in other manufacturing establishments were other major occupations carrying by the current trade union leaders working in the establishments. But the occupational history of the leaders involved at national federations and confederations are more or less different.

**Table: 8.7**  
**Occupation Carried out Immediate Before Joining Present Job**

(In percent)

Occupation	Workers	Leaders
Agriculture	29.2	31.5
Self Employed (except agriculture)	1.9	12.4
Other Manufacturing Establishment	7.5	6.7
Government/ semi government service	11.3	10.1
Wage/ contract workers	4.7	14.6
Help in own domestic work	4.7	1.1
Student	38.7	22.5
Idle	1.9	1.1
Total (%)	100.0	100.0
<b>Total (N)</b>	<b>106</b>	<b>30</b>

Source: Field Survey, 2003

Among the total leaders two -third are not directly involved in any establishments at present and they are considered as outsiders in this study though all of them are not fall under the definition of outsider. The legal provision provided by the Trade Union Act is responsible to be a significant proportion of outside leaders in the national federation and confederation. The majority of the leaders from the establishments are

engaged in operative and administrative job followed by others and supervisory works (Table 8.8).

**Table: 8.8**  
**Type of Job Performing by the Leaders at Present**

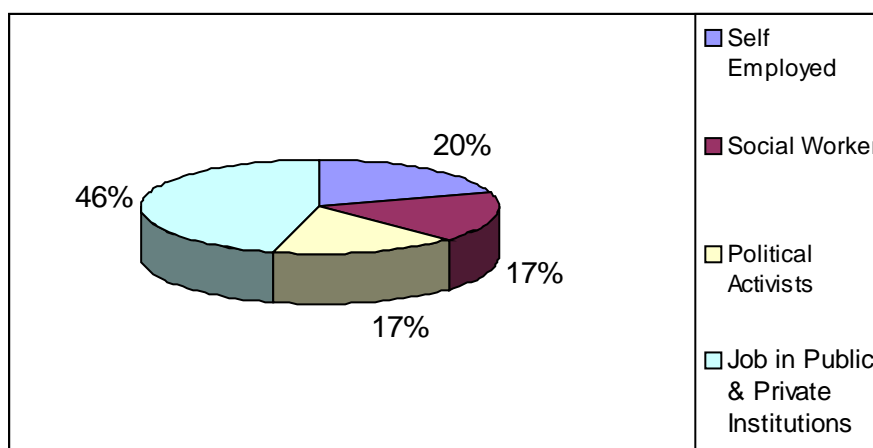
Type of Job	Percentage
Outsiders*	66.3
Administrative	11.2
Operative	12.4
Supervisory	3.4
Others	6.7
Total (%)	100.0
<b>Total (N)</b>	<b>89</b>

\* Those leaders who are not directly involved in any establishment

Source: Field Survey, 2003

Among the trade union leaders of national federations and confederations prior to join, as a trade union activists one-fifths were self employed, 17 percent each from social workers and political activists. The rest 46 percent join trade unions as a full time unionist living their jobs at different institutions (private or public). At present majority of the key posts of the trade unions at confederation and national federation are captured by the leaders came from political activists and social workers because top-level leadership could not developed from the working class.

**Figure: 8.5**  
**Status of Outside Leaders**





**Table: 8.9**  
**Status of Outsider Leader Prior to Join Union**

Status	Percentage
Self Employed	20.3
Social Worker	16.9
Political Activists	16.9
Job in Public & Private Institutions	45.8
Total (%)	100.0
<b>Total (N)</b>	<b>59</b>

Source: Field Survey, 2003

## **8.2 Status of Leaders in Trade Union**

Among the total leaders interviewed 33.7 percent are from establishments, 16.9 percent from confederations and rest 49.4 percent from the national federations affiliated with the three confederations.

Slightly less than one-third leaders were engaged as a trade union member since last 10 years or more where only 6.7 percent have join trade union as its member currently. While adding the leaders involved in trade union since last 6 years and more the proportion reached more than 80 percent to the total leaders. There is a positive relationship between duration in union as a member and involvement as a union leader. Likewise nearly half of the present union leaders were involved as an executive member since last 10 or more years. As the duration of union membership increases the proportion of leaders also increases and vice versa. This reflects that on the one only experienced worker involves as a union leader that is very useful to the effective functioning of the union on the other no capable successor was developed in all levels of union. On the contrary some have been opined that only few peoples dedicated to either politics occupy the leadership of the union and chances of new members to be a leader in their union are very low.

On the basis of the age of the leaders and years of involvement as a union member and leader it is assumed that must of the trade union leaders in Nepal are working as a union member since their involvement in the establishment. On the other

from this figure it is also seen that large part of the present leadership was trained as a union activists during the Panchayat period where trade union activity was legally ban.

**Table: 8.10**  
**Duration of Involvement in Trade Union as a Member**

(In percent)

<b>Year of Involvement</b>	<b>Union Member</b>	<b>Executive</b>
1-3 years	6.7	5.6
4-5 years	13.1	10.1
6-10 years	18.0	36.0
10 years & above	62.2	48.3
Total (%)	100.0	100.0
Total (N)	<b>89</b>	<b>89</b>

Source: Field Survey, 2003

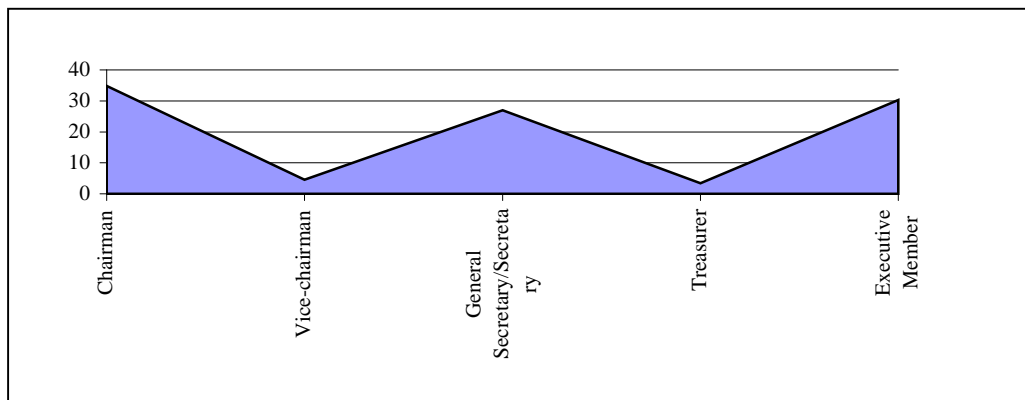
Among the trade union leaders selected in this study 35 percent were president or chairman, 27 percent general secretary/secretary and 30 percent executive members where few vice-chairman and treasurer were also selected. During the time of survey emphasis was given to the top executive from all level of unions to draw more information about trade unionism in Nepal because generally assumed they are more knowledgeable compared to other members of the union (Table 8.11 and Figure8.6). Among the total leaders only 6.9 percent are females.

**Table: 8.11**  
**Status of Leaders in their Union**

<b>Status</b>	<b>Percentage</b>
Chairman	34.8
Vice-chairman	4.5
General Secretary/Secretary	27.0
Treasurer	3.4
Executive Member	30.3
Total (%)	100.0
<b>Total (N)</b>	<b>89</b>

Source: Field Survey, 2003.

**Figure : 8.6**  
**Status of Leadership**



Source: Table 8.11

### 8.3 Perception on Nepalese Trade Union Act

Contrary to the present situation of multiple unionism more than 92 percent union leaders (93.3% from establishments and 91.5% from the confederation and national federations) have been preferred single union instead of multiple unions in the establishment to make the union activities more effective where the proportion of workers who choose single union in an establishment is slightly less than the leaders (88%). From the expression presented by the leaders and workers easily can guess both they are aware and affected by the defects of multiplicity of unions. So all of them are willing to unit within one union to strengthen their power to fight effectively for their rights and welfare.

The membership criterion differs country to country. In Nepal the Trade Union Act 1992 has fixed a provision of membership for the registration of an enterprise level trade union along with other particulars (application, constitution of the proposed union, registration fee, etc). The Act clearly highlight that “the enterprise level trade union shall not be registered if at least 25 percent workers of the concerned enterprise are not members”. Regarding the membership criteria for the registration of the establishment level union more than 65 percent leaders said the present criteria is appropriate while round about 8 percent respondents realised it should decrease. On the other 27 percent union activists are in favour of increase in the present criteria of 25 percent membership. Likewise, the trend of interpretation is the same among the workers too however, the percentage of the respondents differs slightly (Table 8.12). Both the groups feel that to

increase membership criteria is one more effective method to reduce number of unions in the establishment. Number of unions in all establishments will be decline while increasing the membership criteria. Consequently, problem of intra union rivalry will be declined.

**Table: 8.12**  
**Membership Criteria for Union Registration**

(In percent)

Description	Leaders*	Workers
Appropriate	65.2	59.4
Should Increase	27.0	34.0
Should Decrease	7.9	6.6
Total (%)	100.0	100.0
<b>Total (N)</b>	<b>89</b>	<b>106</b>

Source: Field Survey, 2003

Likewise, of the establishment level workers nearly 60 percent said the present criteria is appropriate while round about 7 percent realised the present criteria is to much so they suggested for the reduction that helps to increase the registration of the unions. On the other more than one-third workers were in favour of increase in the present criteria of 25 percent membership which helps to reduce the number of unions in an establishment. Consequently, problem of intra union rivalry will be declined. But the workers could not suggest the appropriate percentage of the members instead of one fourth prescribed by the Act.

Among those not satisfied with the present condition of membership criteria, less than 30 percent are in favour of reduction of membership percent while more than 70 percent preferred to increase it. Those who advised to reduce the percentage suggested it should be up to 10 percent. On the other those who advised to raise the membership criteria in the Trade Union Act said that the main problem of trade union at present is the multiplicity of unions. So to save the Nepalese labour movement from this problem the membership criteria should increase and reach up to 51 percent. As a result chances of multiple union in the establishment legally will be controlled though other unions may be there but their status will not accepted by law.

**Table: 8.13**  
**Percentage of Membership for Union Registration**  
(In percent)

Percentage preferred	Leaders
10	19.4
15	6.5
20	3.2
35	12.9
40	12.9
50	35.5
51	9.7
Total (%)	100.0
<b>Total (N)</b>	<b>31</b>

Source: Field Survey, 2003

## **8.4 Self Evaluation of Union Activities by Leaders**

### **8.4.1 Evaluation of Union Activity**

Almost all union leaders are found partially satisfied (more than 95%) with the provisions related to the workers' welfare included in the Trade Union Act 1992 however, the number of fully satisfied and unsatisfied are equally distributed.

Among the various activities of the trade unions in the country level of success of the trade union was evaluated on the basis of the following 10 major activities. On the process of self-evaluation of the union on the basis of various activities only 64.0 to 75.3 percent leaders have been participated in the evaluation process while rest express that they are not capable to evaluate the issues. On the basis of the self-evaluation of the union by its leaders the trade union in Nepal have been succeeded normally though the grade of success in each activity is not equal, which ranges from 23.5 percent to 42.7 percent. Solving the labour problem, improvement in the collective bargaining capacity of the union are the more successful activities compared to others. One interesting point is that solving the labour problem was evaluated as highly successful activity by majority leaders (30.3%) compared to other activities. Contrary to this the same activity was evaluated as not successful at all by the 22 percent leaders. This information shows more than one fourth union leaders are still not capable to evaluate their own organisation

being unable to understand the issues. Thus it is an urgent need to train not only the workers but also to the leaders on trade union issues though they have some knowledge. A significant number of leaders could not evaluate all the activities due to their ignorance or low level of knowledge on the union activities.

**Table: 8.14**  
**Self Evaluation of Union Activities by Trade Union Leaders**

(In percent)

Activities	Degree of Success					
	High	Normal	Low	Not at all	Total	Don't Know
Increment in wage & other benefits	13.5	38.2	13.5	3.4	68.5	31.5
Improvement in working environment	13.4	42.7	9	5	64.0	36.0
Control on exploitation from management	11.2	32.6	21.3	5.6	70.8	29.2
Solving the problems of workers	30.3	34.8	7.8	22.0	75.3	24.7
Improve in workers capacity	15.7	40.4	11.2	5.6	73.0	27.0
Educate the workers on their right & benefit	15.7	42.7	13.5	2.2	74.2	25.8
To improve collective bargaining capacity of the trade unions	23.6	34.8	10.1	2.2	70.8	29.2
To maintain good relationship between workers & management	10.1	38.2	19.1	3.4	70.8	29.2
Extend solidarity with other unions on the issue of workers right & benefit	16.9	27.0	15.7	7.9	67.4	32.6
To maintain friendly relationship with the trade unions of other countries	7.9	23.5	16.9	15.7	64.0	36.0

Source: Field Survey, 2003

#### **8.4.2 Responsible Factors to Strengthen Trade Union**

Necessity of committed and disciplined members and good leadership are the major elements to strengthen the trade union movement in the country. Similarly the leadership should be of good quality. The union members must be more quantitatively and at the same time they should be committed & disciplined on the one and qualitative & honest on the other. Active role of union for workers benefit is also considered the major factor responsible to strengthen trade unions in the country. Out of the 10 responsible factors first priority was given only to half, second to the 6 factors and third to all.

**Table: 8.15****Factors Responsible to Strengthen Trade Unions as Pointed Out by the Leaders**

(In percent)

Responsible Factors	Priorities		
	First	Second	Third
Committed & disciplined members	47.2	14.6	2.2
More members in the union	2.2	18.0	7.9
Good leadership	37.1	27.0	10.1
Qualitative & honest member	-	14.6	7.9
Proficient organisation	10.1	7.9	22.5
Active role of union for workers benefit	2.2	14.6	22.5
Support of national level unions	-	-	2.2
Support of political parties	-	-	10.1
Public support	-	-	12.4
Support by the international unions	-	-	2.2

Source: Field Survey, 2003

**8.4.3 Obstacles for Trade Union**

Nepalese trade union is affected by various obstacles, which reduced their effectiveness while performing their activities in different level for the welfare of their members. According to the union leaders among the various obstacles not implementation of labour laws, anti union attitude of the management, problem to organise the informal sector workers, insufficiency of labour laws and lack of discipline both in the leaders and workers were considered major ones, which highly affects the functioning of the trade unions negatively. Similarly the major issues, which affects normally are - insufficiency of labour acts, declining industrial unit, anti union attitude of the management and inter union rivalry where few leaders cited that all these obstacles affects to the trade unions but in lesser extent. Among them presence of multiple union in the country and vested interest of the leaders were placed at the third place. A significant proportion of leaders (from 9% to 39.4 percent) could not evaluate the following obstacles that are mainly responsible for the effective functioning of trade union.

**Table 8.16**  
**Major Obstacles for the Effective Functioning of Trade Union**

(In percent)

Obstacles	Level of Obstacles			
	High	Normal	Low	Don't Know
Not committed union leadership	34.8	24.7	10.1	30.4
Multiple union	30.3	24.7	24.7	20.3
Inter union rivalry	27.0	29.2	13.5	30.3
Use of workers to fulfill the vested interest of the leaders	24.7	21.3	23.6	30.4
Lack of discipline both in the leaders & workers	40.4	23.6	10.1	25.9
Work as a wing of a political party	30.3	19.1	11.2	39.4
Direct interruption of political party on the work of the trade union	24.7	23.6	11.2	40.5
Anti union attitude of the management	50.6	29.2	10.1	10.1
Insufficiency of labour laws	40.4	38.2	2.2	19.2
Not implementation of labour laws	61.8	23.6	5.6	9.0
Declining industrial unit	43.8	30.3	7.9	18.0
Problem to organise the informal sector workers	40.4	21.3	3.4	34.9

Source: Field Survey, 2003

#### **8.4.4 Suggestions for Workers' Participation in Union**

Trade union density in Nepal is very low and increased very slowly. In this context to attract more workers in the union activities is the main function of the leaders to make the union powerful. To perform this function effectively the trade union leaders themselves have been given various suggestions. Among them trade union education to all workers was given top priority by most of the leaders. Deliveries of awareness raising activities, cooperation to solve the labour problem, to revolt for the fulfillment of reasonable and common demands of the workers are also the major suggestions.



**Table: 8.17**  
**Suggestions of Union Leaders for More**  
**Participation of Workers in Union Activities**

(In percent)

Suggestions	Priorities		
	First	Second	Third
Trade union education to all workers	53.9	11.2	2.2
To raise awareness among the workers on their right & duty	19.1	25.8	15.7
To help the workers to solve their reasonable problems	2.2	15.7	15.7
No protection to the workers whose behaviour and work is bad	-	9.0	9.0
To revolt for the fulfillment of reasonable & common demands of the workers	9.0	23.6	9.0
Try to organise one union in one establishment	11.1	-	30.3
Avoid the groupism within the union	-	4.5	2.2
Others	4.5	-	-

Source: Field Survey, 2003

## **8.5 Status of Workers**

### **8.5.1 Necessity and Inspiration**

Of the total 106 workers participated in the study from the six surveyed establishments mostly were permanent where only 6.6 percent were daily wage earner. This indicates that the volume of permanent workers is significantly high in the establishments surveyed. This may be true because all the establishments surveyed are well established and are from formal sector where implementation of Trade Union Act is far better compared to informal sector as well as small and low-grade establishments. The Act obliged to the employer to provide permanent appointment to those employees who worked 240 days continuously. The well established enterprises always respects the legal provision where management of low grade establishment always tries to deny the legal provision and thinks to perform their activities illegally by influencing the political or bureaucratic channel.

**Table: 8.18**  
**Status of Employment of Workers**

<b>Status</b>	<b>Percent</b>
Permanent	93.4
Daily/Monthly wage basis	6.6
Total (%)	100.0
<b>Total (N)</b>	<b>106</b>

All the workers know the presence of trade union in their workplace or establishment where they are working. The trade union was needed due to various reasons as suggested by the workers. Among them promotion & protection of workers' rights & welfare and to maintain solidarity between workers have been placed at top priority by majority workers where solidarity between workers, protection of the workers from the exploitation of the employers have been given second priority. Protect from employers' exploitation, upliftment of their living standard and skill development of the workers are placed at the third place on their priority list (Table 8.19). A number of workers have been point out only one or two reasons in their priority list.

**Table: 8.19**  
**Necessity of Trade Union**

(In percent)

<b>Reason</b>	<b>Priority</b>		
	<b>First</b>	<b>Second</b>	<b>Third</b>
Solidarity between workers	34.0	21.7	12.3
Promotion & protection of workers' rights	53.8	18.9	2.8
Skill development of the workers	-	9.4	17.0
Increase in productivity	0.9	11.3	2.8
Protect from exploitation	6.6	17.9	20.8
Upliftment of living standard	2.8	9.4	19.8
Others	1.9	-	1.9

Source: Field Survey, 2003

Among the workers selected more than two-fifths are continuously involving in trade union as a member since last more than 10 years where 18.9 percent are union

member since last 6 to 10 years. Slightly less than one-fourth workers are found new members affiliated with it since less than one to five years. It reflects that majority of the workers are involving in trade union since the legally organisation of the trade union in their establishment. On the other about 8 percent workers are found free without affiliating with any trade unions.

**Table: 8.20**  
**Number of Years Affiliated in Trade Unions**

(In percent)

No. of years	Percent
Not at all	7.5
Less than 1 year	12.1
1 - 3 year	5.7
4 - 5 year	5.7
6 - 10 year	18.9
10 year & above	41.5
Missing	8.6

Source: Field Survey, 2003

### **8.5.2 Motivation to be a Union Member**

Fear of expel by the management was the major regions behind not affiliation with any union where a few workers were not aware about trade unions. Various people or institutions have been inspired to the workers to take union membership. But overwhelming majority (77.4%) of the workers themselves decided to be a union member where union leaders, friends, relatives and management themselves are other institutions who inspired the workers to join union. Nearly four percent workers join it because all the workers of the establishments where they are working have been joining union. Inspiration by the management is insignificant. As expressed by some of the trade union activists and workers, mainly the management inspires the workers to be a union member of the union, which they support to develop yellow unionism. But none of the management agrees this blame.

**Table: 8.21**  
**Inspiration to be a Union Member**

<b>Inspired by</b>	<b>Percentage</b>
Self	77.4
Trade union leaders	6.6
Friends/ relatives	2.8
Management	0.9
All workers have taken membership	3.8
Missing	8.5

Source: Field Survey, 2003

The workers from the establishments had joined union with different objectives. Among them the first priority was given by the majority workers are - protection from exploitation of the management, employment security, and increase workers' solidarity & unity where second priority was placed to protect from exploitation of the management, increase solidarity and unity of workers and help to the workers to solve their problems. Union develops relation between management and workers increase solidarity and unity of workers, being interested on union and help to the workers to solve their problems placed at third priority list by more workers. To obtain better wage and other economic benefits was placed at the bottom of their priority, along with other activities like - to improve their working environment, to improve skill as well as strength of the working community and interest to involve in social work etc. But in practice the workers of any establishment have been providing major emphasis to the economic demand. This contradiction between theory and practice may be due to hesitation of the workers to emphasis on economic cause for the involvement in trade unions in front of the enumerator/researcher. The other objectives includes pressure of friends, no any status of the independent workers in the establishment, fulfill personal interest, request of union leaders and so on.

**Table: 8.22**  
**Reasons to be a Union Member**

(In percent)

Objectives	Priority		
	First	Second	Third
Better wage & other economic benefits	8.5	7.0	3.8
Good working environment	7.5	-	0.9
Employment Security	18.9	5.7	2.8
Protect from exploitation of the management	19.8	20.8	5.7
Increase solidarity and unity of workers	15.1	16.0	13.2
Help to the workers to solve their problems	8.5	15.1	13.2
Being interested on union	1.8	6.6	10.4
Develop relationship b-etween management & workers'	2.8	9.4	14.2
To improve skill and strength	1.9	0.9	9.4
To involve in social work	-	4.7	3.8
Others	4.7	2.8	10.4

Source: Field Survey, 2003

The objectives taken by the workers while taking union membership were not fulfilled not at all as observed by only about 4 percent workers while half of the respondents experienced it is fulfilling slowly. Nearly one-fourth said that their objectives are fulfilling as they expected. This proves that all most all workers are satisfied with their affiliation in the union though the degree of satisfaction may be varied one worker to another.

**Table: 8.23**  
**Status of Fulfillment of the Member's Goal**

(In percent)

Status	Percent
Not at all	3.8
Slowly fulfilling	50.0
Fulfilled mostly	15.1
Being as of their Expectation	23.6
Missing	7.5

Source: Field Survey, 2003

Among the various causes responsible to not fulfill the members' goal as suggested by the workers are: weakness of union, unhealthy relationship between union and management, rivalry between unions within the establishment, weak leadership, selfish leadership, are the major ones.

### **8.5.3 Trade Unions in the Eyes of the Workers**

Different workers tried to evaluate trade union and its activities differently. The differences not only vary by workers but it also differs place to place. Help to the workers to solve their problems, pressurise to the employers to increase wage and other economic benefits of the workers working in different sectors and provide protection to the workers from the exploitation of the management has been given first priorities among the various functions of the trade union by large number of the workers. Similarly to educate workers on their rights and duties, help to solve the labour problem, protect from workers' exploitation from the management and victimization are placed at second priority list by the majority of the workers while help to solve the labour problem, maintain cordial relationship between workers and management are placed in the third priority by the 18.9 percent and 15.1 percent workers respectively. Likewise, among the various functions of trade unions improve workplace environment, to make the union strong and maintain cordial relationship between workers & management are list prioritized functions of the workers though they are considered more important functions from the point of view of union development. This indicates that the workers of the enterprises are still concentrated to fulfill the demands mainly related to their personal benefit and list bother to the development of the trade union movement.

**Table: 8.24**  
**Major Activities Performed by the Trade Unions**

(In percent)

Major Functions	Priorities		
	First	Second	Third
Increase wage & other economic benefits	29.2	9.4	7.5
Help to solve the workers problems	37.7	20.7	18.9
Educate workers on their rights and duty	9.4	25.5	9.4
Improve workplace environment	0.9	6.6	4.7
Protect the workers from victimization	1.9	12.3	7.5
Protect the workers from exploitation of the management	10.4	13.2	8.5
To make the union strong	1.9	1.9	8.5
Maintain cordial relationship between workers & management	0.9	2.8	15.1
Others	3.8	1.9	4.7

Source: Field Survey, 2003

In the present context of multiplicity of trade unions overwhelming majority (86%) of the workers are found in favour of only one union at an establishment while only few preferred more than one union within the same institutions. Those who preferred one establishment one union have been maintained following arguments on the basis of their experience.

- ) Difficult in collective bargaining process for the management and workers themselves, if multiple unions presence
- ) Weaken the collective power of the workers in multiple unions
- ) Increase rivalry between unions
- ) Multiple union will be beneficial only to the employers
- ) Badly affects the capability & productivity of the workers

**Table: 8.25**  
**Reasons to Prefer One Establishment One Union**

Causes	Percentage
Difficult in collective bargaining process if multiple unions presence	15.4
Weaken the collective power in multiple unions	25.3
Increase rivalry between unions	6.6
Multiple union will be beneficial to the management	11.0
Badly affects the capability & productivity of the workers	6.6
All of the above	34.1
Missing	1.0
<b>Total (N)</b>	<b>91</b>

Source: Field Survey, 2003

The workers who preferred multiple unionism listed one or more causes of their preference. Among them no competitiveness in the union, leaders will be arbitrariness in a single union situation, all should have the right to organise in a union, each union fears to involve in immoral work are the major causes listed by the workers.

The Trade Union Act has also a provision of authentic trade union as a representative union of all the workers for the period of two years to make the collective bargaining process easy in those establishments where more than one union exists. The authentic union is elected through secret ballot of the workers of the concerned establishment. More than three-fourth workers opined the selection of the authorised union through secret ballot is the best way compared to other processes. About 10 percent workers preferred the authentic union should be a representative committee of all unions and independent workers on the basis of their membership strength where only less than 5 percent workers appeared in favour of direct approval to the powerful union as an authorised union. The Trade Union Act has also a provision of authorised trade union in the institution elected through secret ballot of the workers. This process is well established and accepted by almost all workers and leaders.



**Table: 8.26**  
**Organisation Process of Authentic Union**

Process of organisation	Percentage
Election through secret ballot	75.5
Approval to the powerful union	4.7
Representative committee of all unions & independent workers	10.4
Others	0.9
Missing	8.5
<b>Total (N)</b>	<b>106</b>

Source: Field Survey, 2003

Trade union is an institution established to solve the genuine labour problem. It tries to help the workers only while they seek help by the union. In Nepal more than two-thirds workers seek any type of help with the trade unions where they are affiliated. Among them only a small proportion seek unions' help regularly, where more than one third of the total workers seek it sometimes and rarely by 18 percent. Nearly one third never seek union's help to meet their personal interest or to solve the problems faced by them.

**Table: 8.27**  
**Status of Seeking Help with Trade Union**

Status of seeking help	Percentage
Always	13.2
Sometimes	34.9
Rarely	17.9
No	32.1
Missing	1.9
<b>Total (N)</b>	<b>106</b>

Source: Field Survey, 2003

Among the 77 workers who seek union help (regularly, occasionally or rarely) 58.4 percent have got help when they demanded but an insignificant proportion of the workers did not have any cooperation from the union though they seek help from them. A 22 percent and 17 percent respectively have got it sometimes and rarely. This proves that union is always positive and cooperative toward the workers' problems.

**Table: 8.28**  
**Cooperation Provided by the Union**

Availability of cooperation	Percentage
Always	58.4
Sometimes	22.1
Rarely	16.9
Not at all	2.6
Total (%)	100.0
<b>Total (N)</b>	<b>77</b>

Source: Field Survey, 2003

#### **8.5.4 Evaluation of Trade Unions by the Workers**

Workers tried to evaluate their unions on the basis of different activities performed by the unions. Generally the degree of success is normal in most of the activities on which they evaluated where the activities like save the workers from victimization, provide necessary help to the workers to solve their problems, achievement of better wage and benefits and workers education on their rights and duties were considered highly successful by the significant number of workers. Some of the workers evaluated the success of the unions is low where few considered zero success in all activities. The success of the workers' participation on management is very low or nil as reported by various workers that is one of the major factor to maintain good industrial relations at present context. Table 8.29 highlight that a significant proportion of workers observed the success of the trade union on the participation of workers in management is nil. This is true because in Nepal workers' participation in management is not practiced up to now though the labour laws have some provision of such participation to maintain healthy industrial relations in the country.

**Table: 8.29****Evaluation by the Workers on Success of the Union**

(In percent)

<b>Activities</b>	<b>Degree of Success</b>				
	<b>High</b>	<b>Normal</b>	<b>Low</b>	<b>Zero</b>	<b>Don't Know</b>
Achievement of better wage & benefits	21.7	24.5	8.5	3.8	41.5
Better working environment	17.0	21.7	10.4	3.8	47.1
Save the workers form victimization	38.7	27.4	3.8	1.9	28.2
Help to the workers to solve their problems	34.0	28.3	9.4	0.9	27.4
Increase in efficiency & capability of workers	14.2	21.7	14.2	2.8	47.1
Educate workers on their rights and duties	21.7	24.5	15.1	3.8	34.9
Participation of workers in management	7.5	11.3	12.3	20.8	48.1

Source: Field Survey, 2003

Nepalese trade unions are facing various problems from their establishment. Unions may not be success to achieve their goal due to various factors. Among them the workers pointed out incapable leadership, inter & intra union rivalry, negative attitude of management towards union, lack of dedication in leadership level, directs political intervention, outsider leadership and no cooperation from workers as major factors. Incapable leadership, inter & intra union rivalry direct political intervention, no cooperation from workers have been placed as a factor highly negative by majority workers where negative attitude of management and lack of dedication in leadership level are also affecting the success of the activities moderately. Only few workers said they could not able to identify the factors from which the union activities are negatively affected while a slightly high proportion expressed these factors have been affecting negatively the union activities but in lesser extent (Table 8.30).

**Table: 8.30**  
**Factors Negatively Effects the Proper Functioning of the Union**

(In percent)

Activities	Degree of Negative Effect			
	High	Moderate	Low	Don't Know
Incapable leadership	44.3	6.6	5.7	2.8
Inter & Intra Union Rivalry	20.8	14.2	6.6	1.9
Negative attitude of management	20.8	23.6	6.6	1.9
Lack of dedication in leadership level	17.9	19.8	9.4	-
Direct political intervention	21.7	11.3	7.5	1.9
Outsider leadership	5.7	7.5	10.4	-
No cooperation from workers	16.0	10.4	6.6	4.7

Source: Field Survey, 2003

The workers and leaders selected from different establishments and outside coming from various backgrounds evaluated the Nepalese trade unions differently. Based on the evaluation both the workers and their leaders are generally positive to the trade union movement of the country though there is some contradiction on their evaluation

## 8.6 Conclusion

Vast majority of the workers and union leaders are from the young age group. This information indicated that in Nepal most of the workers are belongs to the adult and energetic age group. The employment of such group of labour force directly reflects in the union leadership too. Proportion of women both in the workers and leaders is very low as a result of low level of employment of women.

Urban labour force is more employed in formal occupation due to being more educated and trained better compared to the rural labourforce. Thus rural labour force could not compete with the urban labour force. About more than 10 percent workers are from India despite the restriction of Nepalese Labor Act. The share of such workers is high in private establishment compared to the public one. But non-Nepalese worker could not be a union member for the foreign workers.

Brahmin have been fully dominated in employment and union leadership being more educated, cleaver and prefers to involve more in service sector where other

caste/ethnic groups prefers business and trade as well as other self employed occupation too.

At present majority of the key posts of the trade unions at confederation and national federation are captured by the leaders came from political activists and social workers because top-level leadership could not developed from the working class. There is a positive relationship between duration of union membership and being union leader. Large part of the present leadership was trained as a union activist during the Panchayat period where trade union activity was legally ban.

Significant share of workers and leaders could not evaluate the activities of trade union because they are not fully aware all the issues of working class. Thus trade union education is essential not only for the workers but also to the union leaders.

# **CHAPTER IX**

## **PERCEPTION OF EMPLOYERS, UNION LEADERS AND WORKERS ON DEVELOPMENT OF NEPALESE TRADE UNION**

### **9.1 Background**

Among the three social partners (government, employers and workers) employers as well as workers or their union play an important role to maintain industrial relations in the country in general and their establishments in particular. Usually the degree of industrial relation (good or bad) depends upon the relationship between employers and workers or their unions. In general workers and their unions blames, the management is always negative/against the trade union mainly because trade unions controls them from the exploitation of the workers. Contrary to this, all the management of the establishment surveyed from both the public and the private sector opined they are always positive towards the union until and unless they present in legal ground. All the managements are providing necessary infrastructure to the unions as much as based on the size of the workers and capacity of the establishment. But they feel unions sometimes try to create trouble in the work of the establishment on the hints of the political parties. Some of the management especially from public sector stress with proud that they never feel the tripartite dialogue to solve the labour problem because always it was solved through bilateral discus session.

### **9.2 Perception on Development of Trade Union**

#### **9.2.1 Need of Trade Union**

Trade unions in Nepal have been developed crossing various ups and downs since its inception. There is a diverse view regarding the beginning of the trade union movement of Nepal. Some had opined the trade union movement was developed in Nepal on the influence of the movement in other countries especially from India, where others viewed it is due to the internal necessity. In this issue Nepalese managements are also not in consensus and expressed different views. Two out of six (one each from public and private) have said the trade union movement of Nepal has developed due to the internal necessity where rest four said it is because of the influence of the movement of other countries especially India because of the direct link of the Nepalese workers

with Indian workers not only because of being the same working class but also due to open border on the one hand and on the other the social, cultural, religious as well as family relation.

Contrary to the opinion of the employer 92 percent union leaders and 86 percent workers pointed out that the trade union in Nepal was developed due to domestic needs rather than outsider influence. One out of 10 workers and insignificant number of leaders could not judge the reason for the development of the trade union in the country where very few workers observed there is influence of outsiders on trade union development in Nepal. The leaders who could not judge the need of trade union in the country are from the establishments (Table 9.1). The quantitative expression presented above by the employers, workers and trade union leaders proves that the management side is trying to prove that the workers and their leaders are not capable to organise themselves without influence of others because they always tries to dominate the working class. If this is the intention of the employers, it is very far from reality.

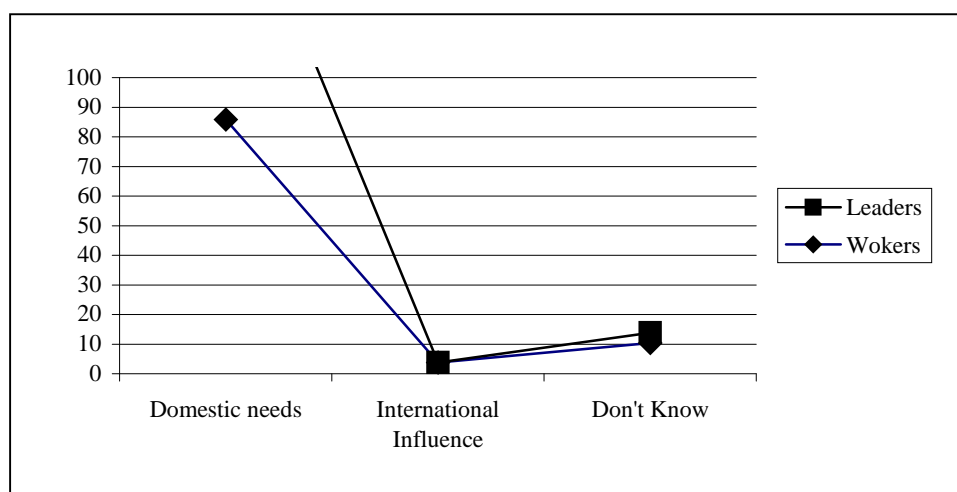
**Table: 9.1**  
**Observed Need of Trade Union in Nepal**

(In percent)

Description	Workers	Leaders
Domestic needs	85.8	92.1
International influence	3.8	
Don't Know	10.4	3.4
Total (%)	100.0	100.0
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Source: Field Survey, 2003

**Figure: 9.1**  
**Observed Need of Trade Union in Nepal**



## 9.2.2 Knowledge about Trade Union

Half of the respondents represented from management are known the history of trade unions in a better way where one knows normal and two knows only a little. It is assumed that all leaders either from central level or establishment level are familiar properly with any labour issue and they know better about the origin and development of their own movement. But in practice the information highlights that among the trade union leaders only less than half (47.2%) knows it better. Contrary to this more than half knows the history and development of Nepalese trade union movement in general. Generally all the leaders from the confederations and federations know better rather than the leaders from establishment level. On the other only 12 percent workers knows Nepalese trade union movement in better way where nearly three-fifths knows it in general, 24 percent knows only a little and 6 percent have no any knowledge on it. This proves that Nepalese trade union leaders are very weak on trade union education where workers are further weak on all trade union issues. The knowledge of the workers and their leaders may be further worse in informal sector because this sector is more deprived and unionisation process is just started. Consequently unionisation rate is very low compared to the formal sector. Thus an urgent need of trade union education targeted to both the leaders and workers through out the country covering all sectors, entire union leader and their members.

**Table: 9.2**

### **Knowledge on History and Current Status of Nepalese Trade Union**

(In percent)

<b>Knowledge</b>	<b>Workers</b>	<b>Leaders</b>
Better	12.3	47.2
General	58.5	52.8
A little	23.6	-
No any knowledge	5.7	-
Total (%)	100.0	100.0
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Source: Field Survey, 2003



In the experience of half of the management trade unions have grown fast within a short period of time while next half observed it is growing normally. Two-thirds workers and more than half of the leaders observed the growth of Nepalese trade union movement is normal. It is neither fast nor slow. But the remaining share of workers and leaders observed the trade union development in different ways. One out of 10 workers and 27 percent leaders said trade union movement in Nepal is growing at a fast rate while 22 percent workers and 20 percent leaders experienced slow growth. There are also few leaders and workers taking into consideration the present growth as very slow.

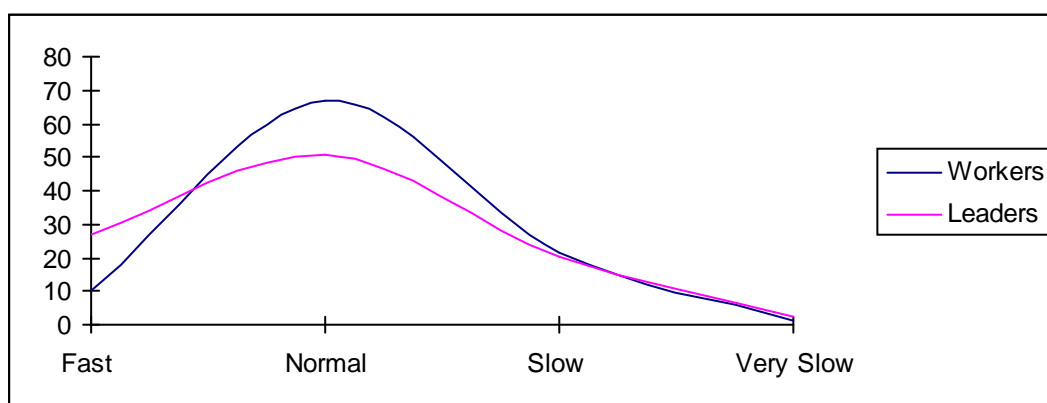
**Table: 9.3**  
**Growth of Trade Union in Nepal**

(In percent)

Speed of Development	Workers	Leaders
Fast	10.4	27.0
Normal	67.0	50.6
Slow	21.7	20.2
Very Slow	0.9	2.2
Total (%)	100.0	100.0
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Source: Field Survey, 2003

**Figure: 9.2**  
**Growth of Trade Union**



Among the various reasons responsible to fast growth of trade union in Nepal highlighted by the employers, leaders and workers; lift the ban on political parties and trade unions after the restoration of the multiparty democracy in 1990 is the major factor

pointed out by most of the respondents. Other causes are: increase in education and awareness among workers and leaders, enactment of labour laws, strong leadership, international solidarity, effective union activities for the welfare of the working class, cooperation of political parties, etc. have been contributed to fast growth of the trade union highlighted by the workers, their leaders and employers though their preference to above reasons is not equal. On the other, slow growth of industrial development in the country, lack of knowledge about trade union among the workers, lack of environment for the formation of trade unions up to long period in the history of trade union movement, restriction on trade unions activities, absence of Trade Union Act for about 45 years in about 55 years of trade union movement, direct political interference on trade unions, lack of capable and dedicated organiser, intra union rivalry, non cooperation by the government and management are the major causes responsible to slow growth of trade unions in the country as observed by the workers and their leaders.

All the management of the enterprise (both public and private sector) agreed the trade union in Nepal has developed after the restoration of democracy in 1990 though the movement has passed more than 50 years. The trade union movement gets momentum formally when the government has enacted Trade Union Act in 1992.

Similarly all the leaders and all most all workers accept the interpretation of the employers that trade union movement in Nepal has been developed rapidly following the re-establishment of multiparty democracy in the country which provides the opportunity to organise and conduct various union activities openly. The Labor Act and Trade Union Act provided legal recognition to the unions. As a result workers and leaders become more excited and registered a number of unions and conducted different welfare activities for the welfare of the working class. The trade union movement of Nepal further strengthened while the law has provided right to organise to the workers working in informal sector too. The amendment of Trade Union Act in 1999 has widened the coverage of trade union outside the establishment and redefined the term workers (workers are those who are working within and outside the establishment at different industry, trade & business or service as permanent, temporary, contract, piece rate and daily wage earner including agricultural workers). This leads to the fast growth of trade union movement in Nepal during last few years. Those who have been reported the trade union movement was developed more during Interim and Panchayat period may be

because of misunderstanding the question by them or they reported blindly without understanding the issue.

**Table: 9.4**  
**Development of Trade Union in Different Periods, Nepal**

(In percent)

<b>Periods</b>	<b>Workers</b>	<b>Leaders</b>
Rana Period (before 1951)	-	-
Interim period (1951-1959)	1.9	-
Panchayat Period (1960-1990)	2.8	-
Re-establishment of multiparty democracy (after 1990)	95.3	100.0
Total	100.0	100.0

Source: Field Survey, 2003

Individual workers and their union, different political as well as social institutions have contributed to bring the movement up to this stage. Among them the first priority was placed to the workers followed by trade union leaders. The politicians and industrialists as well as traders occupied the third place where political party placed in the lowest rank by the employers. Contribution of the workers, trade union leaders and combined efforts of workers and political parties have been given first second and third priority respectively by the majority workers. Only 6.6 percent workers sited first priority to the role of the politicians and political parties, where 15.1 percent and 19.8 percent workers have been placed it in the second and third rank respectively. Similarly 59.6 percent leaders have been given top priority to the contribution of the workers. The same proportion have placed the role of trade union leaders in second priority and more than half workers said that they are providing third priority to the combined effort of workers and political party. This indicates both the workers and their leaders gave the same priority though their percentage is not the same in all ranks. It is also interesting to note that the union leaders find the same trend as of the workers while evaluating the contribution of the politicians and political parties. This proves that the contribution of the workers and trade unions is much more important then the contribution of other individuals and institutions to bring the trade union movement up to the present stage

where the role of the industrialists and traders is almost nil for the development of the trade union movement in Nepal.

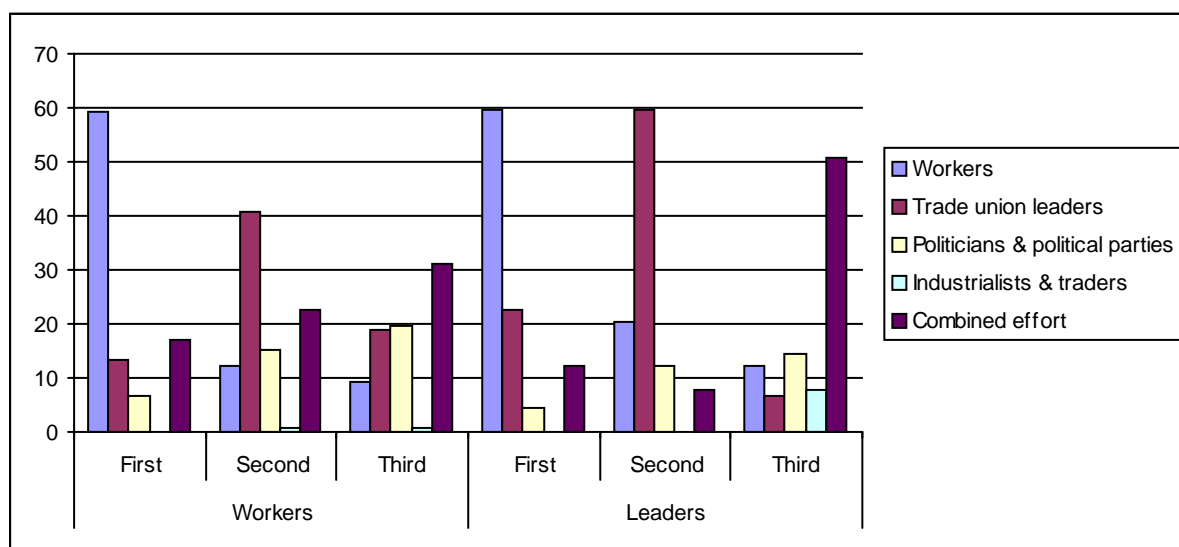
**Table: 9.5**  
**Roles of Different Institutions on Trade Union Development**

(In percent)

Major Institutions	Priorities					
	Workers			Leaders		
	First	Second	Third	First	Second	Third
Workers	59.4	12.3	9.4	59.6	20.2	12.4
Trade union leaders	13.2	40.6	18.9	22.5	59.6	6.7
Politicians & political parties	6.6	15.1	19.8	4.5	12.4	14.6
Industrialists & traders	-	0.9	0.9	-	-	7.9
Combined effort of workers & Political Parties	17.0	22.6	31.1	12.4	7.9	50.6

Field Survey, 2003

**Figure: 9.3**  
**Roles of Different Institutions on Trade Union Development**



### 9.3 Changes in the Socio-economic Condition of the Workers

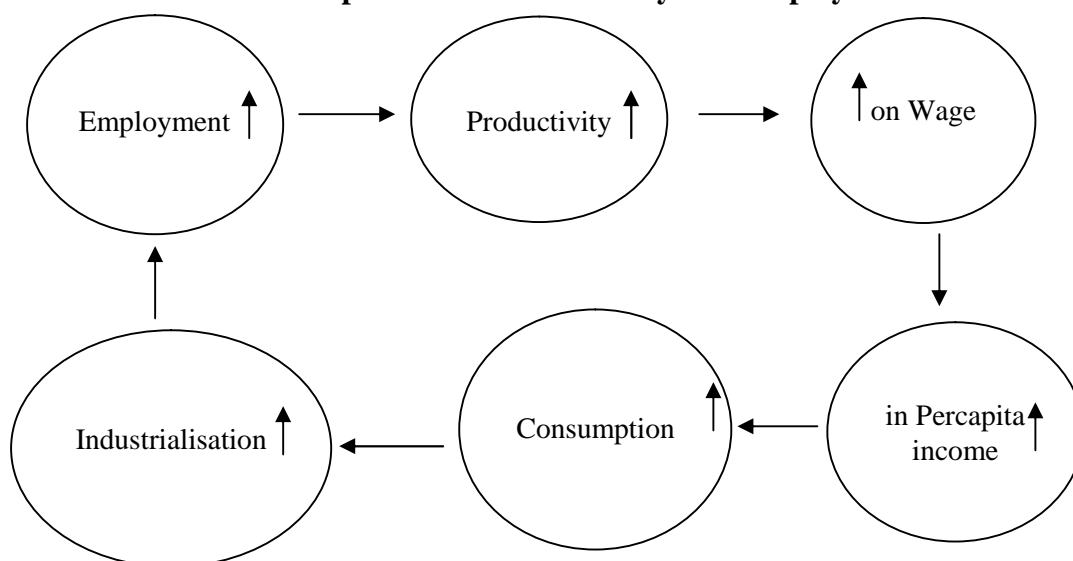
One of the main objectives of the trade union is to improve the living standard of the workers through the improvement of their socio-economic condition. In this regard the evaluation of all the three type of respondents shows there is a little improvement in the economic condition of the workers along with the development of trade unions. At the same time the working class stood as a prestigious place in the society as well as in

their workplace where they were neglected and humiliated during pre-unionisation period. In the earlier period the status of the workers both in the society and the workplace was placed at the bottom in the social hierarchy but now they become one of the social partner of the government.

The productivity factor is one of the major issues while discussing the socio-economic status of the workers. General economic theory highlights that there is a direct relationship between productivity and employment. If the productivity increases the level of employment also goes up and vice versa. The workers, leaders and management agree this relationship. All the employers during informal discussion on the issue of labour management relation said that workers and their leaders does not bother on the issue of productivity increment which has chain effect on income, expenditure, employment and so on. According to them if productivity increases wage of the workers increases. The growing wage leads to increase in percapita income of the working class. The increasing income of the workers goes to consumption and it leads to increase in consumption of basic commodities as well as luxurious goods. The growing consumption helps to industrialisation of the country where the level of employment increases as the development of industrialisation in the country. This type of vicious circle continues in the country based on the speed of development.

**Figure: 9.4**

**Relationships Between Productivity and Employment**



On the issue of productivity trade unionists as well as workers used to say that workers alone is not responsible for raising the productivity. Among the various factors

labour is one major factor. Thus other factors of production are also equally responsible on it and all these factors are under the control of employers or management. So the blame of the employers to the workers is groundless.

Only one management observed that in real terms the economic condition of the workers has declined though the trade union movement has developed fast. The main reasons behind to decline the economic condition of the workers are: fast change in the consumption pattern, increase in the worthless expenses and no improvement in the workers' productivity on the one and on the other slow growth of their family income in comparison to the inflation rate in the country leading to decline in the real wage. On the other extreme two managements from public sector have observed significant improvement in both the socio-economic condition of the workers while remaining half has observed slightly improvement in the economic as well as social condition of the working class.

Both the workers and leaders experienced that the economic condition and social status of the workers has been improved during last few years with the growth of trade unions in the country but the improvement is not as expected by the unions and workers. Social condition of the workers has been improved more than their economic condition, which was observed by both the workers and leaders. All most all workers and leaders experienced improvement on socio-economic condition of the workers following the unionisation of the labour force but the improvement is very little. Among the workers and leaders few have said during past number of trade unions and the volume of trade union members were increased significantly but the socio-economic condition of the workers has declined while a small percent of workers and leaders observed the workers' status constant during this period.

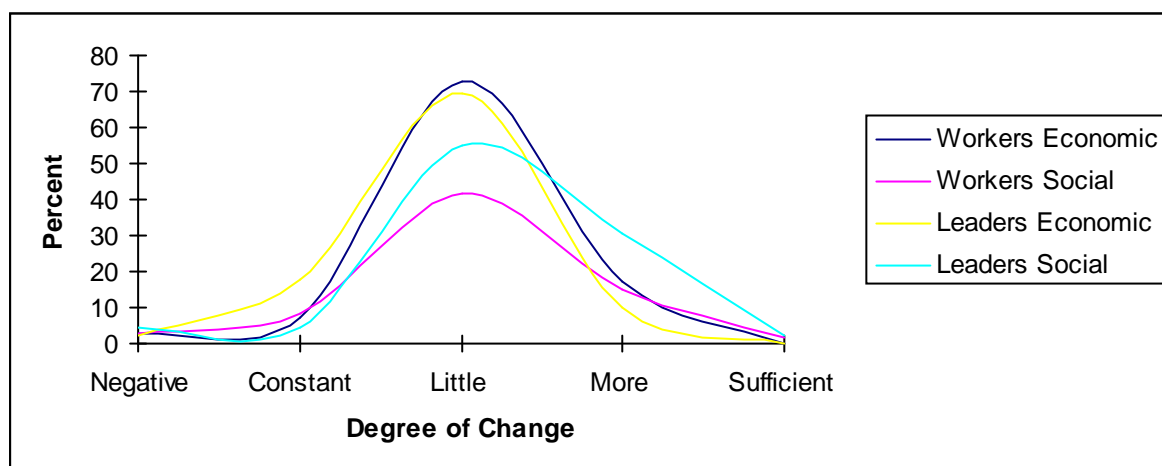
**Table: 9.6**  
**Change in Socio-economic Condition of the Workers**

(In percent)

Level of Improvement	Workers		Leaders	
	Economic	Social	Economic	Social
Negative	2.8	2.8	2.2	4.5
Constant	7.5	8.5	18.0	4.5
Little improvement	72.6	41.5	69.7	55.1
More improvement	17.0	15.1	10.1	30.3
Sufficient improvement	-	1.9	-	2.2
Missing	0.1	30.2	-	3.4
<b>Total (N)</b>	<b>106</b>	<b>74</b>	<b>89</b>	<b>86</b>

Source: Field Survey, 2003

**Figure: 9.5**  
**Change in Socio-economic Status**



Of the various socio-economic changes with the development of trade union as experienced by the management of the concerned establishments, the workers had started to send their children at school on the one and on the other the level of education and awareness of the workers has been improved significantly. Development of leadership and professional skill, purchase of land comes at the second category of improvement where economic well-being, improved in condition of fooding and lodging are the other areas of improvement along with the development of trade unions.

Along with the development of trade union in Nepal the socio economic condition of the workers has been improved in general but the respondents (both workers and leaders) who observed the improvement could not categorically list the issues on which the improvement occurred because most of them are found confused on it. As a result some of the participants refused to participate to evaluate the improvement on priority basis. As of the opinion expressed by the workers and union leaders who had participated in the discussion and interview the major improvements occurred in the life of the workers and their family with the free play of trade union after 1990 are: increase in awareness of the workers, they (workers) started to send their children at school, lodging and fooding status of the workers changed positively and leadership among the workers has developed significantly. Some of the workers and leaders did not priorities may be their ignorance on the issues.

**Table: 9.7**

**Type of Improvement in Socio-economic Condition of the Workers**

(In percent)

Improvements	Priority					
	Workers			Leaders		
	First	Second	Third	First	Second	Third
More economically capable	10.4	6.6	12.3	4.5	7.9	20.2
Improvement in lodging and fooding	13.2	16.0	2.8	7.9	20.2	10.1
Proper management of the residence	5.7	4.7	2.8	2.2	4.5	2.2
Education to the children	18.9	10.4	9.4	20.2	14.6	7.9
Skill development	7.5	15.1	9.4	4.5	7.9	4.5
Increase in level of awareness	24.5	15.1	17.0	34.8	12.4	7.9
Leadership development	7.5	13.2	8.5	10.1	18.0	18.0
Purchase land	0.9	-	2.8	-	-	-
Honour in the civil society	1.9	3.8	6.6	7.9	4.5	18.0

Source: Field Survey, 2003

Some of the respondents (10% workers & 20% leaders) do not observed any improvement in socio-economic condition of the workers. These respondents pointed out some of the limitations, which are responsible not to improve the socio-economic status



of the workers. Among them decline in real wage rate, no alternate source of family income, increasing dependency due to lack of employment opportunity, increase in unproductive expenses, decline in work culture, not increase productivity of the workers and educational as well as skill of the workers did not increase as of technological change in the country are considered the major constraints faced by them.

**Table: 9.8**  
**Causes for not to Improve the Socio-economic Condition of the Workers**

(In percent)

Causes	Workers	Leaders
Productivity of the workers not increased	54.5	72.2
Decline in work culture	27.3	83.3
Decline in real wage	90.9	22.2
Problem to develop skill due to lack of awareness	54.5	55.6
Increase in family size	54.5	38.9
Increase in dependency due to lack of employment opportunity	81.8	88.9
No alternate sources of family income	90.9	88.9
Increase in unproductive expenses	72.7	38.9
Negative attitude of the civil society towards workers	18.2	11.1
No improvement in educational status of the workers	63.6	66.7
<b>Total (N)</b>	<b>11</b>	<b>18</b>

Note: Each individual figure is out of 100.

Source: Field Survey, 2003

## **9.4 Perception on Trade Union Development**

### **9.4.1 Status of Satisfaction**

Only one management has shown dissatisfaction with the current development of the trade union where others have satisfied usually. Similarly more than two out of 10 workers and only one out of 10 union leaders have shown their dissatisfaction on the growth of the Nepalese trade union movement where 64.2 percent workers and 76.4 percent leaders were partially satisfied. Slightly more than one-tenth respondents were found fully satisfied on the union's development in Nepal. This indicates that the trade

union development in the nation is neither very poor nor very remarkable. It is normal up to now.

**Table: 9.9**  
**Level of Satisfaction on Present Trade Union Development**

(In percent)

Level of Satisfaction	Workers	Leaders
Fully satisfied	11.3	12.4
Partially Satisfied	64.2	76.4
Not satisfied	20.8	10.1
Missing	3.7	1.1

Source: Field Survey, 2003

Those management who are not satisfied have been listed some major reasons of their dissatisfaction. Among them trade union leadership involved much on politics rather than the welfare of the workers, registration of trade unions under the influence or guidance of the political parties even though there is no proper ground of success of the union are the most shrinkable reasons. As a result large number of unions at the grass root level as well as national federations failed to submit their returns/renew by fulfilling the minimum requirements as prescribed by the Trade Union Act. The employers also added that workers problems remained as it is though the number of unions increased significantly mainly due to over politicization of trade union movement.

The major causes of dissatisfaction on trade union development for the workers are: labour problem remain constant though number of unions increased, more emphasis is given to political issues rather than workers issues, increment of selfish leaders in trade union and registration of union to fulfill the will of the political party without assessing the environment to survive. On the other labor problem remain constant, increase in cancellation of unions along with the registration and more emphasis on political issues rather than workers issues are placed in first, second and third rank by the trade union leaders while discussing the reasons of dissatisfaction.

**Table: 9.10**  
**Causes of Dissatisfaction on Trade Union Development**

(In percent)

Causes	Workers	Leaders
Labor problem remain constant though number of trade unions increased	95.5	88.9
Increase in cancellation of unions along with the registration	22.7	66.7
More emphasis on political issues rather than workers issues by the trade union leaders	95.5	44.4
Registration of union on the hints of political party	68.2	33.3
Increment of selfish trade union leaders	68.2	22.2
Others	4.5	11.1
<b>Total (N)</b>	<b>22</b>	<b>9</b>

Note: - Each figure in the table represents out of 100.

Source: Field Survey, 2003

#### **9.4.2 Problems to Develop Trade Union Movement**

Nepalese trade unions are facing various problems while working to fulfill their objectives. The problems are arisen from different sectors – government, employers, political parties, civil society, workers and trade union themselves. But the nature and magnitude of the problem may vary.

The major problems of the development of trade unions in the country as of the employer are unhealthy competition within the unions, direct political interference in the union activities, undisciplined workers and their leaders, legal provision of multiple union and use of innocent workers to fulfill personal interest by the union leaders. One or the other management from the establishment under study observes these problems.

On the other among the various problems majority of the workers have been given first priority to the multiplicity of unions, weak leadership, lack of discipline among workers and leaders and lack of government support to the union activities where second priority was given to the negative attitude of management towards trade union, direct political intervention, unhealthy intra & inter union rivalry and weak leadership. Similarly there is slight difference on the priority hierarchy of the problems assessed by

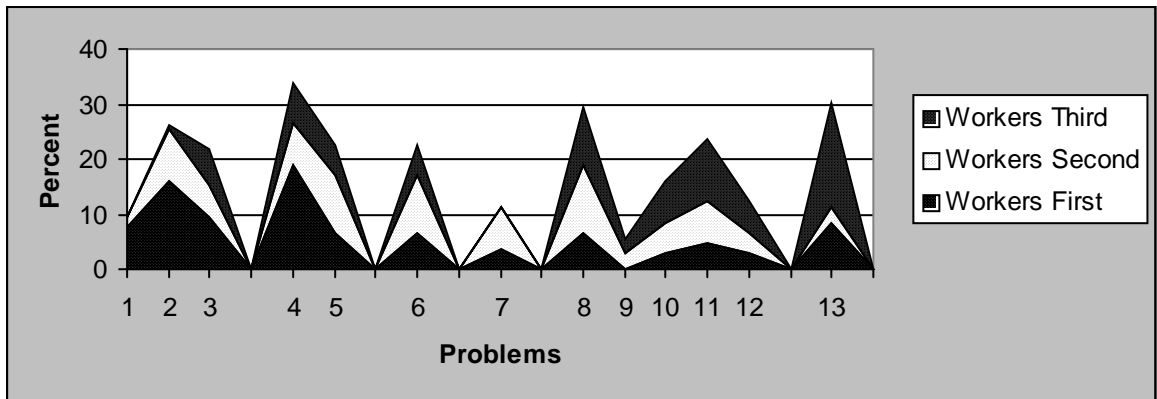
the workers and their leaders. Multiplicity of union, negative attitude of the employers towards trade union, weak leadership, absence of discipline among the workers and leaders, low and fragmented membership strength of the union, weak & undetermined leadership and inter and intra-union rivalry are the major problems faced by the union leaders in the smooth development of the trade unions. Some of the problems could be solve easily where some needs long as well as strong effort. Besides this outsider leadership, negative growth of industrial sector, slow unionisation in vast labour absorbing informal sector, etc. are also responsible for the slow development of trade union in Nepal. But non-the problem is there which cannot solve. One thing is true that there should be cooperation at least between the social partners for the development and smooth functioning of trade union.

**Table: 9.11**  
**Problems Faced by the Nepalese Trade Unions for their Development**

SN	Problems	Priority					
		Workers			Leaders		
		First	Second	Third	First	Second	Third
1	Low membership	7.5	1.9	-	10.1	10.1	4.5
2	Weak leadership	16.0	9.4	0.9	12.4	10.1	2.2
3	Lack of discipline among the workers & leaders	9.4	5.7	6.6	10.1	14.6	4.5
4	Multiplicity of Union	18.9	7.5	7.5	24.7	12.4	18.0
5	Unhealthy intra & inter union rivalry	6.6	10.4	5.7	7.9	10.1	20.2
6	Political interfere in union activities	6.6	10.4	5.7	2.2	4.5	-
7	Lack of determination in leadership level	3.8	7.5	-	-	10.1	4.5
8	Negative attitude of management towards trade union	6.6	12.3	10.4	20.2	7.9	18.0
9	Outsider leadership	-	2.8	2.8	2.2	2.2	-
10	Use of workers by the leaders to fulfill their personal ego	2.8	5.7	7.5	-	-	7.9
11	No development of industries	4.7	7.5	11.3	7.9	2.2	2.2
12	Slow unionisation in informal sector	2.8	3.8	5.7	-	14.6	7.9
13	No any assistance from the government on union activities	8.5	2.8	18.9	-	-	4.5

Source: Field Survey, 2003

**Figure: 9.6**  
**Problems of Trade Unions**



Different ways were identified to make the trade union movement strong for the welfare of the working class. Among them selection of capable, dedicated and disciplined leadership, solidarity of all unions on labour issues, implementation the policy of one establishment one union, separation of trade union from political domination, organisation of membership based trade union, control unhealthy competition within the unions, development of trade union as a consultant of the government rather than sister organisation of any political party are the principal measures suggested to make trade union movement stronger in favour of workers welfare by solving the problems faced by the Nepalese trade unions for their development.

From the above discussion it can be conclude that Nepalese trade unions have been developed significantly during a short period of time. But the expectation of the workers and leaders did not meet by the present union development. They had been faced a number of problems in the past and still facing continuously. From the past experience it is assumed that these problems could not solve properly in near future too but efforts should be continuous.

**Table: 9.12****Major Ways to Make the Trade Union Movement Strong in Favour of Workers**

<b>Major Ways</b>	<b>Workers</b>	<b>Leaders</b>
Organisation of membership based trade union	43.4	50.6
Selection of capable, dedicated and disciplined leadership	68.9	56.2
Implementation the policy of one establishment one union	57.5	51.7
Solidarity of all unions on labour issues	65.1	67.4
Separation of trade union from political party	53.8	46.1
To develop trade union as a consultant of the government rather than only as a sister organisation of the political parties	32.1	32.6
Organisation of a separate party of working class	21.7	21.3
To control unhealthy competition within the unions	50.9	43.8
To help positively to the government and management for the industrial development	48.1	48.3
Others	0.9	2.2

Note: The total percentage does not add up 100 due to multiple answers.

Source: Field Survey, 2003

One remarkable feature of the Nepalese trade unions is that they are growing on their own base without necessary help of the other social partners. During a short period the economic condition of the workers improved though it is insignificant as their expectation on the one hand and on the other compared to other groups of the people. But their awareness level and social status has been improved remarkably. All the people concerned for the development of the trade union in the country realised the strong need of disciplined workers and dedicated and farsighted leadership along with the positive cooperation of a all social partners and civil society for the development of trade unions in the country.

## CHAPTER X

### ROLE OF TRADE UNION

#### 10.1 Introduction

The role of trade union varies from country to country. The variation depends upon the stage of economic and social development of the country, the strength of trade unions, intuitional set up of the society in which they work, social responsibility of the union and capacity to reconcile it to their members. The trade unions of the world take into account the appearance the new concepts in the field of international relations and the increasingly confirmed idea that it is necessary to democratize these relationships to ensure economic security. The role of the trade unions in participating in international relations is an essential condition if they are to confront the serious challenges posed by the developments affecting the peoples of the various parts of the world, whatever their social system or present level of development.

Now the trade union movement in the developed countries is seeking by the “Union Free Environment”. The membership of the trade unions has declined due to causalisation of the workers on the one hand and on the other highly unionised manufacturing establishments were broken into smaller units on the basis of job specialization. Thus the changing structure of the labour force has a significant impact on trade unions structure at national level to grass root level and poses new problems concerning the renewal and growth of the trade union movement. On the other in developing countries like Nepal trade unions are launching constant campaigns to organise the unorganised labour especially from informal sector and to provide a better image of the unions themselves as genuine defenders of the workers’ interest as well as improving the capacity of unions to provide better services for their members. In these countries where the number of workers in the informal sector far outnumbered the workers in formal sector. Serious efforts should be made to organise them and show the trade union influence. Since last few years Nepalese trade unions have been initiating to organise the workers of informal sectors. As a result recently the number of union members from vast informal sector outnumbered the members of limited formal sector

though the unionisation rate in formal sector is significantly high compared to the informal sector.

Nepalese trade unions have continually given emphasis to their common voices that the provisions of the existing labour laws are insufficient to safeguard the interests of the workers. The unions have actively participated and played a significant role in the Tripartite Task Force for the amendment in labour laws. As a result significant improvement were made in favour of workers. But amendment is not the only and sufficient solution. The effective implementation of the laws and efficient enforcement mechanism are much more important. It is unfortunate in the countries like Nepal laws are formulated efficiently but implementation and monitoring side is very weak in the real sense.

Widening coverage and effective enforcement of labour laws and Trade Union Act, amendment of the existing laws, formulation of new laws, minimum wage fixation & implementation, job security, working condition, occupational safety and health, social security, unfair labour practices, anti union attitude of employers, workers education, allowances, live, etc are the major issues raised by the trade unions in their demands since very beginning.

Trade unions have been important institution of industrial society. They have helped to their members and workers all over the world to deliver significant outcomes in terms of improved living standards, equality and justice. Since the end of the 20<sup>th</sup> century trade unions have been faced a negative situation to perform their role marked by a universal trend towards economic liberalisation, globalisation and privatization. If the unions are willing to remain major social actor contribution to dynamic and equitable growth in this changing environment they requires new approaches and strategies.

Trade unions have a crucial role to play in the modern world. Trade unions have emerged as a result of growing complexities of socio-economic structure, growth of class-consciousness and achievement of common objectives among the working class. Trade union is a product of industrialization as well as inevitable reaction to capitalist system of the society. To day they become an integral and powerful factor in the present day system of production and distribution, the allocation of economic resources, the



politics and policies of government, the attitude of millions of masses and also the very nature of socio-economic organizations (Singh, 1998:35).

The alternative before the unions are either that they muddle through the current disorder and play the survival game or accept an increasing collaboration with employers in their plans for participative management and human resource development with the prospect of being treated as responsible partners. They can change their main focus from the protection of the interests of poor workers to the welfare and social well being of the workers in general and enhance job opportunities by taking over sick or dying enterprises to develop the workers' sector of industry. Trade union leaders should change their attitude towards management and behave as professional leaders. They should adopt revival strategies to gain their original mandate and play an effective role in the new economic environment.

To be a successful in the union movement a trade union must play appropriate role in the total system of industrial relations. To win the trust and confidence of its members as well as other social partners, they must be effective. The overall development of trade unionism depends largely on the responsible role played by the unions.

## **10.2 Views of the Politicians, Industrialists, Academicians and Human Rightist on the of Trade Union**

Trade union can perform a variety of roles. It is an economic organisation asking for more wages, less hours of work. It also may serve as a moral institution or militant revolutionary body, a welfare agency or an agent for social change. A prosperous union can serve as a model and can provide definite guidelines to other trade union movement. Thus Nepalese trade unions should try to be a prosperous union to influence the unions of other countries. The views of different political leaders, employers, scholars and human rightists on the role of the trade unions in Nepal are presented below. This view of the activists from different sector is based on the interview taken by GEFONT in 2003.

**Girija Prasad Koirala** (President of Nepali Congress as well President of the first labour movement of Nepal): - An individual worker has a right to organise in any union they like. Unions at present should try to organise all the workers under single

union umbrella by removing the division of white and blue collar to strengthen the voice of the workers. However, priority should be given to single union in the work place, which will make the voice of the workers stronger. Realisation of the authentic collective bargaining agent (CBA) in the work place could be considered as an inevitable for the unity of the working class. This will eventually strengthen the movement and proceed to further cooperation. Still more efforts have to be made in this direction to cross bull-headed and diversionist trends in the trade union movement.

The effective policy intervention of the workers for economic and political rights is still not possible, but efforts should be directed to it. So long, unions are not competitive they cannot be strengthened. Therefore there must be one union confederation to gain the strength.

**Madhav Nepal** (General Secretary of CPN-UML): - The importance of trade union in general lies in the fact that it is the organisation of workers from different background. It has succeeded to make workers aware on their rights and at the same time familiar with the modern ideas. It has encouraged workers for organised efforts against exploitation and suppression. Trade unions have substantial role in upgrading skills and capacity of the workers. Union should visualize all the issues raised by workers from different perspectives. Attention should be given to long-term benefits along with the immediate benefits. It is important to understand the fact that the attachment only to the immediate benefits may result into a greater loss in long –term benefits. Thus sufficient attention has to be paid on the possibility of fulfilling the demands before placing them to the authority.

It is true that the labour market in the country is not developed enough. It is important to judge the direction of trade union movement keeping in view the weaknesses of labour market, the shortage of capital, the worst condition of industries etc. The trade unions should have to learn better ideas from the movement of other countries and try to implement in their movement for the welfare of the mass workers. It is important for unions to make aware the working community on their rights along with the responsibility towards industry and society. He further added that the workers should accomplish the role of leadership for social transformation rather than to narrow themselves only to wage increment and skill development.

**Pashupati SJB Rana** (President of RPP): - Trade union has been successful to organise and protect the rights and interest of the workers in the existing formal sector enterprises but the unions are not success to organise the workers from the informal sector as required. The trade unions have also been paying attention to the problem of unemployment, poverty, increasing emigration of Nepalese nationals abroad to search employment and other contemporary issues but that is insufficient.

**Narayan Man Bijukchhe (Rohit)** (President of Workers Peasant Party): - Trade unions at present should push workers to move culturally and should educate and train them in various aspects basically employment and technology. At the same time political education is also essential to the workers besides professional training because the interest of the workers is protected only in socialism and it is actually run by the workers. Similarly the unions should not limit their activities on wages and benefits but also led to the social transformation and revolution that is not performed to the required extent now.

**Sher Bahadur Deuba** (President of Nepali Congress (Democratic)): - Living standard of the workers cannot improve without the development of industry. One major factor responsible to the development of the industry is the good industrial relation who could be maintain only through friendly relationship between workers and employers. The workers and their unions should feel that the establishment where they are working is their own property and that the progress of the establishment is inevitable for the improvement in the life of workers.

**Sushil Pyakuryal** (Member of Human Rights Commission): - Today, workers of all over the world especially from developing countries are facing much of the negative effects from liberalisation and globalisation. Nepal is not free from such effects and is suffering seriously. Trade unions have not been successful to intervene and ensure the economic and political rights to the working masses. In the present context trade unions have to establish labour movement as a leading force for socio-political development of the country. Similarly they have to face challenges and understand the social and class responsibility of the time.

**Binod Bahadur Shrestha** (Chairman of FNCCI): - The role of the trade unions is of course, very much influenced by labour market conditions. Under the condition of less employment opportunities in the market and increased unemployment, the trade

union has the role to focus attention towards the enhancement of productivity rather than confining on the increases in facilities. Although trade unions are working for awareness on workers' rights, they are not putting substantial effort to develop work culture. So the role of trade unions should be significant in the protection of the workers' rights as well as in the industrial growth and expansion.

**Narayan Manandhar** (Scholar): - Trade unions could not exist without the presence of employer on the one hand and on the other hand the productivity increases in those enterprises where trade unions are presence. In this context the role of trade unions should be appraised. To speak in simple terms trade unions still have to undergo some times to fulfill their basic mission although it is wrong to put all the responsibilities of other two partners only to the trade unions.

Trade unions are the organisations for, of and by members. Thus their primary function should be to represent the interest of their members. Trade union members are not only workers. They are also the consumer of the society and citizen of the nation. Their interest in different roles varies greatly. As workers, they expect unions to defend their rights and interests at work. As a consumer they are interested to obtain good quality product regularly at reasonable price. As a citizen they want their rights and as a member of the community they want the government to set things in order.

Trade unions will need to continue to diversify their activities, both internally and externally. Internally they are increasing their appeal to workers by offering a new range of services such as legal and financial advice or help with upgrading skills. Externally they are strengthening their position by seeking new alliances through civil society.

Trade unions should aim at long-term stability of employment, cross-societal standardization of working conditions, establishment of minimum working conditions for all, remaking of enterprise centered welfare into social welfare, pursuing a development strategy that puts people at the centre, not just output and profits (JTUC-RENGO, 2000) and creating a stable society based on mutual trust, equity and fairness.

### **10.3 Views of Workers, Their Leaders and Management on Role of Trade Union**

Trade unions have a crucial role to play in the modern society. Trade unions have emerged as a result of growing complexities of social-economic structure, growth of

class-consciousness and achievement of common objective among the working class. Trade union is a product of industrialization as well as unavoidable reaction to capitalist system of the society. Trade unions become an integral and powerful institutions in the present day system of production and distribution, the allocation of economic resources, the politics and policies of the government, the attitude of millions of masses and also the very nature of socio-economic organizations (Singh, 1998:35).

The management, union leaders and workers who are directly involved in the trade union movement in Nepal have expressed their views on the role of the trade unions in the country. There are various similarities and differences among the three groups on the issues raised in this study.

### **10.3.1 Type of Role of Trade Union**

Trade unions have traditionally performed three principal roles (economic, democratic & representative) and social) in their relations with individual employers, business associations, the state and the public at large. The economic role of facilitating production and ensuring an equitable distribution of the value added. This has been achieved mainly through collective bargaining and negotiations at enterprise to national level. The democratic and representative roles are providing a voice and an identity to labour at the workplace and in society at large. This includes representing workers in individual grievance procedures, giving voice to labour's views on economic and social policies at all levels including enterprises and promoting cooperation between capital and labour with a view to securing employment, improved working conditions and living standards consistent with sustainable growth. The social role of minimizing the risk of eradication in an industrial society by promoting solidarity among workers in different sectors and occupational groups, providing social services to members of unions and serving as an anchor for broad based social movements sharing similar values and goals.

Better wages, allowances, working condition, welfare facilities, security of services, pension, gratuity, opportunities for promotion, recognition of the union and dispute settlement through collective bargaining were the traditional goals of trade unions. But today, the trade unions cannot survive without changing their roles as the change in the technological, socio- economic as well as cultural norms in the society on the one and changing scenario in the international situation. Thus it should extend its

area of activities in relation to wider economic goals and worker's welfare along with their basic goals. One of the major factors to raise the living standard of the family is the acceptance of small family norms. In order to extend this idea up to the workers the unionists should integrate population and family planning education into workers education and welfare activities.

All the managements have suggested that the trade unions in present context could not sustain only performing one or two types of role in favour of workers. Thus it should perform economic, socio-cultural, developmental as well as political role to achieve their goal in the present context and looking the future. More or less the similar views was expressed by the workers and leaders covered by the study. More than four-fifths workers and leaders clearly indicated that Nepalese trade unions should have to perform all the roles as mentioned above by the employers to fulfill its goal. Only few respondents both from workers and leaders maintained one or two roles but all of them preferred economic role as a major role compared to socio-cultural, developmental and political roles though they have been given more importance to these roles too (Table 10.1).

**Table: 10.1**  
**Type of Role to be Played by the Trade Union**

(In percent)

Type of Role	Workers	Leaders
Economic	17.0	14.6
Socio-cultural	7.5	4.5
Developmental	4.7	10.1
Political	6.6	6.7
All of the Above	83.0	85.4
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Note: The total percentage does not add up 100 because of multiple answers

Source: Field Survey, 2003

**a) Economic Role**

The economic role of a trade union consists of increment of wages and other benefits, preparation and revision of wage index for the fixation and revision of wage for the workers regularly, fixation of working hours, elimination of the discrimination on

wage and benefits on the basis of gender, caste/ethnicity and other reasons, right to collective bargaining, capacity improvement of the establishment, development of social security system, etc are considered as economic role. Among them management side had given top priority to the increment on wage and benefits on the basis of inflation, payment of overtime, allowances, provision of pension, provident fund and accidental insurance of the workers. But in practice the same management is denying to provide even the minimum wage to the workers. In this situation other benefits are far from the access of the workers mostly in the private sector. Elimination of discrimination on wage, fixation of working hours per day, right to collective bargaining and capacity improvement of the establishments are placed in the second category by the management. They did not worry much on the development of social security system.

Workers also have been given top priority to the timely increment on wages and other economic benefits followed by capacity improvement of the industry and elimination of discrimination on the basis of gender, cast/ethnicity, and religion as well as other probable reasons especially on wages and benefits. Similarly the leaders had emphasized more on fixation of working hours in all sectors of work as of the labour rules, right to collective bargaining on the one and on the other capacity building of the workers for their effective participation on collective bargaining process, elimination of wage discrimination are placed at the top priority where increment of wage and other benefits are also taken more important factors by the leaders. Preparation of wage index was placed at the bottom (Table 10.2) may be due to all most all workers and majority of the leaders especially from enterprises and federations are still not familiar with the term and trying to get as much as they can while sitting in the bargaining table.

**Table: 10.2**  
**Economic Role of the Trade Union**

(In percent)

<b>Economic Role</b>	<b>Workers</b>	<b>Leaders</b>
Increment on wage	72.6	64.0
Preparation of wage indexation	24.5	23.6
Other economic benefits	75.5	67.4
Elimination of wage discrimination	39.6	77.5
Fixation of working hours	24.5	79.8
Collective bargaining	27.4	78.7
Capacity improvement of Industry	40.6	33.7
Others	22.6	7.9
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Note: The total percentage does not add up 100 because of multiple answers.

Source: Field Survey, 2003

In the past workers as well as union leaders were not interested much on the capacity improvement of the establishment where they are involved. But at present time they started to realise that continuity or guarantee of their service depends on the continuity and development of their establishment. This is a good sign of industrial development and growth of employment & productivity.

**b) Socio-cultural Role**

Trade union is not only a militant organisation to fight for workers' cause but also a social organisation or a benefit organisation and in this capacity it becomes active in social fields and works for improving moral, educational and cultural upliftment of its members. These functions may take the form of mutual insurance under which the unions make provision for compensation against sickness, old age, injury, accident and unemployment of other members. Establishment of cooperative societies, running dispensaries, library and reading room facilities, conducting adult education classes and so on fall in the preview of social functions that could help to transfer the society.

There are number of issues under the socio-cultural role of the trade unions in Nepal. Among them elimination of unfair labour practices, emphasis on social improvement, elimination of discrimination based on gender, caste, religion, race, etc.,



elimination or minimization of child labour, elimination of bonded labour, to make aware the workers on environmental issues, OSH and accidental compensation, awareness raising programmes on different labour issues, skill development of the workers through education, training, workshop, etc., provision of suitable leave facilities are major issues. Though all the issues are important for the welfare of the working class, but management of the enterprises have given top priority to the issues of child labour and to aware on OSH measures and fight for accidental compensation where second priority has given to the emphasis on social improvement, elimination of discrimination, elimination of bonded labour, to make alert on environmental issues, skill development of the workers and provision of leave facilities.

The workers have been given more emphasis on all the issues as mentioned in the table but among them they stress more on elimination of discrimination, fight against unfair labour practices, emphasis of social improvement, skill development of the workers as the change in the technology. Skill of the workers in the present competitive knowledge economy needs to be continuously upgraded so that they are not left out by a fast changing technological landscape. Likewise almost all union leaders emphasized all the issues as a necessary factor to perform the socio-cultural role of the union. They have been given top priority to the elimination of child labour followed by awareness raising programme, fight against unfair labour practices and provision of reasonable leave facilities. The least importance was given to the environmental issues (Table 10.3) both by the workers and leaders shows that the working community are still not much bothered on the degrading environmental situation of the country. This may be their ignorance on importance of the issues because all they are worried about their working environment. Workers in the sample are also not giving much importance to the leave facilities because they are working in formal sector as permanent workers and enjoying leave facilities as of the labour rule. So did not aware or bother on the problem of the informal sector workers where leave facility is all most nil.

**Table: 10.3**  
**Socio-cultural Role of the Trade Union**

(In percent)

<b>Socio-cultural Role</b>	<b>Workers</b>	<b>Leaders</b>
Fight against unfair labour practices	62.3	94.4
Emphasis on social improvement	59.4	70.8
Elimination of discrimination	67.9	87.6
Elimination of child labour	53.8	96.6
Elimination of bonded labour	45.3	80.9
To make aware on environmental issues	35.8	44.9
To aware on OSH measures and fight for accidental compensation	50.0	74.2
Awareness raising programme	47.2	94.4
Skill development	57.5	87.6
Provision of leave facilities	35.8	93.3
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Note: The total percentage does not add up 100 because of multiple answers

Source: Field Survey, 2003

**c) Developmental Role**

Productivity improvement, maintaining good industrial relation and poverty reduction are placed at the first, second and third priority by the management as a development role of the trade union. In the same way the workers also placed the productivity improvement and maintaining good industrial relation at the first and second in the rank order where elimination of unemployment came in the third rank placing poverty reduction in the fourth place. On the other leaders have been given more emphasis on elimination of unemployment considering unemployment is a major barrier for the development of the nation followed by maintaining good industrial relation, re-distribution of income and wealth and productivity improvement. Re-distribution of income and wealth is important for the development of the nation like ours but most of the workers left the issue may be unknowingly while their leaders take this issue seriously. The leaders emphasized re-distribution of income because they realised that in developing economies like Nepal re-distribution of income in favour of workers helps to increase the size of the domestic market for the consumer goods because rich people

generally spends their income on foreign products while workers spends almost their income on home products. Both the workers and leaders also considered poverty as an obstacle of the development of Nepal but they placed it at the bottom of their priority (Table 10.4). Slightly less than half leaders considered participation in the formulation of developmental policies and implementation of the programmes to achieve the development goal of the government is also an important role of the trade union, which is known by others in table.

**Table: 10.4**  
**Developmental Role of the Trade Union**

(In percent)

<b>Developmental Role</b>	<b>Workers</b>	<b>Leaders</b>
Poverty reduction	36.8	74.2
Productivity improvement	57.5	80.9
Re- distribution of income & wealth	17.0	80.9
Maintaining good industrial relation	54.7	94.4
Elimination of Unemployment	50.0	97.8
Others	0.9	47.2
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Note: The total percentage does not add up 100 because of multiple answers

Source: Field Survey, 2003

Most of the trade unions recognized the need of production increment as an essential element of socio-economic development of the country. Basically trade unions takes concern to increase productivity only in three conditions – First, workers representation in decision making, second, guarantee of improved productivity will not adversely affects the job and income security of the workers and finally, assurance that the increased productivity will be shared fairly between employers and workers.

In the countries where government is introducing market mechanism through various programmes of economic liberalisation, trade unions are a natural vehicle for the demands of workers seeking to defend their livelihoods and protect themselves against the abuse of workers' rights which are a common place of market based development, particularly in its earlier primitive stages. But Trade unions can also play an integral role in promoting economic development by stabilizing industrial relations and improving

productivity by raising the morale and commitment of the workforce. The role of unions can be institutionalizing in economically productive ways, among which some form of corporatism is one option (British journal of Industrial Relations, 34/3, 1996: 433-457).

Thus the possibility to improve productivity depends on better labour management relation, which is possible only through the fair distribution of fruits. But in Nepal relationship between management and the workers is generally cold though the present labour laws have incorporated some provisions to develop cordial labour management relations at the enterprises realising its necessity for the fast and sustainable growth of the economy. As a consequence the productivity of the workers is low in comparison to even than the South Asian countries that leads to slow economic growth. In this situation productivity could increase only if the workers' fear of job loss could vanish. To bring this situation an environment should create to respect each other by both the management and unions.

#### **D) Political Role**

A trade union has its own role. The union's role is to defend workers' right regardless of the type of government in power. Where the role of the political parties is to run the society when they are in power on the basis of the programme they presented during the election or in their election manifesto. There is a debate on the issue whether trade union is a political organisation or professional organisation. Generally it is used to be saying that a trade union could not be a political institution but on the other it also could not be separate from politics. Thus trade union has to carry out various roles related to politics. To provide consultation and suggestion to the government as well pressurization to formulate the policy, to seek cooperation of any political parties they believe for the enactment and implementation of labour laws and rules, to stress for the implementation of the policy and programmes in favour of workers, to make aware them to their rights and benefit respectively are considered major political role of trade union by the management.

The workers have been given first, second and third priorities to the activities providing consultation, suggestions as well as pressurization to the government to formulate labour policies, laws, rules and regulation, pressurise to the concerned institutions to implement the policies in favour of workers and awareness raising

programmes conducted to the workers and their families to aware them on their rights and welfare. Fixation of limitation between political party and trade unions, seek cooperation of political party for the formulation of policies and its implementation and participation in election from local level to the national level to select by ballot their own candidates are other political roles of trade unions in Nepal as highlighted by the workers.

Likewise all most all union leaders have been emphasized to the awareness raising programmes to aware the workers on their rights and welfare as an important political role where pressurization to the concerned institutions, consultation, suggestions and pressurization to the government are placed at second and third place respectively by the leaders (Table 10.5) among the various political roles of trade union.

Trade unions can also play an important political role in the revolution of developing and transitional societies. They will use their newborn freedoms to use political pressures on fledging democratic regimes in search of higher wages and better working conditions for their members.

**Table: 10.5**  
**Political Role of the Trade Union**

(In percent)

<b>Political Role</b>	<b>Workers</b>	<b>Leaders</b>
Consultation, suggestion & pressure to the government to prepare policies, rules & Acts	74.5	83.1
Pressurise to the concerned institutions to implement the policies in favour of workers	60.4	84.3
Awareness raising programmes based on workers rights and benefits	54.7	96.6
Fixation of limitation between party & union	42.5	48.3
Seek cooperation of political party	29.2	39.3
Participation in political election	26.4	57.3
Others	-	21.3
<b>Total</b>	<b>106</b>	<b>89</b>

Note: The total percentage does not add up 100 because of multiple answers

Source: Field Survey, 2003

### 10.3.2 Changing Role of Trade Union

Trade union movement of Nepal reached in the present stage by passing different stages during its more than 50 years history. The nature of trade union's role may differ in the past, present and future as the pace of change in the socio-economic and cultural situation of the country. Half of the management are fully agreed the above statement where half agreed partially but no one disagree on it. Among the total respondents two thirds (63.2% workers and 70.8% leaders) have been fully agreed the changing role of the trade unions as time passes where slightly less than one third (34% workers & 28.1% leaders) were partially agree on it. This shows that all the respondents together with management are observing the changing role of trade unions since its origin except insignificant workers and leaders (Table 10.6).

**Table: 10.6**  
**Changing Roles of the Trade Union**

(In percent)

<b>Level of Agreement</b>	<b>Workers</b>	<b>Leaders</b>
Disagree	2.8	1.1
Partially agree	34.0	28.1
Fully agree	63.2	70.8
Total	100.0	100.0

Source: Field Survey, 2003

Availability of wage in time, implementation of the skill development programme to the workers, conduction of education and awareness raising programmes to the workers are the major success programmes of the unions in the past as evaluated by the management.

Majority managements partially accept the issues like consultation, recommendations & pressure to the government for the formulation & implementation of labour laws and policies, awareness rising to the workers to protect and promote their rights & benefits and research activities as the primary role of the trade unions, while only few had disagree on part of social movement and one of the social partner of the government. Number of management accepting fully comes at the second place while evaluating the future role of trade unions and rest were partially agreed. No single

management found dissatisfied with the issues raised that have to perform by the trade unions of Nepal in future to fulfill their objectives.

The workers and leaders have tried to evaluate the role played by the trade union in general at different point of time based on the following issues. A significant proportion of workers and few leaders missed to evaluate the issues one or the other due to ignorance and not being confident on the issues.

In the past trade unions were basically dependent on their traditional roles. They were fully relying on political party or politician. Similarly the unions were concentrated on their own limited members in particular and workers in general only in formal sector. Among the issues majority of the workers were disagree on the issue of concentrated only in their own members and political trade unionism while nearly half workers disagree on the issue the trade union in the past was concentrated only on workers' benefit followed by political unionism. Issues like concentration only in formal sector, collective bargaining and political trade unionism are partially agreed by the more workers than other activities. On the other political unionism, concentrated only in workers' benefit and collective bargaining are partially agreed issues by more leaders in ascending order while other activities were also agreed by significant proportion of the leaders. Out of the five activities mentioned in the table no. 10.7 collective bargaining was highlighted more in the past, which was fully agreed by one fourth workers and nearly three-fifths leaders. Unionisation only in formal sector and based only own members was fully agreed by the remarkable proportion of the leaders.

The role of trade unions was changed in the present context compared to the past. Among the present role trade union as a part of social movement, consultation, recommendation & pressure to the government to fulfill the workers' demand, awareness raising activities to the workers on their rights & benefits and also change the society are fully agreed by large number of workers while all the issues except concentrated on the worker's issue and society are fully accepted by vast majority of the leaders. The proportion of both the workers and leaders who are disagreeing on the all activities is very low. Proportion of partially agreed workers ranges from 14.2 percent (part of social movement) to 24.5 percent (actively organising both the formal and informal sector workers) where among the leaders there is large variation from 11.2 percent

(organisation of workers both formal and informal sector) to 56.2 percent (concentrated on the issue of workers' and society) falling in the same group.

### **10.3.3 Evaluation of Trade Union's Role**

The present development of the national and international situation it is assumed that trade union could not survive in the future without changing their role according to the changing situation of the country as well as abroad. Thus to sustain and strengthen trade union movement Nepalese trade unions should have to be directed their activities mainly to focus on policy issues – formulation, implementation, timely amendment of the laws & making aware their members in particular and all workers in general instead of their traditional as well as present role. Besides policy issues research on current labour issues, unionisation of all workers working in both the formal and informal sectors and modernisation of trade unions according to changing environment of the country are more important labour issues in Nepal (Table 10.7). If they could not perform such activities effectively they will remain far behind from the race and could not survive.



**Table: 10.7****Evaluation of Trade Unions' Role by Workers and their Leaders**

Description	Workers			Leaders		
	1	2	3	1	2	3
<b>A. Past</b>						
Political trade unionism	21.7	19.8	13.2	22.5	55.1	20.2
Concentrated only on workers benefit	17.9	21.7	20.8	46.1	34.8	19.1
Collective bargaining	11.3	19.8	25.5	9.0	32.6	58.4
Concentrated only on formal sector	10.4	23.6	16.0	9.0	20.2	61.8
Concentrated only own member	23.6	17.9	10.4	18.0	28.1	53.9
<b>B. Present</b>						
Part of social movement	5.7	14.2	25.5	1.1	25.8	71.9
One of the social partner of the government	12.3	19.8	13.2	6.7	18.0	75.3
Active both in the formal and informal sector	2.8	24.5	22.6	1.1	11.2	87.6
Consultation, recommendation & pressure to the government	3.8	20.8	27.4	3.4	37.1	59.6
Awareness raising to the workers to their rights & benefit	5.7	19.8	37.7	-	24.7	74.2
Concentrated on the issues of workers & the society	7.5	25.5	17.9	4.5	56.2	39.3
Conduction of research work on labour issues	6.6	21.7	11.3	9.0	42.7	43.8
<b>C. Future</b>						
Formulation of appropriate policy & its implementation	3.8	7.5	38.7	19.1	29.2	51.7
Awareness on policy & programmes to the workers	2.8	11.3	40.6	4.5	27.0	68.5
Timely amendment of laws related to the workers	2.8	14.2	39.6	10.1	44.9	43.8
Research on various labour related issues	0.9	11.3	39.6	14.6	33.7	51.7
Emphasis on modernisation of trade union	4.7	17.0	34.9	9.0	58.4	32.6
Unionisation of both the blue & white collar workers	5.7	17.0	28.3	15.7	22.5	56.2

1. Disagree 2. Partially Agree 3. Fully Agree

Note: The total row percentage of workers and leaders may not add up 100 because of missing cases.

Source: Field Survey, 2003

Only an insignificant workers and leaders were found disagree on the above issues. A significant proportion of the workers and leaders accepted these issues though some of the respondents were fail to evaluate it because of confusion and ignorance. The degree of acceptance differs activity to activity.

### 10.3.4 Impact of Globalisation

In the past trade union movement was concentrated primarily only in the organised sector. But at present the movement is going to be weak due to the effect of globalisation, which turned the formal sector into informal. In this context trade union movement may loose its existence in coming future if could not organise the large mass of labour force working in the informal sector. In Nepal the management of the enterprises partially agree to this statement. More than half workers and four-fifths leaders fully agree that the globalisation process directly affect the working class people. A significant proportion of the workers (more than one third) and two out of 10 leaders agree the effect partially (Table 10.8) where 8.5 percent workers could not evaluate the impact caused by globalisation only because of their ignorance.

**Table: 10.8**  
**Level of Acceptance of the Impact of Globalisation**

(In percent)

Level of Agreement	Workers	Leaders
Disagree	1.9	-
Partially agree	36.8	20.2
Fully agree	52.8	79.8
Missing	8.5	-
Total (N)	106	89

Source: Field Survey, 2003

### 10.3.5 Satisfaction with Trade Union Role and their Capabilities

Likewise all the managements, more than one third workers and nearly 88 percent leaders are found satisfied on the role played by the Nepalese trade unions up to now. But majority of the workers and about 12 percent leaders were not satisfied on it (Table 10.9). Such information highlights that still majority of the workers are deprived from the fruits achieved by the trade unions.

**Table: 10.9**  
**Level of Satisfaction with the Role Played by Trade Union**

(In percent)

Level of Satisfaction	Workers	Leaders
Satisfied	32.1	59.6
Partially Satisfied	1.9	28.1
Not Satisfied	58.5	12.4
Missing	7.5	-
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Source: Field Survey, 2003

Few leaders and nearly three-fifths workers were not satisfied with the role played by the trade unions in the past and present. The unsatisfied workers and their leaders have suggested some prescription to make the union as a strong institution in favour of workers. The suggestions are: Establishment of labour parliament incorporating all trade unions affiliated/related with either political parties or development of unified trade union movement to avoid the problem of multiplicity of the unions, change in the feudal mentality of the employers, rapid unionisation of informal sector workers by giving more preference where more than 90 percent workers depends, to make the environment for the generation of gainful employment to the existing and increasing labourforce and at the same time unions should emphasis on social security, development of capable, dedicated and disciplined leadership from the working class, development of internal and international solidarity on labour movement, pressurization to the concerned institutions for the amendment, implement and monitoring labour laws effectively in favour of workers, massive campaign to make aware all the workers on policies and programmes targeted to the improvement in the living standard of the working mass, formulation and implementation the policies and programmes leading to the sustainability of the establishment and employment, expansion of research work to find out the current status and future needs on current labour issues, frequent visit of the central level leaders up to the establishment to identify the genuine problems of the workers at the grass root level and cover all workers by union activities, conduct activities to remove the negative attitude of the society towards trade union, central trade union movement should organise considering the national situation to reach its success

where in establishment level movement the status of the establishments should be considered prior to launching movement otherwise the movement will not reach in success. The workers and leaders believe that the trade union movement of Nepal will be effective when the above activities could perform by the union.

Nepalese trade union are capable to perform their role as observed by only two managements, where others said trade unions are not able to carry out their role not at all. Contrary to this all the workers and leaders highlighted that the unions are competent to execute the role. However, mostly are partially competent (Table 10.10).

**Table: 10.10**  
**Capabilities of the Nepalese Trade Union to Perform their Role**

(In percent)

Degree of Capability	Workers	Leaders
Fully	12.3	30.3
Partially	79.2	69.7
Not at all	0.9	-
Missing	7.6	
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Source: Field Survey, 2003

### **10.3.6 Major Problems faced by the Trade Union**

The major constraints to perform the effective role in favour of the workers as suggested by the management are low level of education of the leaders as well as workers, weak financial condition of the union, leadership does not developed within the working class while workers suggested that non-cooperative attitude of the government towards trade union, weak financial position, outsider leadership, employers always remain against union and low level of education of the workers are the major problems, which directly affects to the effective functioning of the trade union to make their role more successful.

Likewise, trade union leaders priorities the problems in ascending order are: low level of education of the workers and leaders, negative attitude of the employers towards union, weak financial position of the union and non-cooperative attitude of the government (Table 10.11) are observed major problems in front of trade unions in Nepal,

which controls the union to perform various activities for the welfare of their members in particular and workers in general.

**Table: 10.11**  
**Problems faced by the Trade Union During Performing their Role**

(In percent)

<b>Problems</b>	<b>Workers</b>	<b>Leaders</b>
Financial weaknesses	41.5	82.0
Non-cooperative policy of the government	47.2	78.7
Employers to be against union	39.6	87.6
Low level of education	37.7	91.0
Leadership does not developed from within workers	41.5	49.4
Others	2.8	4.5
<b>Total (N)</b>	<b>106</b>	<b>89</b>

Note: The total percentage may not add up 100 because of multiple answers

Source: Field Survey, 2003

### **10.3.7 Methods to Make the Union's Role More Effective**

The government, employers, workers, society (NGOs, Consumer society, Welfare organisations and Research institutions) and trade unions itself should have to supply various positive cooperation to make the unions' role more effective to uplift the living standard of the workers maintaining their rights and benefit. Among the different cooperative activities of different institution the government should mainly prefer to formulation, implementation and monitoring workers' friendly laws and policies. At same time the government should treat equally to the employers and trade unions recognizing a social partner. Employment generation through industrial development should also the focal point of the government, implementation of the social security system of the workers, timely wage increment considering the annual inflation rate and changing pattern of the society, financial support to the unions to conduct labour welfare activities, elimination of the discrimination existing in the society on the basis of gender, caste/ethnicity, economic condition and so on (Annex B).

Employers, union leaders and workers suggested that there should be a cordial relationship between union and management recognizing union as a social partner and cooperator as well. The management must be positive to the labour laws and policies and

should implement in their establishments. Besides these the management side should be cooperative on the workers issues like- social and economic security, programmes related to OSH, activities to maintain industrial peace, responsible to the establishment as well as workers, necessary support to the union activities directed/ targeted to capacity building of the unions (Annex B).

Likewise, the workers ought to be disciplined, dutiful and honest on their work preferring continuity and growth of the establishment. The workers should cooperate to the unions taking active participation on the union activities for the welfare of the working class and national development directly or indirectly paying regular subscription. On the other workers also be positive to increase productivity of the establishments where they are working through making their unity (Annex B).

The role of the society to uplift the trade unions should be as a watch dog as suggested by the management where workers and leaders suggested that society as a whole should be positive to the union activities and must help on its capacity building through supporting education, skill development and awareness raising programmes of the union targeted to the workers and union leadership. Improvement the level of consciousness and awareness through advocacy, research on contemporary labour issues and joint work with the unions are also plays important role to uplift the working mass through their unions. The societies also conduct labor oriented social security scheme at national and local level, income-generating activities at grass root level and workers welfare fund coordinating with the trade unions (Annex B).

The attitude of the trade union towards the workers, management, society and governments should be cooperative providing effective and honest leadership to the workers and extending hands to hands with other social partners. Trade unions ought to be dedicated to the workers' welfare avoiding direct political intervention and pressurising the government and management to formulation, implementation and monitoring labour laws (Annex B).

Almost all management are in favour of intergraded trade union movement that is an important pre-requisite to make the union's role more effective. So they suggested that the integrated trade union movement could be achieved firstly, through registration of only one union in an establishment and secondly, work unity between different trade

unions existed in the organization. For the first the government should increase the membership criteria of union registration (25% workers of the establishment) as mentioned in the Trade Union Act 1992 with the amendment of the Act while to achieve the second criteria the unions should be rational and sincere in workers issues raising above from the political thought they believe.

Both the workers and leaders have been given more preference to work unity among different confederation sympathizing different ideology. More than one out of three workers and one out of 10 leaders were in favour of unity among the confederations of the same principles. Workers have been given list priority to the single union through legal amendment while leaders provided second priority to it. Some of the leaders proposed the formation of labour parliament to make the role of the trade union more effective in the present changing context.

One of the major weaknesses of trade unions is the multiplicity based on the political ideology and in some cases on the influence of the individual political leader that they believe or support. This problem can avoid only if various trade unions affiliated or controlled by different political parties could come to some understanding as a basis for their common programme which may be possible only if the workers themselves becomes sufficiently educated and rational to understand the defects of multiplicity in the trade union movement and realization a need of a single union of the working class. But the current attitude and practice of the different trade unions are rigid and all are concerned to preserve their own identity. Thus seems to be a single union of workers is impossible in near future. In this context the only way to solve the problem is to organise a federation with the representation of all the unions affiliated with either politics or independent on the basis of their strength. The joint work on labour issues conducted by the major trade unions since last few years is a good sign of trade union unity. This unity should be sustain and strengthen further the welfare of the working mass.

Generally, it is blamed to the management that they are always in favour of multiple unions with the goal to make the union weak. But no one respondent from the employer's side was ready to accept the statement. They plead that they have to face various problems including negative effect on productivity on the one and on the other collective bargaining will suffer badly when each unions starts to put their own demands

and starts to bargaining with the management in the situation of multiple unions. Thus employers never prefer multiple unions. So the blame over the management is ground less.

**Table: 10.12**  
**Methods to Organise United Trade Union Movement**

(In percent)

Methods	Workers	Leaders
Unity among the confederations of same ideology	34.9	10.1
Single trade union through mutual agreement	21.7	7.9
Work unity among different confederations	42.5	76.4
Legal provision	18.9	32.6

Note: The total percentage may not add up 100 because of multiple answers

Source: Field Survey, 2003

Similarly management argued that they are fulfilling the workers demand as soon as possible being positive on it and respects to the workers and union leaders. It also treats equally to all unions but it is not agreed on the blame of the leaders and workers that the management always tries to make quarrel between unions, victimization of active unionists, control on unions, bias between unions, try to control on union activities.

Lastly, it can be conclude that Nepalese trade unions prefer to keep their individual identity but join hands with each other in certain issues of the workers. As a temporary alliance they discuss among themselves various issues of common concern but such discussions cannot be viewed as a move towards merger of trade unions. The trade unions in Nepal do not confine their role merely to workplace issues. They frequently raising national issues in different forum but they do not have a common platform for voicing their opinion.

Nepalese trade unions are working to uplift the quality of the workers conducting awareness campaign, various training programmes, education programmes, publications, etc. At the same time they are pressurising the government for the effective implementation of the labour related laws and amendment of the act and laws time and again.



The alternative before the unions are either that they muddle through the current turmoil and play the survival game or accept an increasing collaboration with employers in their plans for participative management and human resource development with the prospect of being treated as responsible partners. They can change their main focus from the protection of the interests of poor workers to the welfare and social well being of the workers in general and enhance job opportunities by taking over sick or dying enterprises to develop the workers' sector of industry. Trade union leaders should change their attitude towards management and behave as professional leaders. They should adopt revival strategies to gain their original mandate and play an effective role in the new economic environment.

The future role of trade union in relation to national development is to raise to productivity through upskilling the workers through education and training from time to time with proper understanding the change in the technology. The future role of trade union can be effective by pressurising the government to revise and amend the constitution, laws and regulations because union itself is not a body to do it. Similarly the unions activities should be concentrated towards the elimination of the superstitious beliefs against women prevailing in the society through rising awareness by launching educational programmes, training, mass movements and meetings (GEFONT, 2003: 111-13).

#### **10.4 Conclusion**

Trade union mainly organised to protect the interest and promote the welfare of the working class can play a positive role to change the society. Majority of the workers involved in different sector of the work willing to change the traditional value for the development of the nation. To concretize the role of trade unions in order to change the workers and the society, attention should be directed towards amendment of existing legislations, which are directly or indirectly discriminatory against female workers and hence unable to preserve the right of women workers. Similarly, it is also necessary for trade unions to educate the women workers on their rights provided by the constitution, laws and regulations. Movements on gender equality and awareness campaign are also the major tasks of the union to be performed in future to safeguard the right of the female workers.

## **CHAPTER XI**

### **SUMMARY AND RECOMMENDATIONS**

#### **11.1 Summary of the Study**

##### **11.1.1 Country Background**

Nepal is a small least developed country landlocked by the two highly populas and emerging economic powers (China and India). Ecologically Nepal is divided into three diverse zones where administratively the county is divided into five development regions, 14 zones and 75 districts. Village Development Committees and municipalities are the grass root level organizations. According to the latest national population census of the county the total population reached 23.1 million while it was 18.5 million in 1991. The population is growing rapidly (more than 2% per annum) during the last three decades. Out of the total population about 86 percent is still living in rural areas. The population density was calculated 157 per sq. Km in 2001 while it was 125 in 1991. Growth of labor force size in Nepal is high compared to the e growth of employment. The employment scenario is indicative of very small formal sector surrounded by the large informal economy covering overwhelming majority of workers. Shortage of skilled manpower on the one hand and on the other increasing brain drain is the major problem of the country.

The Nepalese economy is characterized by a dominant agricultural sector providing employment to more than 75 percent labour force in the country and contributes 39 percent on the national GDP. On the contrary employment in non-agriculture sector especially in the service sector is increasing. The pace of industrialization in Nepal is very slow where majority industries are agro-processing contributing not more than 14 percent in the national GDP.

##### **11.1.2 Concepts and Definitions of Trade Unions**

Mainly the trade union movement is the outcome of the capitalism in the fifteenth and sixteenth centuries though ancient type of trade union movement were in existence during fourteenth century too. Trade union is the universal and spontaneous form of labour movement. Different scholars, trade unionists and institutions, define trade union

differently but all they are concentrated mainly on the economic well being of the workers. Looking the various definitions it could be conclude that all the definitions are too limited and too static because a trade union extends its scope outside the working lives as a member of the society and have functions wider than simply maintaining and improving working conditions. The aim of the trade union is not only to look after the narrow economic interest of their members, but also to attain an all round development of the industrial community and country as a whole. It may therefore be necessary to extend the scope and objectives of unions by extending the coverage to more categories of gainfully occupied persons and to various non-economic benefits for them.

The study of theories related to trade unionism is considered essential to develop sequence of various factors influencing the development of unions. Trade unions generally perform a wide variety of activities directly or indirectly related with the welfare of their members. Trade unions and their policies are of special significance for developing countries like ours. Actually trade unions have grown in response to the peculiar needs and problems of the workers caused by the industrialization under the capitalist economic system.

### **11.1.3 Trade Unionism in Global Perspective**

Labor movement in the world was started prior to the beginning of the AD. But they were not well organised and mostly failed due to ignorance of the workers, but trade union movement was started with following the industrial development in England. While discussing the development of trade union it will be best to trace the labour history of Britain, which is regarded all over the world as the birth place of working class movement. Trade unions spread everywhere due to the exploitation of workers in the early days of nineteenth century first in Britain and then in USA and Europe. The trade union Acts of Britain enacted in the year 1871 and 1876 had been given legal status to the trade unions.

The trade union movement not only varies in different countries, regions as well as continents but also varies from one period to another within the same country. There is no overall plan and universal accepted model of trade unions. Similarly the pattern of development, structure, organisation and objectives of the trade unions may vary. As a result of the growing importance of the trade union movement the trade unionists in

almost all countries in the world realised the need of international cooperation and an organisation to support it. Consequently continuous efforts were made to unite the workers in an international centre for the welfare of the workers since the 1864 organising first International in London gathering workers from different countries in the world. Among them the Soviet, British and American trade unions were the leading unions of the international. Similarly the national trade union centres had also tried to establish international relationship by establishing International Trade Union Secretariats (ITS) on specific trade/ industry. As a result the International Boot and Shoes Makers Federation (1871), Construction workers International (1883), Wood Workers Federation (1883), Tobacco Workers' International (1889) was founded.

World Federation of Trade Unions (WFTU) was organised in February 1945 as an international trade union center. Since the formation of ICFTU national trade union federations have led further separation and exist partly competitiveness belonging with WFTU, ICFTU, and WCL (World Confederation of Labor).

Trade union was first developed in the industrialised and developed countries in the world following industrial revolution. The unionisation rate especially in formal sector had reached up to 100 percent in some countries. But the number of trade union centres in the world and their membership strength is not available. But in recent years trade unions are experiencing serious loss of their members gradually, especially in developed countries. The new policies like privatization, liberalisation and globalisation are considered as the anti-union policies which not only hits the unions of developed countries but also affects seriously to the unions of developing countries where the unionisation rate was already low.

Out of the seven countries of the SAARC, Bhutan and Maldives have no any trade union organisation up to now. All the unions of the SAARC have several common characteristics such as low level of union density, direct political affiliation, fragmented union movement mainly because of multiple unions affiliated with different political parties. Labor legislations are enacted but implementation part is very weak.

The declining trend in the trade union membership all over the world especially in industrialised countries is not fully within the control of trade unions. Change in

technology and its effects on employment are beyond the control of union but with some other changes union could have responded better and minimized the damage.

#### **11.1.4 Development of Trade Unions in Nepal**

The history of Nepalese trade unions goes back to 1947. The formation of ANTUC recognized in 1950 was the first trade union federation in Nepal. During interim period few trade union centres were organised openly but they did not get legal status during this period. The Panchayati rule forcefully imposed NLO instead of trade unions in 1963. After 19 year of continuous repression, in 1979 the historical mass movement gave rise to more than half dozen trade unions. But because of lack of enough coordination and understanding among trade unions of different sectors, the formation of national center could not made possible. The GEFONT has formally been registered as the first national trade union confederation in the country after the enactment of the Trade Union Act, which was established in 1989.

With the reestablishment of multiparty democracy in 1990 ban on trade unions was lifted. Consequently they start their activities openly. Immediate after the restoration of multiparty democracy NTUC came into existence as a follower of BWU. The trade union movement of modern lines came to be organized only after the enactment of Trade Union Act 1992 while ban on trade union was lifted and they were recognized legally. Since the end of the 1997 the total number of registered trade union confederations reached three with the registration of Democratic Confederation of Nepalese Trade Unions (DECONT) separated from NTUC.

Similarly large number of national federations and enterprise level unions are registered in different Labour Offices. Since last few years' union registration in informal sector and service sector is growing. As a result the number of enterprise level unions increased rapidly after the introduction of Trade Union Act. With the second amendment of the Trade Union Act in 1999 it has become possible to unionise the informal sector workers too including agricultural workers and even self-employed.

The Trade Union Act 1992 clearly explained distinct three-tier system of trade unions in Nepal. They are: Enterprise Level Trade Union, Trade Union Federation and Confederations. During the more than half century of the trade union movement in the country, the number of trade unions and their members has increased remarkably.

The available information from the Department of Labour shows the share of GEFONT in the registration as well as active unions is found highest in each year followed by NTUC. The unions affiliated with DECONT was recorded separately only since 2000 while it was included in others prior to this date. The number of unions affiliated with DECONT is increasing. This figure indicates that the share of actively working national federation is also declining gradually as of the enterprise level unions. Independent level federations have suffered more from losses.

### **11.1.5 Strength of Nepalese Trade Unions**

During short period of time Nepalese trade unions have been acquired a lot of improvements in various issues among them increase in membership, militancy, collective bargaining capacity and the changing attitude of the society towards trade union is considered as remarkable strengths. During one decade of trade union movement since the enactment of Trade Union Act (1992-2002) the membership has increased by 93.4 percent but the trade union membership size per union has been declining each year with the increment in the number of unions registered. On the other membership in both the formal and informal sector unions is more or less equal.

During this decade trade union density has increased by only slightly more than two percentage points while during the same period labour force size and employment increased by 57.5 percent and 42.1 percent respectively. Nepalese trade unions achieved a lot of strength through their collective bargaining power and increasing efficiency of the workers on collective bargaining process.

### **11.1.6 Weaknesses of Trade Unions**

Nepalese trade unions are suffering from various weaknesses such as low membership, multiplicity of unions on the one and one the other inter and intra union rivalry among unions, weak financial position, weak leadership, low level of wages, remarkable unemployment and underemployment situation in the country, etc.

The trade union movement in the world is divided by the political ideology. Nepal is not exception from it. Nepalese trade unions are divided mainly by political ideology on the one and on the other there are separate unions of white and blue collar workers which is a weak point for the working class and plus point for the employers. Nepalese trade unions are not only suffering from the multiplicity but also affected badly by inter- union and intra -union rivalry from centre to the grass root level. Financial constraint is another weakness of the Nepalese trade unions. All they are in financial difficulties since their establishments. The primary source of income of the unions is the membership dues that are very low.

During last 12 years since the enactment of Trade Union Act trade unions become success more to make the workers aware on their professional rights and welfare but the workers still not able to reach in the top leadership mainly due to low level of education. Consequently the outsiders generally influenced by political parties lead the unions.

The union density of Nepal proves that there is no satisfactory growth of union members in comparison to the growth of the labour force during the same period. One out of four labour force are unionised in non-agricultural sector but only less than 2 percent workers are unionised in the agricultural sector where about three workers out of four are involved. Generally without increasing in the rate of employment of the labour force trade union membership could not increase.

### **11.1.7 Opportunities**

As a result of various awareness raising programmes training, workshop, education programmes, research and exposure programmes directed to the human resource development of the union conducted by the trade unions within a short period general workers, members and activists of trade unions from grass root to confederation level have been benefited.

In the present globalized world trade unions could not survive without extending their solidarity. Internal as well as international solidarity of the workers has increased remarkably in Nepal along with the development of the trade unions. Similarly international affiliation, relation and networking of the trade unions are remarkable.

Nepalese Trade union confederations have been representing many government and non-government organisations, national and international organisations for the formulation and implementation of policies and programmes related to workers rights and welfare and contributed valuable inputs through their representatives. Among them Labor Advisory Committee, OSH Committee, National Steering Committee of ILO/IPEC, Minimum Wage Fixation Committee, are the organisations where trade unions are also representing.

Nepalese trade unions are committed for the promotion and protection of worker rights, employment security, social security and dignity of the workers engaged in formal and informal sector of the economy all over the country. Trade unions are fighting against exploitation, suppression, injustice and discrimination of members in particular and working class in general

### **11.1.8 Threats to Nepalese Trade Unions**

On the one the current changing environment of occupational structure made the gap between workers and management wider and wider on the other temporary, part time and seasonal workers has increased remarkably. It is evident that the proportion of white-collar employment has increased with the change in the occupational structure. Both of these situations are not favourable for union development.

Similarly the large number of unskilled workers could not change their level of knowledge as the change in the technology in the production system. As a result the problem of unemployment increased gradually on the other privatization of the public enterprises posed major threats to the workers.

Child labour problem is serious in Nepalese labour market. Nepalese trade unions have been involved towards social transformation through changing their traditional work style since last few years considering trade unions could not remain strong without changing the traditional norms of the society.

### **11.1.9 Major Demands of the Workers**

After the restoration of multiparty democracy Nepalese trade unions are raising the voice in each and every aspect of labour welfare but preferably they focus on the



issues of minimum wage, job security, social security, working conditions, occupational safety and health, unfair labour practices, fundamental trade union right etc.

The workers from different sectors have been submitted various demands based on their professional rights and welfare at different point of time during the Panchayat period (1960-1990) though the trade union activities during that period were strictly restricted. The economic demands contains more than one third in the total demands. Demands related to the legal provision as well as HRD are also the major demands of the unions in Nepal. It is well-established fact that each and every demand should dedicate to the objectives of the trade union leading to the development of the country being a citizen of the state, which is almost lacking in Nepalese trade unions at present.

#### **11.1.10 Background of Workers and Their Leaders**

More than 70 percent of the trade union leaders and about two-thirds workers belongs to the young age group (20-39). Migration of workers (internal and external) is significant. Of the total workers one-tenths migrated from India are working in the sectors under study despite the restriction by Nepalese Trade Union Act. There is a positive relationship between duration in union as a member and involvement as a union leader. As the duration of union membership increases the proportion of leaders increases and vice versa.

More than 92 percent union leaders have been preferred single union instead of multiple unions to make the union activities more effective where the proportion of workers who choose single union in an enterprise is less than the leaders. Regarding the membership criteria for the registration of the establishment level union more than 65 percent leaders and 60 percent workers said the present criteria is appropriate while round about 8 percent leaders and about 7 percent workers realised this it should decrease.

Almost all (more than 95%) union leaders are found partially satisfied with the provision of workers' welfare included in the Trade Union Act 1992. Implementation of Trade Union Act is far better in formal sector establishments compared to informal sector.

Necessity of committed and disciplined members and good leadership are the major elements to strengthen the trade union movement in the country. Active role of

union for workers benefit is also considered the major factor responsible to strengthen trade unions in the country. The trade union was needed for the promotion & protection of workers' rights & welfare and to maintain solidarity between workers are placed at top priority.

Majority of the workers are involving in trade union since the organisation of the trade union in their establishment inspiring themselves with various objectives like protection from exploitation, employment security legally, and increase workers' solidarity. All most all workers are satisfied with their affiliation in the union though the degree of satisfaction may be varied one worker to another.

Different workers evaluate trade unions and its activities differently. Help to the workers to solve their problems, pressurise to the employers to increase wage and other economic benefits of the workers working in different sectors and provide protection to the workers from the exploitation of the management has been given first priorities among the various functions of the trade union by large number of the workers.

Nearly one-third workers never seek union's help on their personal issue. Among those who seek union help regularly or occasionally, 58.4 percent have got help when they demanded. Both the workers and their leaders are generally positive to the trade union movement of the country though there is some contradiction on their evaluation.

#### **11.1.11 Attitude of Employers, Union Leaders and Workers on Development**

There is a diverse view regarding the beginning of the trade union movement of Nepal. Some had opined the trade union movement was developed on the influence of the trade union movement of India, where overwhelming majority viewed it is due to the internal necessity. Half of the managements, 47.2 percent leaders and only 12 percent workers have better knowledge of the history of Nepalese trade unions movement.

In the experience of half of the management trade unions have grown fast while 22 percent workers and 20 percent leaders experienced Nepalese trade unions are growing slowly despite of various efforts from the trade unions. Lift the ban on trade unions after the restoration of the multiparty democracy in 1990 is mainly responsible to fast growth of trade unions in Nepal. On the other slow growth of industrial development, lack of knowledge about trade union among the workers, lack of

environment for the formation of trade unions up to long period, restriction on trade unions activities, absence of Trade Union Act, direct political interference on trade unions, lack of capable organiser, intra union rivalry, non cooperation by management are the major causes responsible to slow growth of trade unions in the country as observed by the workers and their leaders.

All the employers, union leaders and almost all workers agreed the trade union in Nepal has developed after the restoration of democracy in 1990 especially with the enactment of Trade Union Act in 1992 though the movement has passed more than 50 years. The contribution of the workers' and trade union's is much more important than the contribution of other individuals and institutions to bring the trade union movement up to the present stage. There is a little improvement in the economic condition of the workers following the development of trade unions in the country. At the same time the working class stood as a prestigious place in the society where they were neglected during pre-unionisation period.

Vast majority of the respondents are found partially satisfied with the development of Nepalese trade union movement though the proportion of workers, their leaders and employers differs. Unhealthy competition within the unions, weak leadership, direct political intervention, negative attitude of the employers towards workers and legal provision of multiple union are considered the major problems in the development of trade unions in the country

To provide positive help to the government and management for the industrial development in the country, implementation the policy of one union at one establishment, selection of capable, disciplined and dedicated leadership, control on unhealthy competition between unions, extend solidarity or create unity among unions on workers issues, development of trade union as a consultant of the government rather than sister organisation of any political party are the measures suggested to make trade union movement stronger in favour of workers welfare by solving the problems faced by the Nepalese trade unions for future development.

### **11.1.12 Role Of Nepalese Trade Unions**

The role of trade unions varies country to country. The variation depends upon the stage of economic and social development of the country, the strength of trade

unions, institutional set up of the society in which they work, social responsibility of the union and capacity to reconcile it to their members. Now the trade union movement in the developed countries is seeking by the “Union Free Environment”. The membership of the trade unions is declining due to changing structure of the labour force that has been a significant impact on trade unions structure at national level to grass root level. On the other in developing countries like Nepal trade unions are launching constant campaigns to organise the unorganised labour especially from informal sector.

Significant improvements were made in favour of workers in the labour laws as a result of continuous and effective participation of the unions in the Tripartite Task Force. Nepalese trade unions have continually given emphasis to their common voices that the provisions of the existing labour laws are still not sufficient to safeguard the interests of the workers. On the other implementation and monitoring side of the existing labour laws is very weak and it become a major demand of the trade unions of Nepal.

The employers, union leaders and workers who are directly involved in the trade union movement in Nepal have expressed their views on the role of the trade unions in the country. There are various similarities and differences among the three groups on the issues raised in this study. All the employers, union leaders and conscious workers have suggested that the trade unions in present context could not sustain only performing traditional role in favour of workers. Thus it should perform economic, socio-cultural, and developmental as well as political role to achieve their goal.

All the workers, leaders and management have given top priority for timely increment of wages and other economic benefits and elimination of wage discrimination. During the interview the management spontaneously have been given top priority to the timely increment of wage and other economic benefits but in practice the same management was denying to provide even the minimum wage to the workers. In this situation other benefits are far from the access of the workers mostly in the private sector.

In the past workers as well as union leaders were not interested much on the capacity improvement of the establishment where they are involved. But at present time they started to realize that continuity or guarantee of their service depends on the

continuity and development of their establishment. This is a good sign of industrial development and growth of employment & productivity.

Trade union is not only a militant organisation to fight for workers' cause but also a social organisation. In this capacity it becomes active in social fields and works for improving moral, educational and cultural upliftment of the member of the society. Elimination of child labour, awareness on OSH and other labour related issues, elimination of discrimination, fight against unfair labour practices and so on are considered the major socio-cultural role of the trade unions in the country.

Productivity improvement was placed at the first priority sector by the management and workers where leaders have given emphasis on elimination of unemployment considering unemployment is a major barrier for the development of the nation followed by maintaining good industrial relation, re-distribution of income and wealth and productivity improvement.

There is a debate on the issue whether trade union is a political organisation or professional organisation. Generally it is used to be saying that a trade union could not be a political institution but on the other it also could not be separate from politics. Thus trade union has to carry out various roles related to politics. To provide consultation and suggestion to the government as well pressurization to formulate the policy, to seek cooperation of any political parties they believe for the enactment and implementation of labour laws and rules, to stress for the implementation of the policy and programmes in favour of workers, to make aware them to their rights and benefit are considered major political role of trade union. The workers, leaders and employers accept these roles though their rank order is different.

Trade union movement of Nepal reached in the present stage by passing different stages during its more than 50 years history. The nature of trade union's role may differ in the past, present and future as the pace of change in the socio-economic and cultural situation of the country that is accepted by all most all workers and leaders.

Based on the present national and international situation it is assumed that trade union could not survive in the future without changing their role according to the changing situation of the country as well as abroad. Thus to sustain and strengthen trade union movement Nepalese trade unions should have to be directed their activities mainly

to focus on policy issues addressing the negative effect of globalisation on trade union in the present context.

Likewise all the managements, more than one third workers and nearly 88 percent leaders are found satisfied on the role played by the Nepalese trade unions up to now. But majority of the workers and about 12 percent leaders were not satisfied on it. Such information highlights that still majority of the workers are deprived from the fruits achieved by the trade unions.

Nepalese trade unions are capable to perform their role but they are facing various problems like low level of education of the leaders as well as workers, weak financial condition of the union, non-cooperative attitude of the government towards trade union, which controls the union to perform various activities for the welfare of their members in particular and workers in general.

Lastly, it can be conclude that Nepalese trade unions prefer to keep their individual identity but join hands with each other in certain issues of the workers. As a temporary alliance they discuss among themselves various issues of common concern but such discussions cannot be viewed as a move towards merger of trade unions. The trade unions in Nepal do not confine their role merely to workplace issues. They frequently raising national issues in different forum but they do not have a common platform for voicing their opinion.

In the present changing context both the unions and employers should have to agree honestly on participative management to save the establishments and employment of the working mass in the coming years.

## **11.2 Recommendations**

Recommendations to make the union more effective in the future are divided mainly three categories on the basis of the main responsibility of the three social partners. Though most of the activities of one partner is related to others and all of them should seek cooperation each other.

### **a) Responsibility of Trade Union**

1. With the introduction of globalisation of the economy large industrial firms started to separate their production in small unit on the basis of specialization mostly to avoid trade union activities. In a small unit the

labour strength will be low and unionisation is virtually impossible. In this context the union leaders should think over the workplace unionism rather than enterprise level union. The workplace union will be strong and can defend with the employers on the issues of workers rights, welfare and exploitation over them.

2. Today, female employment is increasing in each sector of the economy. But women in the union movement are insignificant. The development goal of the country will not be achieved without proper participation of female workers in each activity as of their male counterparts but Nepalese culture, norms and values are still not women friendly. The traditional responsibility of women has not changed, nor the paternalistic psychology. Trade union movement has also been influenced by this attitude of the society and creates a barrier to effective participation of women in the union activities like other social activities. Thus trade unions should have to implement women friendly programmes more effectively to motivate female workers to involve in union activities on the one hand along with the programmes to change the negative attitude of the society towards workers in general and women workers in particular.
3. Effective implementation of laws and an efficient enforcement mechanism are much more important rather than amendments of the laws. But it is unfortunate in Nepal like other many developing countries the labour laws are formulated only to gain popularity and not for implementation in real sense. The labour administration and enforcement mechanism in Nepal is very weak even though theoretically the laws related to the working class are satisfactory. In this situation the trade unions should force the government and concerned institutions to enforce the labour laws properly in favour of workers.
4. In the present world capital is being globalized to make more profit through exploitation of innocent and poor workers. In this globalized world trade unions could not perform their activities effectively without globalising the workers' issues too. National and international solidarity of working class is a must in the present production system. Nepalese trade unions are extending their solidarity to the international labour movements as well as national movements conducted by the working class for their benefit. Similarly, national unions of different countries as well as international trade union organisations are showing solidarity in their movements. But some time solidarity of some institutions seems just for formality, which could not help to strengthen the movement. Therefore, the trade unions of Nepal should try to extend solidarity issues wholeheartedly rather than formality to strengthen the trade union movement for the welfare of the workers in particular and national development in general.
5. Multiplicity of unions is the major weakness of the trade unions in many countries in the world. Nepal is no exception. There are various trade unions working in different sectors of the economy at the establishment level/grass root level affiliated directly with one or the other political party and work mainly as a wing of the party and labour welfare is their

secondary task. The fragmentation of the unions further weakens the trade union movement by dividing the members in different groups without extending the economic activities in the country on the one and on the other honest and energetic members prefers to live outside from the groupism, which reduces the number of activists and creates chain effect on trade union movement. But the employers are always working unitedly for their class interest. Thus for the effective working of the trade unions to fulfill their goals there should be one strong union of workers which can play effective role. The slogan “One Union One Voice” of GEFONT may be the outcome of the realization of defects of multiplicity of unions. But this slogan is not materialised properly except some joint work with the other national trade unions. Establishment of only one union from establishment to the national level is almost impossible in Nepal due to direct affiliation of trade unions with political parties but there should be a common platform of all trade union centres to discuss labour issues and preparation of policies and programmes for the betterment of the workers and their unions in the present changing context.

6. Union should always be vigilant and put more emphasis on health issues (general health and OSH) as part of their daily work, besides other issues such as wages, working hour and collective bargaining. Trade unions have to remind the workers and employers to pay attention on safety and security measures at workplace. There is a constant need for training and follow-up programmes; workers participation in OSH management system is vital. But generally it is found that Nepalese workers are not conscious and serious their personal health where OSH is far from their knowledge. Thus trade unions have to aware all the workers working in different sectors and places on the important of health through conducting different activities regularly. Emphasis is to be given to the workers working in hazardous condition.
7. The politics of the country directly affects to the trade union movement mainly in least developed countries like ours. It is experienced that the trade unions affiliated to the party in the government or with main opposition are strong and vice versa. In this situation it could be suggested that the trade unions must work for the welfare of their members keeping hands to hands with political party rather than as a cell of that party. At the same time the trade unions should drag the political party in labour issues to update the political leaders on contemporary labour movement.
8. In the present modern world the traditional differences between white collar and blue-collar workers is going to be narrowed down with the introduction of new technology and change in the ownership system (individual to company). In this context Nepalese trade unions also should have to change their character from traditional to modern as of the whole world to strengthen their role for the welfare of the working mass in the present production system (small unit, contract, piece rate, casual labour) by organising in a common platform of both the white and blue-collar workers or all wage earners which is already exists in many countries in the world.



9. Most of the workers and significant proportion of the union leaders are not fully aware on all trade union issues. Thus the trade union confederations should have to organise training, workshops, on trade union education at different level separately and effectively to raise awareness level of the workers and their leaders.

**b) Government's Responsibility**

10. One of the major problems of the trade union in Nepal is the non-cooperative nature of the government and employer for their development. The government should have to support to the trade unions as a partner in various programmes primarily related to skill development as the changing technology to compete in the labour market, which will be helpful to reduce unemployment and underemployment in the country. Because to provide employment to its citizen is the sole responsibility of the government where trade unions are helping the government voluntarily. In this situation the government should support to the bonafide national unions by allocating budget annually on the basis of their training and awareness activities and membership strength to update and uplift the workers' skill as of the change in the technology that can save the workers from termination. The above activities also help to building up internal leadership within the workers in order to eliminate direct political intervention caused by outside leadership.
11. Wage and other economic benefits is the main cause of labour dispute in Nepal. Thus minimum wage should be at least on the subsistence level of the workers and their productivity. The measurement of productivity is very problematic because productivity issue is not only related with the workers. Various evidences proved that as the wage increases the productivity of the workers also increases. Similarly regular wage adjustment mechanism should be based on the basis of the changes in the price of the goods and services consumed by the workers. The changes in the price of such goods and service can be addressed reasonably by preparing wage index for the workers working in different sectors and places. On the other implementation and monitoring mechanism is very weak in the country that can be strengthen along with the fixation of minimum wage.
12. The government of Nepal should maintain, update and publish the record of trade union informations like registration, renewal, membership, area covered etc more in detail through Department of Labor which helps to understand the strength and weaknesses of the trade unions to more extent. But up to now the department is only engaged on registration and renewal of the unions according to the Trade Union Act where data on the number of union registered, unions submitting returns, membership of the registered unions and the unions in different sectors in not available with the department. In this context researchers should have to depend on the informations provided by the unions who have prepared it regularly. Thus the government most take it seriously to keep update record of the unions registered under the Act in the department itself and in its regional offices.

**c) Employers**

13. In developing countries trade unions are blamed as a major factor responsible for price rise. Because generally wages is high and raising in those establishments where trade unions is presence and vice versa. In this situation it is argued that when wage increases the manufacturing cost increases and ultimately the price of the product increases. This argument may be true in the short run because supply cannot increase immediately but in the long run supply can be increased by increasing productivity along with the increase in wage rate of the workers. A rise in wage of a worker leads to rise in standard of living reflected in better physical efficiency as well as the willingness to work. As a result productivity of the workers increases and ultimately cost per unit of the product decreases. Thus on the one hand trade unions should take interest to increase the productivity of the workers along with the demand for high wages, on the other employers should be transparent on their cost of production and profit of the establishment. To manage this problem workers participation in management is more appropriate which is almost absence in Nepal.
14. Industrial dispute is one of the major issues in Nepal, which occurs due to misunderstanding between employers and employees or the negligence of the management on workers' demand. Participation of workers on management process is one of the major and important factors to solve the problem. But many of the managements never recognized the workers and their union as a major factor of production and sometimes tried to treat as their domestic servant especially in private sector. In Nepal the issue of labour participation in management has been encouraged first time through Labour Law 1992 and Labor Rule 1993. The provision of Labor Relations Committee at work place with the representation of workers at enterprise level is an initiation to this front. But such committees have not been formed in all establishments despite of continuous pressure of trade unions. The major causes behind it are the majority of the workers does not know the benefit from labour-management relation how the committee function on the one hand and on the other majority of employers are not ready to accept workers and union leaders as equal partner. Thus it is an urgent need to implement the labour laws to maintain good industrial relations for the socio-economic development of the nation through educating both the employers and workers on the importance of labour –management relations. Similarly, profit sharing method is also a major factor to improve productivity of the workers.

**d) All the Social Partners**

15. Trade unions are an important constituent of the industrial relation system of any society and it is only natural that they are studied from all possible angles to evaluate their roles. As an organised interest group the aspiration, ideologies, structure and strength of unions determine the inter relationship of worker with the management and influence the ultimate success of the enterprise and the national economy. Thus it is necessary to

widely research on various aspects of the labour especially collective bargaining power of the workers, status of occupational safety and health, legal provision and their implementation, quality of trade union leaders and their status in the society, social security system, workplace environment, female participation in the world of work and trade union, labour management relation, and so on by all the three partners (government, management and trade unions as well).

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# APPENDICES

## APPENDIX - A

### Distribution of Trade Union Membership by National Federations, 2003

Federations	National Federations	Membership
	<b>GEFONT Affiliates</b>	<b>314075</b>
1	Nepal Independent Workers Union (NIWA)	7800
2	Independent Textile Garment Workers' Union of Nepal (ITGWUN)	32000
3	Independent Transport Workers Association of Nepal (ITWAN)	52655
4	Nepal Independent Carpet Workers' Union (NICWU)	20480
5	Nepal Independent Hotel Workers' Union (NIHWU)	20000
6	Union of Trekking-Travel-Rafting Workers', Nepal (UNITRAV)	11000
7	Independent Press Workers' Union of Nepal (IPWUN)	3800
8	Independent Tea Plantation Workers' Union of Nepal (ITPWUN)	9500
9	Nepal Auto Machines Trade Union (NATU)	4000
10	Central Union of Painters, Plumbers, Electro & Construction Workers', Nepal (CUPPEC)	22500
11	Independent Garbage Cleaners' Union of Nepal (IGCUN)	4100
12	Nepal Independent Food and Beverage Workers Union (NIFBWU)	9200
13	Nepal Independent Chemical-Iron Workers Union (NICIWU)	20540
14	Nepal Rickshaw Pullers' Union (NRPU)	18000
15	Federation of Agricultural Workers, Nepal (FAWN)	75000
16	Nepal Street Vendors Union (NEST)	3500
	<b>NTUC Affiliates</b>	<b>232100</b>
1	Nepal Teachers Association (NTA)	56500
2	Nepal Tourism & Hotel Workers Union (NTHWU)	15000
3	Nepal Factory Workers Congress (NFWC)	44000
4	Nepal Garment Workers Union (NGWU)	9000
5	Nepal Carpet Workers Union (NCWU)	13000
6	Nepal Health Workers Association (NHWA)	5200
7	Nepal Press Union (NPU)	2100
8	Nepal Transport Workers Union (NTWU)	12500
9	Nepal Inter Corporation Employees Union (NICEU)	16000
10	Nepal Tea Garden Workers Union (NTGWU)	6000
11	Financial Institute Employees Union of Nepal (NFIEU)	13000

12	Nepal Printing Workers Union (NPWU)	2400
13	Nepal National Barbers Union (NNBU)	6300
14	Nepal Electricity Workers Union (NEWU)	6700
15	Nepal Rickshaw Pullers Union (NRPU)	3500
16	Nepal Embroidery Workers Union	3800
17	Nepal Cultural Artist Workers Union	1700
18	Nepal Building & Construction Workers Union (NBCWU)	5200
19	Nepal Small Hotel & Restaurant Workers Union (NSHRWU)	2200
20	Nepal Wood Workers Union (NWWU)	4300
21	Nepal Shop Workers Union (NSWU)	3700
	<b>DECONT Affiliates</b>	<b>251307</b>
1	Nepal Carpet Workers' Union (NCWU)	36500
2	Nepal Customs & Airport Workers Union (NCAWU)	5217
3	Nepal Film Workers Union (NFWU)	5164
4	Barber Workers Union (BUN)	35000
5	Garment Workers' Union of Nepal (GWUN)	7500
6	Nepal Transport Workers Sabha (NTWS)	8200
7	Nepal Agricultural Workers' Union (AWUN)	51000
8	Nepal Hotel Workers Union (NHWU)	7200
9	Construction & Allied Workers' Union of Nepal (CAWUN)	51856
10	Nepal Restaurant and Small Hotel Workers' Union (NRSHU)	3250
11	Nepal Rickshaw Puller Workers' Union (NRPWU)	1200
12	Nepal Commercial Workers' Union (NCWU)	2500
13	Nepal Factory Workers' Union (NFWU)	17400
14	Democratic Health Workers' Union of Nepal (DHWUN)	2730
15	Democratic Press Union of Nepal (DPUN)	720
16	Nepal Printing Press Workers' Union (NPPWU)	630
17	Nepal Automobile Workers' Union (NAWU)	840
18	Democratic Employees' Union of Banking and Financial Institutions of Nepal (DUBFIN)	6400
	<b>Others</b>	<b>150000*</b>

\* Rough estimate based on the membership figure given by some trade unions besides three confederations.

DECONT had also claimed 8000 individual members besides above federations mainly of teachers, inter corporation employee etc whose national trade union is not formed yet.

## APPENDIX - B

### Suggested Cooperation to Make Union Role More Effective

Suggested Cooperation & Institutions	Views of the		
	Employers	Leaders	Workers
<p><b>Government</b></p> <ul style="list-style-type: none"> <li>    ) Enactment, implementation &amp; monitoring Labor Laws &amp; Policies</li> <li>    ) Equal treatment to the employers &amp; workers</li> <li>    ) Recognized to the trade union as a Social Partner</li> <li>    ) Employment generation &amp; social security</li> <li>    ) Focus on industrial development</li> <li>    ) Economic assistance to the unions</li> <li>    ) Minimum wage fixation, revision, implementation &amp; monitoring</li> <li>    ) Elimination of discrimination</li> </ul>			
<p><b>Employers</b></p> <ul style="list-style-type: none"> <li>    ) Implementation of labour laws &amp; policy</li> <li>    ) Cordial labor- management relation</li> <li>    ) Recognized as a social partner</li> <li>    ) Social &amp; economic security of the workers &amp; OSH</li> <li>    ) Maintain industrial peace</li> <li>    ) Responsible towards establishments &amp; workers</li> <li>    ) Implementation of consultation &amp; suggestions of the workers</li> <li>    ) Help on the capacity building of the workers</li> </ul>			
<p><b>Workers</b></p> <ul style="list-style-type: none"> <li>    ) Disciplined, honest &amp; dutiful</li> <li>    ) Growth &amp; stability of establishment</li> <li>    ) Active participation on union activities</li> <li>    ) Paying regular subscription taking union membership</li> <li>    ) Positive to productivity improvement</li> <li>    ) Helpful for the unions</li> <li>    ) Workers unity</li> </ul>			

<p><b>Trade Union</b></p> <ul style="list-style-type: none"> <li>)] Cooperative attitude with workers, management, society &amp; government</li> <li>)] Effective &amp; honest leadership</li> <li>)] Dedicated to the workers welfare</li> <li>)] Away from direct political intervention</li> <li>)] Pressure to the government &amp; management to formulation, implementation &amp; monitoring labour laws</li> <li>)] Preference to single union</li> </ul>			
<p><b>Society</b></p> <ul style="list-style-type: none"> <li>)] Watch dog</li> <li>)] Support to conduct education, skill development &amp; awareness raising programmes</li> <li>)] Help on capacity building of the trade unions</li> <li>)] Advocacy, research &amp; joint work</li> <li>)] Labor oriented social security scheme</li> <li>)] Supply of research outcomes &amp; training as well reading materials in Nepali language</li> <li>)] Cordial relationship &amp; partnership with trade unions</li> <li>)] Cooperative in each issue of workers</li> <li>)] Formation of Labour Welfare Fund</li> <li>)] Economic assistance &amp; suggestions</li> </ul>			

Source: Field Survey, 2003



## **APPENDIX – C**

**Letter to the Padma Shamsheer JB Rana by Radha Krishna Chamadiya Dated 10<sup>th</sup> March 1947**



## **APPENDIX – D**

**Notice for the Workers of Biratnagar Jute Mill Issued by Ram Shamsheer JB Rana and Uttam Bikram Rana, Dated 26<sup>th</sup> March 1947 and 27<sup>th</sup> March 1947**



4. Domestic servant
  5. Employed in manufacturing sector
  6. Employed in government & semi government sector
  7. Daily wages
  8. Student
  9. Help in domestic coheres
  10. Idle
  11. Others (specify) .....
13. What is your status outside union if you are not employed in any establishment?
1. Independent professional
  2. Social Worker
  3. Political activist
  4. Others (specify) .....

**About Trade Union Leadership**

14. How long you have been a member of a trade union?
1. Less than one year
  2. One to three Years
  3. Four to five years
  4. Six to 10 Years
  5. More than ten years
15. How long you have been working as an executive of trade union?
1. Less than one year
  2. One to three Years
  3. Four to five years
  4. Six to 10 Years
  5. More than ten years
16. In which tire of union you are involving now?
1. Establishment level
  2. National Federation
  3. Confederation
17. What is your status in the union?
1. President
  2. Vice-President
  3. General Secretary/Secretary
  4. Treasurer
  5. Executive member
  6. Others (specify).....

18. What are the factors inspiring you to involve in trade union? Give three factors on the basis of your priority.

Contributing Factors	Priority		
	First	Second	Third
For better wages/salary & other benefits			
Better working environment			
Pressure of friends			
To save from exploitation & fire from management			
To maintain solidarity among workers			
Inspiration/pressure of political leaders			
To help fellow members to solve their personal problems			
Being interest in union activities			
To develop good relation between workers and management			
Being no existence of independent workers			
Compulsory to join union			
Pressure of union executives			
Others (specify) .....			

19. What type of union you prefer?

1. One establishment one union
2. Multiple union
3. Industrial union
4. Craft Union
5. Workplace union
6. Others (specify)

20. The 25% membership criteria developed by the Trade Union Act is reasonable or not?

1. Reasonable
2. Should increase
3. Should decrease

21. (If increase or decrease) How much it will be reasonable?

.....%

22. How much are you satisfied with the provisions of the Trade Union Act related with right and benefit of the workers?

1. Fully satisfied
2. Partially Satisfied
3. Not satisfied

23. How you rate the success of your union in the following activities?

Activities	Level of Success			
	High	Normal	Low	Not at all
Increment in wage & other benefits				
Improvement in working environment				
Control on exploitation from management				
Solving the problems of workers				
Improve in workers capacity				
Educate the workers on their right & benefit				
To improve collective bargaining capacity of the trade unions				
To maintain good relationship between workers & management				
Extend solidarity with other unions on the issue of workers right & benefit				
To maintain friendly relationship with the trade unions of other countries				
Others (specify) .....				

24. What are the major factors responsible to make the union powerful? Give three major factors on the basis of priority.

Major Elements	Level of Importance		
	First	Second	Third
Committed & disciplined members			
More members			
Qualitative & honest member			
Good leadership			
Proficient organisation			
Active role of union for workers benefit			
Support of national level unions			
Support of political parties			
Public support			
Support by the international unions			
Others (specify) .....			

25. What are the major obstacles on trade union activities?

Obstacles	Level of obstacles		
	High	Normal	Low
Not committed union leadership			
Multiple union			
Inter union rivalry			
Use of workers to fulfill the vested interest of the leaders			
Lack of discipline both in the leaders & workers			
Work as a wing of a political party			
Direct intervention of political party on trade union works			
Anti union attitude of management			
Insufficiency of labour laws			
Not implementation of labour laws			
Declining industrial unit			
Problem to organise the informal workers			
Others (specify) .....			

26. What should be done to involve more workers in the union activities? Give three suggestions with priority.

Suggestions	Level of Priority		
	First	Second	Third
Trade union education to all workers			
To raise awareness among the workers on their right & duty			
To help the workers to solve their reasonable problems			
No protection to the workers whose behaviour and work is bad			
To revolt for the fulfillment of reasonable & common demands of the workers			
Try to organise one union in one establishment			
Avoid the groupism within the union			
Others (specify) .....			

### Development of Trade Unions

27. Whether the Nepalese trade union movement is the outcome of the domestic needs or influence of international movement? Give your reason.

1. Domestic needs      2. International influence      3. Don't Know



28. Nepalese trade union movement reached in this stage facing different ups and downs. Whose role is more important to bring the movement up to this stage? Give your opinion with priority.

Major Institutions	Level of Importance		
	First	Second	Third
Workers			
Trade union leaders			
Politicians & political parties			
Industrialists, traders			
Combined effort of workers & Political Parties			
Others (specify) .....			

29. How much you are familiar with the history and development of Nepalese trade union movement?

1. Better                      2. General                      3. No any knowledge

30. How you rate the speed of trade union movement of Nepal?

1. Fast                              2. Normal  
3. Slow                              4. Very Slow

31. What are the reasons behind to fast development of trade unions in Nepal?

.....  
.....

32. What are the causes responsible to slow development of trade unions? Give three causes with priority.

Major	Priority		
	First	Second	Third
Slow growth of industrial development			
Lack of knowledge of trade union among the workers			
Lack of environment for the formation of trade unions			
Restriction on trade unions up to long time			
Absence of Trade Union Act			
Direct political intervention on trade unions			
Lack of proficient organiser			
Inter & Intra union rivalry			
Non cooperation by management			
Others (specify) .....			

33. In what period the trade union movements grow more rapidly? Give your opinion.

- 1. Rana Period (before 1951)
- 2. Interim period (1951-1959)
- 3. Panchayat Period (1960-1990)
- 4. Re-establishment of multiparty democracy (after 1990)

34. How much improvement brought in the socio-economic condition of the workers by the development of trade unions?

Level of Improvement	Economic	Social
Negative		
Constant		
Little improvement		
More improvement		
Sufficient improvement		

35. (If the socio-economic condition of the workers improved), what type of improvement did you observed?

Improvements	Priority		
	First	Second	Third
More economically capable			
Improvement in lodging and fooding			
Proper management of the residence			
Education to the children			
Skill development			
Raise level of awareness			
Leadership development			
Purchase land/house			
Honour in the civil society			
Others (specify) .....			

36. (If not improved) what are the major causes behind not to improve the socio-economic condition of the workers with the development of the trade unions? Specify major three causes.

Causes	Priority		
	First	Second	Third
Productivity of the workers not increased			
Decline in work habit			
Decline in real wage			
Problem to develop skill due to lack of awareness			

Increase in family size			
Increase in dependency due to lack of employment opportunity			
No alternative sources of family income			
Increase in unproductive expenses			
Negative attitude of the civil society towards workers			
No improvement educational status of the workers			
Others (specify) .....			

37. How much you are satisfied with the present development of trade union?

1. Fully satisfied      2. Partially Satisfied      3. Not satisfied

38. Why you are not satisfied with the present development of trade union? Give three reasons on your priority.

Causes	Priority		
	First	Second	Third
Labor problem remain as it is though number of trade unions increased			
Increase in cancellation of unions along with the registration			
More emphasis on political issues rather than workers issues by the trade union leaders			
Registration of union on the influence of political party			
Selfish trade union leaders increased			
Others (specify) .....			

39. What type of problem you observed in the trade union movement of the country? Give three major problems on your priority.

Problems	Level of Importance		
	First	Second	Third
No any problem			
Low membership			
Weak leadership			
Lack of discipline among the workers & leaders			
Presence of multiple unions			
Unhealthy rivalry between inter and intra union			

Direct political intervention in union activities			
Lack of determination in leadership level			
Negative attitude of management towards trade union			
Outsider leadership			
Use of workers by the leaders to fulfill their personal interest			
No development of industries			
Slow unionisation in informal sector			
No any assistance from the government on union activities			
Others (specify) .....			

40. What should be done to make strong trade union movement in favour of the workers?
1. Organisation of membership based trade union
  2. Selection of capable, dedicated and disciplined leadership
  3. Implementation the policy of one establishment one union
  4. Solidarity of all unions on labour issues
  5. Separation of trade union from political party
  6. To develop trade union as a consultant of the government rather than a sister organisation of the political parties
  7. Formation of a separate party of working class
  8. To control unhealthy competition within the unions
  9. To help positively to the government and management for the industrial development
  10. Others (specify) .....

**Role of Trade Union**

41. What type of role should play by the trade union?
1. Economic
  2. Socio-cultural
  3. Development oriented
  4. Political
  5. All of the above
42. What do you mean by economic role?
1. Increase in wage
  2. Wage indexation
  3. Overtime, pension, allowances, provident fund, insurance, etc.
  4. Elimination of discrimination on wage
  5. Eight hours working hours

6. Collective bargaining
  7. Increase capacity of industry
  8. Development of social security system
  8. Others (specify) .....
43. What are the socio-cultural roles of the union?
1. Objection against unfair labour practices
  2. Emphasis on social improvement
  3. Elimination of discrimination based on caste, religion, race etc.
  4. Elimination or minimization of child labour
  5. Elimination of bonded labour
  6. To make alert on environmental issues
  7. To provide information on OSH
  8. Awareness raising programme
  9. Skill development of the workers through education, training, workshop, etc.
  10. Management of leave
  11. Others (specify) .....
44. What type of role can play by the trade union for the development of the country?
- |                                |                             |
|--------------------------------|-----------------------------|
| 1. Poverty reduction           | 2. Productivity increment   |
| 3. Redistribution of income    | 4. Good industrial relation |
| 5. Elimination of unemployment | 6. Others                   |
45. Trade union neither can be a political organisation nor can separate from politics. In this situation what should be the poetical role of trade unions?
1. To provide consultation, suggestion to the government as well pressurization to formulate the policy, rules, acts in favour of workers
  2. To emphasis for the implementation the policy and programmes for the welfare of the workers
  3. To make aware the workers to their right and benefit
  4. To demarcate the line of relation between political party and trade union
  5. To take help form the political party for the formulation of policy and proper implementation of it
  6. Help as much as possible to their favourable candidate in any election from grass root level to national level to win the election

46. Role of trade unions may differ in different periods as the different stage of trade union movement. How much you agree with this statement?

1. Disagree                      2. Partially agree                      3. Fully agree

47. How you evaluate the role of trade union in different period on the basis of the following activities

Description	Evaluation		
	Disagree	Partially agree	Fully agree
<b>A. Past</b>			
Political Trade unionism			
Concentrated only on workers benefit			
Collective bargaining			
Concentrated only on formal sector			
Concentrated only own member			
Others (specify) .....			
<b>B. Present</b>			
A part of social movement			
One of the social partner of the government			
Active both in the formal and informal sector			
Consultation, recommendations & pressure to the government to the formulation & implementation of labour policies			
Awareness raising to the workers to their right & benefit			
Awareness raising activities for both the workers & the society			
Concentrated on the issues of workers & the society			
Others (specify) .....			
<b>C. Future</b>			
Formulation of appropriate policy & its implementation			
Awareness raising on policy & programmes to the workers			
Timely amendment of laws related to the workers			
Research on various labour related issues			
Emphasis on modernisation of trade union			
Unionisation of both the blue & white collar workers			
Others (specify) .....			

48. Trade union in the past was fully based on formal sector, which is weakening day by day mainly because of the globalisation. On the other informal sector workers are suffering from continuous exploitation and restriction to organise. In this context if trade union movement could not capture the informal sector, it could not remain in existence. How much you agree this statement?  
 1. Disagree                      2. Partially agree                      3. Fully agree
49. Are you satisfied with the role played by the trade unions up to now?  
 1. Satisfied                      2. Not satisfied                      3. Partially satisfied
50. (If not satisfied) What should be done to make the trade union as a strong /powerful organisation in favour of workers? Give your opinion.  
 1. ....  
 2. ....  
 3. ....  
 4. .... 5  
 .....
51. How much the Nepalese trade unions are capable to perform their role? Give your opinion.  
 1. Fully capable                      2. Partially capable                      3. Unable
52. Why the trade unions are fail to perform their role? Give the reasons.  
 1. Incompetent leadership  
 2. Lack of education & awareness among workers  
 3. Direct political intervention  
 4. Rivalry between unions  
 5. Struggle of leadership & personality within the union  
 6. Others (specify) .....
53. What are the problems of trade unions to make their role effective for the welfare of the working class?  
 1. Financial weakness  
 2. Non-cooperative policy of the government  
 3. Negative attitude of the employers  
 4. Poor educational status of workers & leaders  
 5. Leadership did not developed from within the workers  
 6. Others (specify) .....
54. What type of cooperation you seek from different institutions to uplift the living standard of the workers maintaining their right and benefit through making the role of trade unions more effective?

<b>Organisations</b>	<b>Necessary cooperation</b>
Government	
Management	
Workers	
Trade union	
Society	
NGOs	
Consumer society	
Welfare organisations	
Research institutions	

55. How the trade union movement could be united, if you believe the general saying that the role of the trade union movement would be more effective only through united trade union movement?
1. Unity of the trade union federation of the same political ideology
  2. One trade union in a country
  3. Working unity of different unions on labour issues
  4. Restriction by the law
  5. Others (specify) .....





12. How long you have been working in this establishment?

- 1. < 1 year
- 2. 1-3 years
- 3. 4-5 years
- 4. 6- 10 Years
- 5. 11 – 15 years
- 6. 16 years & above

13. What is your status in this establishment?

- 1. Permanent
- 2. Temporary
- 3. Daily wage
- 4. Contract
- 5. Piece rate
- 6. Only food & clothing

**Affiliation in Trade Union**

14. Is trade union in your establishment?

- 1. Yes
- 2. No
- 3. Don't Know

15. Why trade union is needed? Give your opinion.

Description	Priority		
	First	Second	Third
To maintain solidarity among workers			
To protect the right and welfare of the workers			
To develop the skill of the workers			
To raise productivity			
To protect workers from exploitation of the capitalists			
To raise the living standard of the workers			
Others (Specify) .....			

16. Did you have been member of any trade union?

- 1. Yes
- 2. No

17. If yes, how long have you been a member of trade union?

- 1. Less than one year
- 2. 1-3 years
- 3. 4 –5 years
- 4. 6-10 years
- 5. Above 10 years

18. Did you have taken membership by understanding yourself or by initiation of others?

- 1. Self
- 2. Initiation of trade union leaders
- 3. Initiation of relatives
- 4. Initiation of friends/neighbors
- 5. Initiation of Management
- 6. All workers have taken
- 7. Others (Specify) .....

19. What are the three major objectives to be a member of trade unions?

Objectives	Priorities		
	First	Second	Third
Better wage & other economic benefits			
Good working environment			
Security of work			
Pressure of friends			
Protect from exploitation of the management			
Increase solidarity and unity of workers			
Help to the workers to solve their problems			
Interest in union			
Union develops relation between management and workers			
No any status of non-member workers			
Compulsion to be a member/ all co-workers were member			
Raise skill and strength			
To involve in social work			
To fulfill personal interest			
Union had helped to me			
Request of union leaders			
Others (Specify) .....			

20. Did you feel the objectives you have taken before joining union are fulfilled?

1. Not at all
2. Slowly fulfilling
3. Fulfilled more
4. Being as of objectives

21. If not fulfilled, what are the causes responsible to not fulfill your objectives?  
Give three major regions?

Causes	Priorities		
	First	Second	Third
Union being weak			
Internal struggle of union			
Rivalry between one union to another union			
Weak/ incapable leadership			
Selfish leadership			
Bad relation between management and union			
Others (Specify) .....			



## Trade Union in Labour Perspective

25. What are the three major functions of trade unions, which should be performed?

Major Functions	Priorities		
	First	Second	Third
Security/increase wage & other economic benefits			
Lead/ help to solve the workers problems			
Educate workers on their rights and duty			
Improve workplace environment			
Protect the workers from victimization			
Protect the workers from exploitation of the management			
To make the union strong			
Help the workers in any difficult situation			
Maintain cordial relationship between workers and management			
To make workers disciplined			
To do welfare of the workers and their family			
Help to political parties			
Others (Specify) .....			

26. What type of union you prefer?

1. One establishment one union
2. Multiple unions

27. Why you prefer one union in an establishment?

1. Difficult in collective bargaining process if multiple unions presence
2. Weaken the collective power in multiple unions
3. Increase rivalry between unions
4. Multiple union will be beneficial to the management
5. Badly affects the capability & productivity of the workers
6. All of the above
7. Others (Specify) .....

28. Why you prefer multiple unions in an establishment?

1. Leaders will be arbitrariness in a single union situation
2. No competitiveness in the union
3. All should have the right to organise a union
4. Others (Specify) .....

29. How the authorized union organised in the establishments having multiple unions?

1. Through secret ballot
  2. Approval to the powerful union
  3. Representative committee of all unions and individual workers
  4. Others (Specify)
30. Are you agree on the present provision of the membership criteria (25% member) for the registration of a trade union?
1. Agree
  2. Should increase
  3. Should decrease
  4. Can't Say
  5. Others (specify) .....
31. Did you demand any help from your union?
1. Always
  2. Sometimes
  3. Rarely
  4. No
32. Have you got necessary help while you demand?
1. Always
  2. Sometimes
  3. Rarely
  4. Not at all

33. Evaluate the activities of your union on the basis of your experience?

Activities	Degree of Success			
	High	Normal	Low	Zero
Achievement of better wage & benefits				
Better working environment				
Save the workers form victimization				
Help to the workers from victimization				
Increase in efficiency & capability of workers				
Educate workers on their rights and duties				
Participation of workers in management				
Others (Specify) .....				

34. In your opinion, what are the three major causes which effects negatively on trade union work?
1. Incapable leadership
  2. Rivalry between unions/ within a union
  3. Negative attitude of management
  4. Lack of dedication in leadership level
  5. Direct political intervention
  6. Outsider in leadership
  7. No cooperation from workers
  8. Others l (specify) .....

### **Development and Role of Trade Unions**

**(Same as of Leaders)**

## APPENDIX – G

### Questionnaire

#### Trade Unionism in Nepal: Development and Role

(Questionnaire for Management, 2001)

#### General Information

1. Name of the establishment:
2. Type of establishment                      1. Public                      2. Private
3. Status of the respondent
  1. Owner    2. Shareholder
  3. Director    4. Manager
4. Sector of the establishment    1. Public                      2. Private
5. How long you are working in this establishment?
  1. Less than one year                      2. 1-3 years
  3. 4 –5 years                                      4. 6-10 years
  5. Above 10 years
6. How you see trade union movement?
  1. Negative    2. Positive
  3. Neutral    4. Others (specify) .....
7. (If 1 in 6) what are the reasons to be negative towards trade union movement?
  1. Unnecessary intervention on the activities of the establishments
  2. One sided thinking of the union leaders
  3. Loss of establishment from exploitation of labour power by the union
  4. Others (specify)

#### Development and Role of Trade Union

(Same as of leaders)

#### Evaluation of Trade Unions

44. Generally it is blamed to the management that they are always in favour of multiple unions to make trade union movement weak. In this context please give your opinion on the following issues?

Issues	Concept of Management		
	Agree	Partially Agree	Disagree
Problem in collective bargaining			
Reduce collective bargaining capacity of the workers			
Benefited to the management side			
Reduced workers' strength due to inter union rivalry			
Negative effect on organisation of the workers			
Negative effect on productivity			
Controls to the union from to be dictator			
Others (specify) .....			

45. How you evaluate the overall achievements of trade unions? Please give your opinion.

Achievements	Level of Achievements		
	Achieved	Partially achieved	Not achieved
Timely wage increment			
Overtime payment			
Beginning/reform in pension system			
Increase in other economic benefits			
Provision of Canteen at workplace			
Provision of rest room			
Improvement of workplace environment			
Increase in leave facilities			
Control on autocratic attitude of employer			
Re-appointment of dismissed workers			
Duty on rotation basis			
Accident insurance			
Fair promotion of the workers			
Skill development programme for the workers			
Awareness raising programme for the workers			
Education to the workers on their rights and responsibilities			
Others (specify) .....			



46. How management evaluates the following activities related to the management?

Activities of management	Level of Evaluation		
	Agree	Partially agree	Not agree
Management is always positive on union demands			
Fulfils reasonable demands as soon as possible			
Equal treatment to all unions by the management			
Initiates to organise multiple unions in the establishment			
Initiation to make rivalry between unions			
Gives full time to the leaders to keep their word			
Victimization of workers involved actively in union			
Control on union activities			
Favour and disfavour between unions			
Others (specify)			

## **APPENDIX - H**

### **BRIEF INTRODUCTION OF THE SAMPLED ENTERPRISES**

#### **Biratnagar Jute Mill**

Biratnagar Jute Mill is situated at Biratnagar an industrial city situated at Eastern Terai bordering with India. This Mill is one of the important manufacturing establishments from various points of view. Among them two reasons are more important, which carries historical events of Nepalese modern industries and trade union movement. It is the first modern manufacturing industry established in 1936 as a joint venture of the then Rana rulers and Indian entrepreneurs. The mill is also important from the point of view of the trade union movement because the first labour movement in Nepal in 1947 was started from this mill. After the establishment of democracy in 1950 the government took the ownership of the mill. Since last couple of years the mill fall under serious crisis and the government handed over it for a private party (Golchha Organisation one of the leading business house of Nepal) to run on lease basis for 5 years.

The mill is producing jute and different kinds of jute products and most of its product is exported to India and other countries in the world. At present the mill is providing employment to the 4172 persons both the Nepalese and non-Nepalese. Of the total employment nearly 5 percent are staffs and rest are workers. Among the workers 38 percent are working as permanent and temporary basis while rest 62 percent are daily wage earners. No single non-Nepalese workers are employed as permanent worker but nearly half (47.5%) of the total administrative staffs and 12 percent of the daily wage earners are non-Nepalese. The share of permanent and temporary female workers is insignificant where it is 14 percent of the Nepalese daily wage workers.

#### **Colgate Palmolive (Nepal) Pvt. Ltd.**

This industry is established in private sector as a joint venture enterprise in Hetauda Industrial Estate located at Mid Development Region of the country. This industry produces soap, toothpastes, etc and all the products are marketed within the country and exported abroad. Majority of the products is exporting in India. The industry

is now providing employment to the 127 persons including nine management staffs and four non-Nepalese workers.

### **Nepal Biscuit Company Ltd.**

Nepal Biscuit Company was established in the year 1964 at Balaju Industrial District, Kathmandu. The company is continuously producing different kinds of biscuits from its establishment. The company was very popular in early days because of its products but now its market is going down due to internal and external causes. Now its products is limited within the national boundary though few years the company had exported its products abroad too. Along with the reduction on production the number of workers in this company is declining every year. At present the company is providing employment to the 242 Nepalese. Among them the share of female workers is 18.2 percent of the total workers.

### **Hetauda Cement Industry Ltd.**

To fulfill the growing demand of cement in the Nepali market the Nepalese government establishes the industry as a second largest cement factory of the country on public sector. It is a major import substituting industry producing high quality cement since 1976. The fixed capital of the industry is 1.38 billion while the running capital is 0.9 billion. The industry is providing employment to 751 Nepalese people at present including administrative staffs though its total occupancy is 817. The mill has two types of workers (technical and non-technical) working at different grade. Majority of the non-technical workers are engaged in administrative work while technical workers in production work. Of the total workers the proportion of technical workers is significantly high (72%) in comparison to the non-technical (28%) workers. All the workers of this industry are permanent except three temporary involved in non-technical job.

At present the industry is producing 16,000 bags (50 kg. Each) which is only 50 percent of its total capacity. Direct political intervention is one of the major causes of low capacity utilization.

### **Mahashakti Soap and Chemicals Pvt. Ltd.**

Mahashakti Soap Factory is established in 1971 within the administrative boundary of Hetauda Industrial Estate. This industry is producing varieties of soap and chemicals. The factory is run by private sector. The factory is also facing various difficulties caused by the openness of the economy. Now it is employing 129 Nepali nationals. Among them 98 persons are production workers and rest are administrative and general staffs. Only two females are in this factory working as staffs.

### **Nepal Telecommunication Corporation**

Nepal Telecommunication Corporation is providing telephone service in Nepal since 1913, during the rule of autocratic Ranas. But Prior to the beginning of the planned development (1956) there were altogether 335 lines which reached 415004 during half century (1956-2004) excluding mobile phone (240316) both pre and post paid. Nepal Telecommunication Corporation has covered 68 districts out of 75 through 181 telephone exchanges. This corporation is providing employment to the 5761 Nepalese in different capacity. Of the total employment 408 persons are working at Central Office. Among them only about 12 percent are female workers. Now the corporation has renamed as Nepal Doorsanchar Company Ltd. (Nepal Telcom).