



TRANSFORMATION:

BY BUILDING WORKERS' POWER



Transformation: By Building Workers' Power



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Man Mohan Labour Building, GEFONT Plaza,
Putalisadak, Kathmandu, Nepal
PO Box: 10652
Tel: + 977 1 4168000 Fax: + 977 1 4168012
E-mail: dfa@gefont.org URL: www.gefont.org

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The unequal society stunted under the shadow of high-rise buildings is not what we are struggling for!

TODAY, on the 28th of March, the authoritarian Rana regime of the day was forced to bow before the working people 63 years ago. A 23-day labour strike not only forced the regime to raise the wage by 15 per cent but also to pay the wage for the entire strike period. Perhaps it was the first time the rulers, who used to treat people as their slaves, were forced to negotiate with agitating workers.

TODAY, on the 28th of March, in 1981, the tradition was begun of the non-violent protest of national strike (known as Nepal bandh), in the involvement of trade union movement of our generation. Taking away the absurdities linked to the culture of strike today, the tradition we began was the decisive force to shake the foundation of the then authoritarian regime.

TODAY, on the 28th of March, in 1992, we began the historical 'First National Congress' of our union with the slogan of "Social Justice and Economic Parity –Industrial Growth and Workers' Solidarity".

From that day on, we have completely dedicated our attention and energy to the welfare of the working class. Now, as I recollect the past, I feel obliged to record the note of my respectful honour to all colleagues and co-workers who have been with us throughout this journey; and, pay deepest tributes to the martyrs who left us while fighting the tyranny.

And to you seniors: I reiterate the commitment that we would not let the movement deviate from your dream of building an ideal society!

While taking over the leadership five years ago, I had made this promise on behalf of the National Executive Committee: "GEFONT will organise all workers of all trades of all sectors of investment. It will reach all workers wherever they will be".

- ONE UNION, ONE VOICE – is our institutional mantra and ideal. We are following this ideal for long.
- AN INJURY TO ONE IS AN INJURY TO ALL – is our institutional motto, which we have adopted from the world union movement. In our context, we elaborate it as the following: “Let us take care of each other; love each other; and, respect each other.” For the working class who have “nothing to lose but their chains” and the whole “world to win”, nothing could be more important than this institutional culture of mutual care and respect. Indeed, we are proud of this culture of ‘collectivity’ that has taken us far above than the despising competition marred by the binary opposite of “gain versus loss” and “you versus me”. “We GEFONT, Our National Centre” has been our collective culture.

Five years ago, we had dreamed of the following:

- Establishment of a state that would free itself from the clutches of the over-voiced and bring itself down to the voiceless, and
- Building a society in which the weak and marginalised would not further weaken but would have an opportunity to climb up the ladder of progress, a society that would open the door to dignified, prosperous and creative life for the workers

We had taken an oath that “we would leave no stone unturned in the movement for equality and justice.”

Five years later, standing before you, I wish to ask you very sincerely: Did we deliver on our promise? This National Executive Committee is available for your scrutiny as to whether it could live to the commitments made five years ago.

Dear Comrades,

As workers, our dreams are very simple.

- Some savings from our earning after the fulfilment of daily needs – to address emergencies, which is state’s responsibility, but it does not fulfil
- A piece of encouraging news, about the redress for pregnancy-related deaths in rural areas or dowry deaths – not just the news of a VIPs being taken abroad for treatment in an air ambulance

You are aware that 30 persons per hundred are unemployed and some 30 per cent of the total population is poor. We wish to see the progress of

our society measured against the income of the working class people NOT against the names of those billionaires listed in the Forbse Magazine.

As we commence this National Congress, we want the concerned to be reminded once again that the unequal society stunted under the shadow of high-rise buildings is not what we are struggling for. And we do not call any show a progress that builds on the deprivation of the weak.

We are tired of such expressions as “labour disputes” or “the fault of unions,” which often come our way linked to the closure of a certain industry or some work-related issues. These date-expired slogans build on the rhetoric of workers’ emancipation as well as on the design to frame workers for the owners’ inefficiency. In the last five years, we came across such tuneless singing many times.

- Bhrikuti Pulp and Paper and Momento Apparels were closed not because of workers but due to other reasons. The workers have yet to get their wages despite several agreements. Who is accountable for this?
- Who is there to listen to the story of the workers displaced from the Pizza Hut and Casino in this capital city itself? Is there any one to care for the fate of the self-employed eking out a living as street vendors? Who is there to aid the workers who do not get the pay in time in the construction and service sectors?
- Thousands of workers in the tea estates are deprived of the minimum wage fixed by the state. So are agricultural workers – in want of legally mandated periodic review of wages. Who listens to their agony?

We humbly ask: Is unionism as obstacle to industrial operation? Or is it the fault in policy making and implementation?

We have no confusion that our interests do not match with those of industrialists and businesspersons. It is therefore we are different. But their businesses do not run without us. It is therefore we are together despite differences. We are also clear that:

- Capital should survive even for our living
- Labour should benefit to transform the Nepali society
- It is nonsensical to expect high productivity and quality product and services from those deprived of basic rights and minimum wages

- And, we are also aware of the extreme exploitation in the agricultural and construction sectors; of comparatively less exploitation in the industrial sector; and, also of the comparatively better pay structures in the service sector. However, the gap of wages between high-ranking officers and the workers in the service sector is disheartening.

We are aware that the world of work has two categories of investors. One of them is proudly identified in society as an 'employer' – who invests their property to produce services and goods. The other, who is hesitatingly identified as a worker, invests his/her entire life in the production process. In return for the investment, both these investors expect at least three guarantees.

- RETURN – in the form of a profit or a wage; SUSTAINABILITY – in the form of a long life of business or continuity of employment; and, SECURITY – in the form of the physical security of property or social security of life.
- As we have seen, the state machinery has always stood in favour of the first, while abusing the latter. We have this only question: Why is this double standard?
- What we are saying is just a minimum: not just only wages in return for the work and a few hundred rupees at the end of life, but a system that ensures a pension and unemployment allowances from the fund set up with contributions from the workers themselves; and, a system of state support for universal social security such as education and health that each of us are eligible as voters.
- Be aware! Trade union is not a part of a machine to follow the orders of a party when it is in power. Neither is it a barrack of the followers of the opposition ready to swarm in the streets in protest of the price hike by the Nepal Oil Corporation

We want the state to stand as a fair regulatory mechanism between the two investors. Capital should not be left unchecked, just because it is in demand. To the extent it happens, we will not cross the fair line of discipline we need to obey as workers.

Dear Comrades,

As in the past, 'transformation' is our main theme even in this Congress. Five years ago, we had concluded that transformation would not be possible without unity. Unfortunately, our society remained divided, unlike people's

expectation. As a result, we are almost in the situation we were on 28 May 2008.

As the tool of transformation, we divide “revolution” into “political” and “socio-economic” halves. In Nepal, we concluded “political” revolution, and this rhododendron revolution replaced the age-old institution of feudal monarchy with republic. The new regime will be institutionalised once a new constitution will be promulgated by the Constituent Assembly, now in business. But the “socio-economic” aspect of the revolution, which is central to social transformation, has not begun yet.

To address this problem, we have added “building workers' power” in the word transformation as the theme of the 6th National Congress, this theme because building of the workers' power forms the backbone of the process of peaceful transformation. To balance the movement for rights and interest with the process of production, reinvestment and redistribution is the best way to operate what we call “class struggle”.

In our understanding, we need a triangular strategy to develop and strengthen Nepal's workforce, a strategy that addresses all at once the in-country wage-labour workforce, self-employed workforce and the workforce beyond the country. To consolidate the in-country workforce, we propose a focused intervention in the agriculture, construction and urban informal sectors – for numerical reasons; in the modern service sector – for quality reasons; and, as a block- the manufacturing sector.

The intervention should be made in five activity-areas, namely workplace democracy, wage, social security, social dialogue, and productivity & efficiency. To make the outcome sustainable, following five activities should be implemented:

- Get Involved through the policy of ‘where there are workers, there is union’
- Organise each worker in contact to enhance the number of members
- Educate to enhancement skills of members through workers' education and trade union education in such skill areas including agenda setting, issue prioritisation and public policies
- Agitating of the workforce to propagate union agendas, issues and activities

- Intervene to guarantee workers participation in state processes and further consolidation of the union movement so that it can influence public policies

This year, GEFONT is celebrating its silver jubilee. In our movement of the second generation, since it began in late 1970s, we have both grandparents and grandchildren together. We take the zeal and courage of the young generation and the wisdom of the old as the energy to keep the union movement more active and vibrant. As such, in this National Congress some of us in the old generation will quit from executive positions and hand the leadership over to the young generation.

We will, however, develop a transitional mechanism through which to mobilise the wisdom of the old generation for policy analysis, trade union schooling and union expansion so that the new leaders will be able to further develop themselves to work freely and independently.

This is how we are prepared to hold the sky above us. We have similar expectations from those below us that they also become prepared to hold the sky above them.

There is a saying- Happiness is a place between too little and too much! We are enjoying similar feelings in your presence.

I would like to thank you all for accepting our invitation and sincerely welcome your presence on behalf of the GEFONT family.

Thank you!

Bishnu Rimal
President, GEFONT

March 28, 2014; Nepal Academy Hall, Kathmandu
*(Inaugural speech delivered by the President at
Inaugural Ceremony of Sixth National Congress)*

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Part 1:

Power Balance in Current Politics and Future Scenario

1. Sad Demise of the Opportunity of Lifetime

“A day comes only once in lifetime” we have hummed this progressive song many times. We believed this song would give strength to the movement of transformation through revolution. Therefore, we considered the election of Constitution Assembly, an agenda pending since the revolution of 1950, as a lifetime opportunity.

The Constituent Assembly (CA) of 2008 could not address the expectations of Nepali workers and our dream. CPN – UML analysed in its Manifesto of CA 2013 that the previous CA was an opportunity lost (CPN – UML: 2070: 4). In this lost opportunity we had significant achievements but we could not institutionalize them. Far reaching/ far sighted agreements were signed but they could not be implemented. The constitution could not be endorsed in spite of the initial draft.

There are many reasons behind the dissolution of the CA. With the April uprising of 2006, the political journey which “began by agreement and ended in agreement” was ambushed in “mistrust, fear and rejection”. The peace process exceeding the committed time frame, political parties being more power-centric and the tradition of parallel meetings of “high level committee of senior leaders of largest parties” outside the Constitution Assembly to seek agreements are some of the reasons for the failure of the Constitution Assembly. The journey of constitution drafting began with the goal of achieving inclusive and participatory democratic republic got jammed in the controversy of “identity”, number of federal states, form of governance, judicial procedures and citizenship.



There are many reasons behind the dissolution of the CA. With the April uprising of 2006, the political journey which “began by agreement and ended in agreement” was ambushed in “mistrust, fear and rejection”.



Amongst such adversaries, there was an opportunity to endorse the constitution, even incomplete, through implementation of agreement among the largest parties namely, CPN-UML, Nepali Congress, UCPN – Maoist and Madhesi Front. But UCPN- Maoist and Madhesi Front plotted against the agreement which led to the dissolution of the CA which was an achievement of the six decades of struggle.

Now we are back to square one. Our political task-list of CA election, end of political instability and social transformation is at the same point it was 5 years ago.

2. Incomplete Achievements and New Mandate for Constitution Formulation

“80/90 percent!” This was the catchy phrase for everybody. The then Assembly chair and member of CA always expressed in public that 80% task of the constitution writing was complete. The dream of the senior generation of the trade union movement to see the transformation of monarchy- plagued nation into a democratic republic was made possible by this first CA. During this time former Maoist army, who imposed a 10 year long conflict in the country, was reintegrated into Nepal Army and rehabilitated in the society. Against the general trend of experts or monarchs writing the constitution, our country attempted to bring the stakeholders from the society to write the constitution and this period saw a lot of issues being raised by the members of different communities. These debates and issues raised at the grass roots have made it clear that violent path is now rejected and that a peaceful and democratic way to social transformation is accepted and established. Those who used to believe traditional Parliamentary system



UCPN Maoist and Madhes based parties, which got unprecedentedly high votes in the 2008 election, came down in this election (in 2013).



and neo liberalism as the ultimate truth have also changed their position to support participatory democracy and economic system with socialist perspective. The achievements from the first day of the CA to the day of its demise are all precious as many agenda of workers and trade union movements have made their way into the Assembly. All the ten Thematic committees of the CA have incorporated a series of demands, ranging from freedom of association to the right to work and employment, in their drafts. (*Appendix: Workers' concern on Constitution formulation*)

3. Election of New Constituent Assembly and New Prospect

Election of the new CA was conducted, through what can be said as wrong political process, in November 19, 2013. In the eve of the election there was the repetition of slogans like “Nepali Congress party if you need democracy and Maoist party if you prefer communism” as in previous elections. This time the slogan did not appeal to the people and the mandate of the people was reverse. UCPN Maoist and Madhes based parties, which got unprecedentedly high votes in the 2008 election, came down in this election. Nepali Congress and CPN-UML, the second and third parties in the former CA election are now first and second party respectively. (*Table 1*)

Political Parties	2065			Percentage of		2070			Percentage of	
	DE	PR	Total	Seats	Votes	DE	PR	Total	Seats	Votes
Nepali Congress	37	73	115	19.13	21.14	105	91	196	34.08	25.55
CPN - UML	33	70	108	17.97	20.33	91	84	175	30.43	23.66
UCPN- Maoist	122	105	237	39.43	30.81	23	54	80	13.91	15.21

DE: Direct election

PR: Proportional Representation



... that the fresh mandate of the people has changed the power equation based on the ground realities of our society.



Of the 122 parties fighting the election, only 11 parties gained votes above 1% (Table 2). This shows that people are watching and judging the parties very keenly. People's mandate once is not forever. Hence baseless estimates do not reflect people's verdict. Even if people are silent for some time, they give their verdict eventually in the right time. CPN-UML and Nepali Congress did not get the expected victory in 2008 election. UCPN- Maoist and Madhes based parties' expectations and claim to win by majority crashed down this time, in 2013. Therefore, we can conclude that the fresh mandate of the people has changed the power equation based on the ground realities of our society.

Table 2: Political parties with more than 1% of vote in CA election 2070

Parties	Direct			Proportional rep			Nomi-nated	Total
	votes	In %	seats	votes	In %	seats		
Nepali Congress	2,694,983	29.80	105	2,418,370	25.55	91		196
CPN- UML	2,492,090	27.55	91	2,231,301	23.66	84		175
UCPN- Maoist	1,609,145	17.79	26	1,439,726	15.21	54		80
RPP, Nepal	252,579	2.79	0	630,697	6.66	24		24
MJF (Democratic)	283,468	3.16	4	274,987	2.91	10		14
RPP	238,313	2.63	3	260,234	2.75	10		13
MJF, Nepal	206,110	2.28	2	214,319	2.26	8		10
TMLP	171,889	1.90	4	181,140	1.91	7		11
Sadhbhawana Party	140,930	1.56	1	166,271	1.41	5		6
CPN- ML	98,091	1.08	0	130,300	1.38	5		5
Federal Socialist	108,683	1.20	0	121,274	1.28	5		5
Independent	107,764	1.19	2	-	-	-	-	2
Total	9,044,908	100	240	9,463,862	100	335	26	601



The agenda of federalism and the form of governance may go into difficult debate, which can delay the drafting of the constitution.



4. New Balance of Power and Future Political Scenario

Analyzing the grounds of current power balance, the CA is expected to formulate and endorse a new constitution within the time frame. The election manifestos of major political parties indicate the possibility of the new CA to incorporate the works already conducted by previous CA. The major political parties will play role to bring the disgruntling parties to a consensus. To promulgate the constitution within the timeframe, the political parties will try to resolve the debated issues through the CA and even through referendum in case the CA also fails to resolve.

This is a positive aspect of current power sharing. If the politics moves in this roadmap, then CPN- UML and Nepali Congress will play responsible role to make sure that the process of constitution formulation and promulgation does not depend on a majority-minority basis. Which means this transitional phase will be managed through consensus.

But against their claim to propose the incorporation of works of previous CA in the first meeting of the CA, the meeting concluded without any agenda, thus adversely affecting the process. Is this a hint of how the future of political practice would be?

If we look back in the history, keeping the reference as it was, there is danger of status quo in the absence of consensus. Disagreements over issues of fresh mandate for President of the republic and power sharing between two major parties will have adverse effect on the CA processes as well as on regular parliamentary procedures. The agenda of federalism



To defend itself from being accused of separatism, the Maoists argue that if a husband and a wife are entitled to get divorce in case of differences why not the nations?



and the form of governance may go into difficult debate, which can delay the drafting of the constitution.

5. Federalism: An Unfinished Debate

- i) Madhesi political parties blindly based their study of state restructuring on African and Sri Lankan models. They appear to have misunderstood popular quotes of Nelson Mandela and the conclusions of Bhillupillai Prabhakaran. They argued that Madhes (southern plains of Nepal) is being treated as a colony by the people from the hills. The parties, based on the issue of citizenship in Madhes, made propaganda that Madhesis are stateless. In the former CA a Madhes based party leader went on to say in record that Madhesis and hill-origin Nepalis are two different nationalities. He advocated for the principle of “two nationalities”. He said “people originating and residing in the plains from Kakadbhitta to Kanchanpur (East to West) are all ‘Madhesis’, their nationality is ‘Madhesi’ and their nation is Madhes. He argued that Nepal was formed by unification of two nations – Madhes and Hills - 250 years ago. Based on this understanding, they formulated the slogan of “One Madhes, One State” arguing that the Federal Democratic Republic of Nepal should have two states – Madhes and Pahad (hills). Later they changed their position to mean that Pahad can have many states but Madhes will have no more than two.

- ii) UCPN – Maoist leads another school of thought of federal structure. Either based on traditional definition of formation of a nation



The third School of thought is represented by CPN-UML. Nepali Congress agrees on some of the arguments of this thought.



or for power gain, UCPN- Maoist has mixed up the phenomena of social oppression with economic exploitation. This school of thought argues that Nepal is not a nation yet, and the unification by our forefathers - in the leadership of Prithvi Narayan Shah- was technically a geographic and administrative process. In a decade long violent conflict, the UCPN- Maoist defined each ethnic group as nation and sold these groups a lofty idea of ‘sovereign nation’. To prove this school of thought it argues that the castes and ethnic groups were forcefully annexed to the Nepali state before they could develop as nations. Therefore, now every ethnicity should be liberated and Nepal should be a federation of nations. With this idea, UCPN Maoist further claimed that all the nations will have right to self determination. To defend itself from being accused of separatism, the Maoists argue that if a husband and a wife are entitled to get divorce in case of differences why not the nations? Based on this argument, Maoist have advocated for naming provinces after single identity of caste/ethnic group.

- iii) The third School of thought is represented by CPN-UML. Nepali Congress agrees on some of the arguments of this thought. CPN-UML believes that the development process of caste and ethnicity in Nepal is more like African and Asian rather than European.

In Europe development of human groups into nationhood and statehood was simultaneous. But in Asia and Africa human groups were developed into statehood before nationhood. Therefore, European countries are defined as nation states and Asian/ African countries are defined as state- nation (*Pokharel: 2012*)



The future of Nepal is neither a two-nation federation nor a multi-nation federation. The Federal Democratic Republic of Nepal will be multi-caste/ethnic.



Like other Asian countries, Nepal got developed as a state nation and not as the European nation state. Our country went through a “common nation building” process before being developed as ethnic nations. Even though the unification process was led by a Gorkhali king, the country is named Nepal. All the cultures, language and traditions of ethnic groups annexed in Nepal have now become common cultures of new Nepal. To deny this reality is to ridicule the positive aspect of Nepali society and its development process.

Therefore, the future of Nepal is neither a two-nation federation nor a multi-nation federation. The Federal Democratic Republic of Nepal will be multi-caste/ethnic. So, all the federal states will be multi-caste/ethnic states. Therefore, potential states are miniature of a whole Nepal – it will be a mini Nepal. Naturally, name and identity of such states should reflect this reality. The debate is not on federal state or unitary state but whether the state restructuring should be based on the concept of multi-national state or multi-ethnic state. The issue is not whether Nepal should adopt identity based federalism or federalism without identity. The issue is whether it should be single identity state or multi/ common identity state.

The trade union movement should be updated and developed in the midst of these challenging debates.

Part 2:

Transformation: By Building Workers' Power

6. Agenda of Transformation: Theme of our Conference

Our theme for the 5th congress was “Unity for Transformation”. So, we held discussion on what is transformation and how it can be understood. We had concluded “Social transformation means narrowing down and ending the gap in resources, power and opportunity among the people.

The 5th Congress further elaborated “Nepali Society is at the juncture of social transformation from old social system to new. Social Transformation means identifying root cause of the social problem and its structural impasse. For further positive change, the world view of the existing organisation and change the existing power balance in political, economical and sociocultural field. Social transformation is to end unequal distribution of resources (income and property), power and opportunity in unjust society through social and cultural development.”

We all know that in terms of grandeur, empowering and success, the unforgettable people's movement of 2006 did open avenues for social transformation. But there wasn't any serious discussion and calculation on the implication of the change, political character of the movement and limitations and strengths. It has resulted into confusions in understanding the outcomes of the movement.

“There are three major forces leading the popular mass movement of 2006: democratic-revolutionary force – CPN (UML); liberal democracy (bourgeois reformist) force – Nepali Congress (NC); and, armed rebellious force – Maoist. All three had different goals, destinations and priorities.



For the Maoists, the movement was a ladder to climb up to its dictatorial agenda. They first attempted to drag the democratic forces into their violent movement and when this failed they joined the peaceful movement.



NC wanted to establish a liberal democracy by reinstating the dissolved parliament. The party did not consider the transformation of political economy of society, and had no agenda of democracy with social justice and federal republic. Just parliamentary democracy declared by the king under pressure during the movement was its destination.

For the Maoists, the movement was a ladder to climb up to its dictatorial agenda. They first attempted to drag the democratic forces into their violent movement and when this failed they joined the peaceful movement. But dishonoring the success of the movement, the Maoist continued to push through the agenda insurgency. It did not get expected support from the people and joined the peace process after changing its position three times within 24 hours at the end of the mass movement. But it always used peace process strategically for its political gain and was the main perpetrator to dissolve the CA which it used to claim its brain child.

For CPN (UML) the movement was a medium for obtaining three goals: the end of monarchy, social and economic transformation of the country and sustainable peace. Differences in objectives and class character of the political parties naturally affected the disposition of the movement. (Gyawali: 2012)

Marxism generally considers revolution to have three phases. 1) Establishment of a new socio economic structure in place of the existing one. 2) Handover of power and authority from one class to another and 3) establishment of new production relations favorable to productive forces in place of existing relation.

“

The question is - how is the transformation possible? And we answer “through the development of workforce”. Therefore, this 6th National Congress is going to be concluded under this theme: “Transformation: By Building Workers’ Power”

”

“In everyday language, big uprisings are generally termed as revolutions. If a revolution is defined not only as a fixed destination but also as a journey, then the incident/ movement can be said revolution. If the invaluable political gain achieved through the end of the monarchy can be translated into socio-economic gains as well, then we can establish transitional democracy as a much more progressive system from where a peaceful transition to People’s Multi Party Democracy can be achieved. (Gyawali: 2012)

There are debates but we are close to a common conclusion. Transformation gained through ‘revolution’ can be classified into two categories of political and social ones. Political revolution will give way to transformation of our politics, for example, we overthrew old feudalistic monarchy and declared Nepal a republic. “Republic Nepal” is a political transformation through “rhododendron revolution 2006”. Social transformation means transformation of the society and we are now at the entry point. Social transformation will establish new relations among and between classes and social groups. If we accept the three phases of revolution based on our philosophy – collapse of feudal structures of society, development of capital and movement towards socialism, then we are at the doorstep of the second phase.

The question is - how is the transformation possible? And we answer “through the development of workforce”. Therefore, this 6th National Congress is going to be concluded under this theme: “Transformation: By Building Workers’ Power”



Social structures and class characters of Nepal cannot be analysed through the old methodology of Chinese or Russian revolution. In the present Nepali context, class definition and analysis cannot be based merely on Income, landownership and property.



7. Issues concerning class and social groups

Generally a leftist movement attempts to address the issues of exploitation, oppression and inequality through a class perspective. With the beginning of the 21st century, a different phenomenon has emerged. The agenda of discrimination based on gender, caste/ethnicity and geographical variations has been raised by disassociating it with the class based perspective or by equating social issues of discrimination and oppression with class discrimination. These new issues have highly influenced the political debates. The need, therefore, is to understand and analyse inter relationships and differences of class, ethnicity, gender and geographical discriminations from the labour-political lens.

The century old European experience concludes that “class analysis, estimate of work force structure and increased political awareness will lead to destination” (*Sasson : 2000*).

Social structures and class characters of Nepal cannot be analysed through the old methodology of Chinese or Russian revolution. In the present Nepali context, class definition and analysis cannot be based merely on Income, landownership and property.

“Nepal did not have a militant capitalist revolution against feudalism unlike Europe. Here, capitalism was not born by eliminating feudalism; instead capitalistic production depended on imperial capitalism fused with native feudalism. Therefore, Nepali capitalism does not have a progressive character. Even

“

Looking from economic – political perspective, our country seems to have crossed feudalistic age and entered capitalistic age but the society does not have polarized structure of “proletariat” and “bourgeois” like those in early industrial countries.

”

the working class in Nepal is not fully independent from feudal relations like those defined by Marx” (Gyawali: 2012).

Analysing the history, caste differentiation roots back to 1380. After consolidating his political power, King Jayasthiti Malla restructured Nepal by introducing a caste system. He divided people into four castes- Brahmin, Chettri, Vaishya and Sudra. He introduced the judiciary system with specified work- responsibility based on Manusmriti.

“Prithivi Narayan Shah continued this system by mixing caste and ethnic groups. He placed Khas – Thakuri – Chettri as head of army; Brahmin as advisors and Gurung, Magar and other ethnic groups from hilly region as soldiers in his army. With the expansion of Gorkha state, this system was made national identity, and this established as a rule for social conduct and relations.

“Jung Bhadur Rana, after taking over authority through ‘coup’ in 1846, limited people’s freedoms and consolidated state’s authorities. In 1910 Chandra Samsheer revised the Muluki Ain (Civil Code) of 1854. He institutionalized the caste based social hierarchy. He created hierarchy even in the Rana family itself to ensure Prime Ministership to his own palace. (Dahal: 2009)

Nepali Society is the fusion of traditional castes and ethnicities. Looking from economic – political perspective, our country seems to have crossed feudalistic age and entered capitalistic age but the society does not have polarized structure of “proletariat” and “bourgeois” like those in early industrial countries. Nepal is called a land of minorities with varying caste



GEFONT has developed the analysis of CLASS plus Three to address this complexity. The gap between haves and have-nots reflects the class discrimination.



groups, number of ethnic groups, many religious groups and several language and dialects. Changes after the 2006 movement have opened up new opportunities for these minority groups to participate in the restructuring of the Nepali state. Nepal needs a different model of state building and socio – economic development. The feudal and capitalist classes have intermingled and thus created class based exploitation and discrimination based on gender, caste and ethnicity clearly demarcating the two aspects of existing social conflict in our society.

GEFONT has developed the analysis of CLASS plus Three to address this complexity. The gap between haves and have-nots reflects the class discrimination. Traditionally we call it economic exploitation. Class discrimination will end up only through dependence on classes and their struggle. Discrimination based on gender, caste /ethnicity and geographical location are issues of identity. Issues related to identity are expressed as cases of social oppression.

“Caste and ethnicity also have two aspects – ethnic and dalits. State in Nepali context is both class relative and caste relative. At least Nepali State has oppressed dalits. When a particular caste group, ethnic group, lingual group, group of geographical origin is subject to oppression, then the people with such identities do not care about class and economic inequality, but identity becomes their agenda (*Gurung: 2013*)

So, these agendas of social oppression based on gender, caste/ ethnicity and geographical origin should be addressed along with class based marginalisation. Social oppression and marginalisation should be

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Our society is yet to build capacity to break the vicious circle of rural and land based characters. The few modern services and industrial enterprises in urban area are not the foundation of capitalism.

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addressed but not in parallel with - or placing them above - the agenda of class.

Therefore, the agenda of class and building workers' power is the major aspect of social transformation.

8. Nepali Society on the path of overall transformation

The conclusion from the 5th National Congress on our society, class analysis and transformation still remains relevant. The past five years have proved our conclusions correct. We analysed Nepali society as a “transitional and post peasant society”. Transition exists in all political, economic and social dimensions of our society. Feudalism is in fast depreciation and the new face of post peasant society is appearing. Feudalism has lost its political base. But since Nepali society is still not transformed on socio-economic terms, it is only moving towards capitalism. Our society is yet to build capacity to break the vicious circle of rural and land based characters. The few modern services and industrial enterprises in urban area are not the foundation of capitalism. Even with rapid urbanisation, majority of people, almost 83%, resides in rural area. As such, even though feudalistic production relations has weakened, majority of rural areas is not touched by the development of capitalist production relations. This fact has been exposed by the agricultural sample census (Table 3)



In current transitional society whatever development is explained as capitalism is just the outcome of changing consumption pattern based on the remittance sent by these workers to their agro based families.



Table 3, Agro-based families: class demarcation (based on land ownership)

Ownership status	No. of farm families	Percentage
Landless and holders below 0.2 hecter	9,33,044	24%
0.2 hecter – 1 hecter (Poor)	21,53, 525	55%
1 hecter – 5 hecter (medium)	7,32,726	18%
5 hecter and above (rich)	11, 828	3%
Total	38,85, 093	100%

According to the survey, the middle class families based on land ownership is limited to 18% and the class of rich/landlords is 3%, but landless and poor class families cover 79%. Among them, 60% or almost 2.3 million families cannot fend for themselves through income from agriculture. They have to look for alternative sources of income outside agriculture. Land redistribution alone cannot solve this critical problem.

The youth population is frustrated from farming resulting into the reduction of human resource in agriculture sector. Not getting opportunities of non agricultural employment, the youths are forced to migrate abroad for foreign employment to take up whatever job is available. In current transitional society whatever development is explained as capitalism is just the outcome of changing consumption pattern based on the remittance sent by these workers to their agro based families.



Even after abolishing the system of bonded labor there are instances of slavery-type land relation. Lack of modernisation and commercialisation of agriculture has also contributed to the continuation of feudal land relations.



Table 4: Out migration and Remittances

Families with someone migrated from the village	43.8%
Families with someone abroad	29.1%
Domestic migrant sending average annual amount of NRs. 28,900 to the family	17%
Migrants sending average annual amount of NRs.80,000 from abroad to Family	
From Qatar	21.3%
From Malaysia	19.2%
From Saudi Arabia	14.9%
From India	13.4%
From other countries	29%

9. Industrial relation: Changing and to be changed

Class transition and transformation of agro based families has gained momentum. This transition has affected the industrial relation as well. Even after abolishing the system of bonded labor there are instances of slavery-type land relation. Lack of modernisation and commercialisation of agriculture has also contributed to the continuation of feudal land relations. Even though influence of capitalism is increasing in consumerism, agriculture production relation is still traditional and hence collective bargaining is not effective even in commercial farms.

Rapid expansion of activities has not strengthened production relation in the knowledge based modern service sector. Union presence and collective bargaining process is comparatively better in public service and banks of the public sector. But it has not been institutionalized according to trade union standards. Instances of collective bargaining



Despite high salaries/wages compared to former sectors, there exists alarmingly huge salary gap between workers and top officials.



are insignificant in private service and private sector banks. The income gap proves the trend of exploitative labour practices within them. Some 50% to 70% of total income goes for salary bills of a CEO and a few top officials. Looking at the salary structure of CEOs in 27 Commercial banks, 1 has salary less than 50 thousand, 17 have 100 thousand to 500 thousand, 5 banks have 500 thousand to 1 million and 4 banks have more than 1 million (ekantipur.com). But junior officers and other employees have much less salaries comparatively.

Table 5: Salary increment in various employment sector

Classification	Salary increment of current year (in %)
White colour job	26.4
Officer level	22.1
Assistant level	28.7
Banking Sector	47.7
Manager level	32.4
Others	50.6
Army and police	
Officer level	21.9
others	35.0
Public enterprise (37)	27.6
Civil service	18.0 (+ Rs. 1000 allowance)
Manual work	
Industrial Worker	12.3
Unskilled	14.7
Highly skilled	8.7
Agricultural workers	7.3
Construction workers	5.1



Feudalism-based business class of Nepal demands the efficient delivery of quality service/production from the suppressed workers struggling to earn a meal



The manufacturing census 2006-07 shows that a total of 169,840 workers earn Rs. 8,03,56,72,000 including benefits in 3445 manufacturing establishments. During the survey, the minimum wage was Rs. 4600. It clearly signifies that the average monthly earning of a worker was around Rs. 3,942 including benefits which was lesser than minimum wages. On the one hand this shows the miserable condition of workers and on the other it exposes the high imbalance in Production relation.

The trend clearly shows all the three sectors – agriculture, manufacturing and service - are under exploitative production relations. In agriculture and construction sectors this is very obvious and more visible, whereas it is less visible in manufacturing and in service sectors. Despite high salaries/wages compared to former sectors, there exists alarmingly huge salary gap between workers and top officials.

The business class born out of feudal class has still not adapted to capitalistic norms. Therefore, this class has not accepted the fact that the wage is an incentive to increase demand and supply of the product or services. Similarly, it has not realized that providing social security to workers will ultimately enhance the productivity of workers. Feudalism-based business class of Nepal demands the efficient delivery of quality service/production from the suppressed workers struggling to earn a meal" (GEFONT: 2070).

Through a positive approach based on entire political economy, production relations and labour relations should be analyzed with commitment to change. Hence there is urgent need of political will and



Working hours, shifts of work, wage rate, fringe benefits and various other work-related basics are determined by tussles, interaction and negotiation between employers and workers.



strategy for the development of productive forces and workers power in order to transform labour relations.

10. Development of Productive Force and Workers' Power

The concept of production relations is central to Marxist Economic Analysis. The coordinated form of physical factors of production and human resource is productive force. Physical factors of production also include natural resources. Human resource or workers' power means worker's skill and capacity which is negotiable/ exchangeable on wage for specified work and specified time. If a worker's work power is devoted to one employer forever then it is not selling and buying, it is slavery with a relation between slave and master. Therefore, buying and selling of worker's power is based on bargaining and agreement. Working hours, shifts of work, wage rate, fringe benefits and various other work-related basics are determined by tussles, interaction and negotiation between employers and workers.

Human resource includes human knowledge too. At this advanced stage of science and technology human knowledge has developed as a separate input of production. Along with human workforce the physical inputs of production like natural resources, human knowledge etc make up to be a productive force. The physical factors of production are ineffective without human workforce. Economy will be powerful and dynamic through the development of productive force and process of socio-economic development will pass through different stages.

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If state is pro-worker or at least neutral between labour and capital, the degree of exploitation will slope downward. If state is pro-capitalist, the degree of exploitation will also go upward in the same ratio.

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Human workforce creates surplus value. The business class always strives for minimisation of labor cost and maximisation of profit. For the purpose, their universal agenda is to maximize the surplus value.

Experience of human civilisation so far shows labor exploitation in political economy everywhere and in every era. The degree of this inhuman exploitation varies. State plays highly significant role to check the exploitation. If state is pro-worker or at least neutral between labour and capital, the degree of exploitation will slope downward. If state is pro-capitalist, the degree of exploitation will also go upward in the same ratio.

11. Workers' power and our contemporary phenomenon

Let us analyze our time. By the end of the 20th century, defensive socialism and offensive capitalism became a reality. We have witnessed ups and downs in economic philosophy - from Adam Smith to Karl Marx to J. M. Keynes.

Adam Smith propounded the theory of the “Invisible hand of the market” epitomizing the influence of market in economy. With belief on his principles, several others deduce that “market decides everything.”

Karl Mark proposed a different approach – regardless of types of policies decent work cannot be undermined. He propounded the theory of “alienation of workers in economy” in order to severe exploitation of labour.



J. M. Keynes came with the approach that “in the long run we all are dead”. In his theories he advocated for active state intervention against the failures and inefficiencies of free market.



J. M. Keynes came with the approach that “in the long run we all are dead”. In his theories he advocated for active state intervention against the failures and inefficiencies of free market.

Table 6: Comparing Open market economy and coordinated market economy

Open	Coordinated
Freedom in hiring and firing	Protection against dismissal
Company constantly changes workers and workers constantly change company	Workers more stable and permanent in company
Low degree of unemployment insurance and facilities	Sufficient unemployment insurance and facilities
Weak trade unionism	Strong trade unionism
More confrontation in labor relation	More cooperation in labour relation
Decentralized CBA system for wage determination(at local or company level)	More centralized CBA system for wage determination
Huge gap in income distribution	More balanced income distribution

Source: Prof. Alfred Klenecht - www.eci.tbm.tudelft.nl

The ups and downs of capitalism have crossed a number of milestone after the eras of Smith-Marx-Keynes and character of capitalism has changed a lot now with dominant financial capital. In the second half of the 20th century, particularly after World War II, capitalism gradually changed itself into two types of market economy - “Centrally Coordinated Market Economy” – CME and “Liberal Market Economy” – LME. Most of the West European countries and Japan practice CME, as being witnessed, USA, U.K., Canada, Australia, New Zealand along with other countries practice LME.

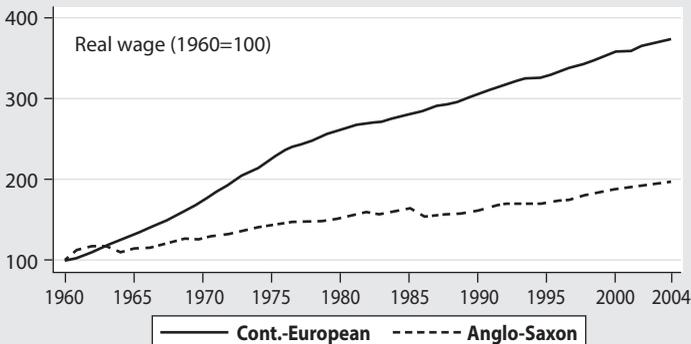


Thus to create optimum combination among wages, productivity and the supply of labour force, more efficiency is in CMEs in comparison to LMEs.



The 2-Dimensional diagram 1 and 2 show the trend of GDP growth and growth of real wages covering a period of 45 years from 1960 to 2004. The same GDP growth with more real wage to the workers has been observed in CME countries compared to the LME countries. Providing higher real wages and ensuring more productivity has been a more fruitful strategy in CME countries. It is clear that even if with less real wage and more disparity of income, GDP growth is not higher in LME countries compared to CME countries. Thus to create optimum combination among wages, productivity and the supply of labour force, more efficiency is in CMEs in comparison to LMEs.

**Figure 1: Development of real wages:
Anglo-Saxon versus Continental-European countries (1960-2004)**



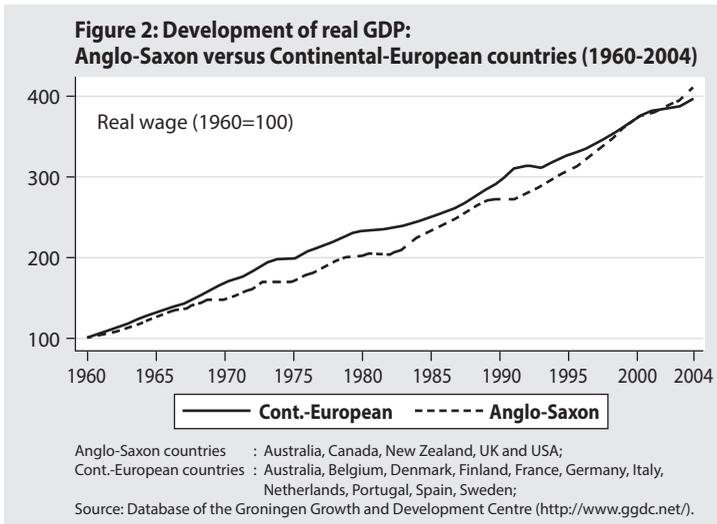
Anglo-Saxon countries : Australia, Canada, New Zealand, UK and USA;

Cont.-European countries : Australia, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Portugal, Spain, Sweden;

Source: Database of the Groningen Growth and Development Centre (<http://www.ggdc.net/>).



Capitalism has played both positive and negative roles in the development of workers power. Three decades of post World War II have been considered as the golden period for organizing the workforce.



In spite of the first preference of workers in socialist economy, in the present situation, considering the basic differences between LMEs and CMEs in labour market and labour relation, workers naturally prefer coordinated market economy.

Capitalism has played both positive and negative roles in the development of workers power. Three decades of post World War II have been considered as the golden period for organizing the workforce. The centralized collective bargaining system followed by countries practicing CME has built “harmonious” industrial relations. On the other hand, LME practicing countries hindered the organizing of workforce through deregulation of the labour market (K.C.: 2011)



By the end of the 20th century, capitalism reached the stage where it could not be seen but its adverse effects could be felt.



Table 8: Development of Capitalism and Workers

	Adam Smith	Karl Marx	J. M. Keynes
When	Mid 18 th century	Mid 19 th century	First half of 20 th Century
Situation	Flourishing trade and autocracy	Fast industrialisation and poverty of working class	Great depression and rising dictatorship
Main objective	Laissez faire/ no government intervention	Free from exploitation and improve workers' living standard	Stability of economy and labor market for democracy

By the end of the 20th century, capitalism reached the stage where it could not be seen but its adverse effects could be felt. For the immediate profits, it discarded human values. Some of its adverse effects are – increase in poverty, decrease in wage share in national income, increase of precariousness and informality, declining social security, tax evasion, unstable financial market with high degree of speculation.

Table 9: Changing Capitalism: Modified methods of exploitation and governance

Then	Now
Real and visible Capitalism	Virtual Capitalism
Proletariat – bondage-wage labor – formal sector and organized labor	Scattered Precariats – uncertain employment – informal labor
Divided and Exploited Child labour /adult labour	Changes in division and exploitation In developed world, migrant workers in place of child labor; in less developed world still child labor in use
Discrimination <ul style="list-style-type: none"> • Women workers underpaid and not counted but overloaded plus care work • Huge gap between native and migrants • Weak right-based movement 	Changed discrimination <ul style="list-style-type: none"> • Continued fight for recognition of women's work, still some works not counted in economy, new use as surrogate mothers • Effective movement for right and equality



Financial capitalism is rapidly expanding instead of Industrial capitalism. Capitalism is reshaping itself through this expansion.



The 20th century capitalism has become different in the 21st century, which, according to Economists, is “financial capitalism”.

Financial capitalism is characterized by buying and selling of and investment in financial instruments like credit money and bonds, securities, treasury bills and shares for immediate profit. Marxist analysts criticize this interest-based system of being exploitative and anti-worker and promoting the commission-based class. In financial capitalism agents and brokers have a wide role ranging from money market to capital market, from product market to factor market and from banks to finance companies. Therefore, its role is not limited to transactions and turnovers and influences entire economy policies and political process.

During First World War, the term “financial capitalism” was used by Rudolf Helfferding after a deep study of German trusts, banks and monopoly relations, which Lenin described during those days in his analysis as the nerve centre of national economy in capitalistic system. Later COMINTERN (Communist International) frequently used the terminology “Dictatorship of Financial Capitalism”. Likewise, based on Marxist theory, it is claimed that financial capitalism is a process, resulted from dialectical outgrowth, to uproot industrial capitalism which has ended the history of capitalism. (*Wikipedia: 2014*)

Financial capitalism is rapidly expanding instead of Industrial capitalism. Capitalism is reshaping itself through this expansion. Especially with the unprecedented advancement of communication technology,



Financial capitalism has created social inequality as the dangerous adverse effect. Among 24 OECD countries, 17 have income inequality widened more in last three decades.



financialisation of capital is unhindered exceeding the limitations and volume of industrial capitalism.

Table 11: Share in National Income			
Year	Lowest class 40%	Middle Class 50%	Highest Class (10%)
1978	12.8	28.2	59.2
1998	15.3	49.7	34.9
2005	14.2	48.1	37.7
2012	11.9	48.5	39.5

Source: Nepal Rastra Bank and Central Bureau of Statistics

Public enterprises of OECD countries, too, are facing adverse effect of this rapid expansion of financial capitalism. The total capital of OECD PEs in current value is approximately USD 300 billion. The total physical assets are estimated to be equivalent to USD 3500 billion, of which 900 billion is immediately saleable in the market (the Economist, January 11, 2014). With the expansion of financial capitalism there is pressure on these PEs to sell their assets and property. Thus possibility of privatisation seems to enter in a new phase.

Financial capitalism has created social inequality as the dangerous adverse effect. Among 24 OECD countries, 17 have income inequality widened more in last three decades. In prosperous US economy also, it is witnessed that share of top 1 percent population in national income reached 16% during 1970-2000 from the share of 8 percent (*ITUC: 2012*). But the share of the top 1 percent population in tax contribution has declined. Moreover, ILO report of 2012 shows decrease in the number of people benefiting from collective agreement (*ILO: 2012*).



In recent years, financial capitalism is expanding very fast and it can be seen as having negative effect of financial capitalism in Nepal.



In the Nepali context also, several studies by Central Bank and Central Bureau of Statistics from 2034 to 2054 show that share of middle class (50% population) is ever increasing, whereas the share of highest income class (10% population) is declining. At the same time poorest class consisting of 40% of population gained slight increases during the period. This is a good sign to eradicate poverty and gain equality.

Table 12: Process of Change and Workers' control in worksite

Subject	Domestic Process	Factory Process			
Method	Hand tool	small			
Location	home	Factory			
Ownership and nature of medium	workers' own small hand tools	fuel based big machines owned by capitalists			
Production capacity	small scale production for local market per order	made in large scale on demand and marketed all over the world			
Work nature	single worker making the whole product	make a particular part of the whole product; Assembly line started in the beginning of 20 th century further restricted the workers			
Working hours	maximum number of hours as demanded	work for fixed working hours			
Dependency of workers on employers	Multiple source of livelihood like other employers, own farm/ agriculture and other works	Completely depended on employer for income – agriculture/farming became impractical with the rise of urbanisation			
Worksite and workers' control (in %)	Around 1701 Nearly 90%	After 1735 Nearly 70%	Period of large scale production Nearly 60%	1908-70 Nearly 40%	After 1980 Confusing

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Now with the advancement of science and technology the service sector and usage of working skill has rapidly expanded where the knowledge itself has become a factor of production.

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However after 1998, the share of the high income class started to increase. Similarly the share of the middle class slightly declined or it may be taken as more or less stable, whereas the share of the lowest income class, mainly the working masses, has fallen down significantly (at 11.9) even lower than the level of 1978 (12.8). In recent years, financial capitalism is expanding very fast and it can be seen as having negative effect of financial capitalism in Nepal.

In the first 20 years financial capitalism did not have role and effect, but in the last 14 years its role and influence has increased. There have been some positive effects like – monetisation of rural areas, overall increase in wages including agricultural wages, increased income of rural population through non agriculture sources, expansion of the welfare system and government expenditures. Presence of trade unions and civil societies has significantly safeguarded the rights and welfare. In spite of all these positive changes, still 40% of the population at the grass roots do not have shares in national income. This further proves the role of financial capitalism in promoting the monster of inequality.

In a historical perspective, we see that manual labor was replaced by machine with the development of capitalism. The use of machine too got specialized and changed into the process of assembly line. Now with the advancement of science and technology the service sector and usage of working skill has rapidly expanded where the knowledge itself has become a factor of production. With this rapid expansion of service sector, financial system has expanded to cover a very large regime of capital intensive business. In our country, financial capitalism has started



Due to slackness in industrial capitalism and fast moving financial capitalism, heavy increase in imports and chronic trade deficits have been witnessed as the outcome.



to work as an alternate to industrial capitalism which could not develop fully. Financial capitalism promotes limited number of high skilled/ technical human resources and it cannot play much role in developing workers' power with coverage of entire working people. Being a capital intensive service/ business, it can create limited employment with huge investment.

Table 13: Changes brought by Industrial Revolution in the world of work

Industrial Phase	Period	Change
First	End of 18 th century	Machine replaced muscle power
Second	Beginning of 20 th century	After Henry Ford began the use of assembly line the production changed into mass production
Third	End of 20 th and beginning of 21 st century	Increasing digitalisation of manufacturing industry and beginning of the era of knowledge power

The National Labour Force survey of 2008-09 also clearly shows that the public service financial sector has employed 18,000 and non-finance sector has employed 55,000. On the other hand, registered private sector finance companies have provided employment to 24,000 and registered companies in the non finance sector has employed 450,000. Naturally, financial capitalism helps in the expansion of service in other sectors and promotes consumerism. Due to slackness in industrial capitalism and fast moving financial capitalism, heavy increase in imports and chronic trade deficits have been witnessed as the outcome. This does not help to strengthen the development of productive power and workers' power. But we cannot escape all this process of global reality. So, it is inevitable



Share of wage is declining in national income. In the last 10 years real wage in South Asia has increased by less than 2% annually, but in this duration total GDP has increased significantly



to develop a strategy to push up industrial capitalism in parallel with financial capitalism.

In short, the negative effects faced by workers' since the end of 20th century are as follows:

- Share of wage is declining in national income. In the last 10 years real wage in South Asia has increased by less than 2% annually, but in this duration total GDP has increased significantly (ILO, Global Report: 2012). In Asia, real GDP has increased by 6% and workers' productivity by 5% annually. But in 70% of the countries, share of wages in total GDP has declined. Monetary wages are increasing but currency devaluation and continued inflation have caused the real wages to decline. Thus the returns from the higher rate of growth of GDP have gone into the briefcases of the business class as profit. Capital-tilted character of state has further deepened inequality. As a result, share of farmers along with self employed workers dependent on land and natural resources has also declined.
- The process of formalisation launched by industrial revolution from Europe is now reversed as work is turning further precarious, difficult and unsafe with speedy informalisation. Thus a new class of precariats is emerging very fast (Standing: 2009)
- In developed world, 26 million populations in the age group 15-24 are unemployed. World- wide 75 million youth of this



Globally every year approximately 45 millions of youth population enter labor market in search of employment.



age group are unemployed as exposed by ILO report. Director of ILO can be quoted here from the ILO report – “In 2012 we lost 40 million jobs and additional 40 million people became unemployed”. The estimate of the Report 2012 was that further 50 million people might lose job in 2013 with the continuation of the trend.

- In the contemporary world, altogether 210 million working age population is unemployed. One third of this number is youth below 35 years. There is no exact figure of underemployed because a large number of people working in the informal sector are underemployed or disguisedly unemployed.
- Globally every year approximately 45 millions of youth population enter labor market in search of employment. The severe problem of employment is reflected in the theme of the national congress of LO-Sweden. In 2008, the theme of the Congress was “World’s best job” with full optimism even though there was spreading economic crisis. Comparatively within the 4 year situation became worse and in 2012, the theme of the National Congress changed into “I need a Job” with increased degree of pessimism.
- World Bank survey shows 260 million youth economically inactive. Total youth unemployment is almost equal to the total population of USA- nearly 310 billion (*The Economist*, 2013, April 27). Increasing number of youth migrant workers and extreme exploitation at work are result of such high scale of unemployment.

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Of the 5 million workers working outside the country, excluding poor class Nepali workers in Indian labor market, all others are working in third countries in Asia, Europe and America.

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- Increasing attack on public policies of the state and declining social security expenditure in developed world too has intensified the problem. There is rise in the trend of tax evasion and corruption has high negative impact state treasury.

12. Nepali Workforce

A large number of Nepali workforce is considered self employed and less than one third of population is wage employed within the country. The number of wage employed workers working outside the country is more than the wage employed within the country. Large numbers of wage workers outside are the self employed and unpaid family workers who are counted as self employed in the country. The National Labour Force Survey 2008-09 shows that 9.786 million workers are self employed; but significant number of this has migrated abroad. Of the 5 million workers working outside the country, excluding poor class Nepali workers in Indian labor market, all others are working in third countries in Asia, Europe and America. Thus the real number in self employment within the country is much less than what the census reveals.

Therefore, we need triangular strategy for improving and developing workers' power.

- First – Wage employed labour force within the country
- Second – Self employed labour force within the country
- Third – Labour force working outside the country

“

In Nepal still there are those employers and ruling elites who think that business investment and prosperity of the country is possible only in a situation of weak trade union organisations.

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In the self employed part of the workforce, significant portion is covered by peasant movement, women movement and cooperative movement compared to trade union movement. But in wage based employment there is no alternate to Trade Union movement and organizing. In all forms of political system, Trade unionism has been accepted as the mainstream of social movement

Table 14: Employment Data of Nepal

Self Employed	9,786,000
With regular employers	115,000
Without regular employers	4,265,000
Family members working for the family without pay	5,387,000
Others	19,000
Employment ratio	
Agriculture employment	73.9%
Non- agriculture	26.1%
Employment as ratio of population	81.7%
Salaried workers' %	16.9%

Source: Nepal workers' power survey 2064/65 and Industrial survey 2063

However anti union mentality poses some hindrances. In the conflict between labour and capital, employers' organisation and trade unions are the social partners to be considered on equal status in the society. But in Nepal still there are those employers and ruling elites who think that business investment and prosperity of the country is possible only in a situation of weak trade union organisations. This wrong assumption of backward character has victimized Nepali workers and workers' power.



For this we have to develop and ensure the continuity of a cycle of “higher wages- higher productivity- higher economic growth – and equal distribution system”.



To improve the productivity and ensure qualitative change, the workforce should be organized, disciplined and skilled with high degree of awareness. For this we have to develop and ensure the continuity of a cycle of “higher wages- higher productivity- higher economic growth – and equal distribution system”.

“Now we are in the phase to promote the system where we should not kill capitalism and benefit working classes. For this, a process of consumption, investment and redistribution should be smooth in functioning. Distributive system must be in favour of working class where Workers gain in two ways from the process – wages in return of work power from employers and welfare and protection in return of vote from the state. ... this will provide working class the ownership in the governance and worker becomes transformed into citizen.” (Mishra: 2013)

Along with production, reinvestment and redistribution, the organized movement for rights and benefit is the appropriate methodology of our “class struggle”.

A basis of building workers’ power is organizing. To organize and strengthen Nepali workers’ power, three areas of concentration should be emphasized:

- Quantitatively – Agriculture, construction and urban informal sector
- Qualitatively- Modern service sector
- Block wise- Manufacturing sector



Agriculture, construction, manufacturing and service sectors are the focal points for 'Building Workers' Power'.



Agriculture, construction, manufacturing and service sectors are the focal points for 'Building Workers' Power'. There are several sub classes based on income level within these broad Class-groups. For practical purpose, these sub classes should be taken in totality. In all these categories, there are “White Collar” and “Blue Collar” workers. These four groups can lead the process of transformation of society, work and labour market.

13. Organized Workers' Power as Medium of Transformation

Total work force of the world is currently 2.9 billion. Of which 1.7 billion is in the formal sector. Altogether 535 national centers of trade unions are active in 153 countries, where 254 million workers are organized. Of the 325 active unions with membership of 176 million from the 518 unions of 161 countries are ITUC affiliates. Comparatively 210 trade unions of 105 countries with membership of 78 million are affiliated to WFTU. Trade Unions under ITUC standard have organized 8% of the workers. China's trade union – ACFTU which is not affiliated to any international centers claims its membership to be 239 million (*ACFTU : 2010*)

With very few exceptions, all developed nations have a declining trend union membership. (Sharan K.C: 2013). The table below shows this trend.

Slackness in industrial capitalism and rapid expansion of financial capitalism has made significant impact on trade union membership. In 1980 privatisation was introduced to weaken union strength. Later in Eastern Europe it was introduced to end the state control over country's economy.



In spite of violent conflict, political instability, unstable government, acute poverty and weak rule of law, in Nepal's union organizing and expansion has not been affected.



The privatisation, despite its motive, has attacked trade unionism. Therefore, trade union strength and workers power is declining in developed world.

Country/year	1961- 1970	1971-1980	1981-1990	1991-2000	2001-2010
Sweden	66.4	73.4	81.5	85.9	73.9
Finland	40.0	64.5	70.2	77.2	71.5
Denmark	61.3	69.1	76.8	76.6	70.6
Norway	51.5	52.1	55.5	54.8	54.5
Belgium	40.6	50.8	50.6	53.1	51.9
Italy	28.0	46.9	43.0	38.7	34.0
Austria	58.3	52.7	50.4	40.6	32.0
UK	40.9	47.6	40.8	32.5	28.2
Canada	27.0	31.8	32.8	31.8	27.8
Germany	32.9	34.1	33.9	29.1	21.1
Netherlands	39.1	36.6	27.7	24.5	19.9
Japan	34.1	32.5	27.5	23.3	19.0
Switzerland	33.5	31.1	27.9	23.2	18.8
Australia	45.6	46.2	44.3	32.4	18.5
USA	26.9	22.9	18.2	14.8	12.0
France	20.1	21.0	13.8	10.5	7.8
Average	40.4	44.6	43.4	40.6	35.1

Source; Hagen Lesch, 2004; OECD, Trade Union Density, Data Extract 2012

Despite the trend in North America and Europe, in developing countries, the trend is surprisingly reverse. In spite of violent conflict, political



Nepal faces challenges to ensure membership stability. This is due to the existence of a large informal sector.



instability, unstable government, acute poverty and weak rule of law, in Nepal's union organizing and expansion has not been affected. The table below gives summary of trade union membership in South Asian countries'.

Table 16: Union membership in South Asia				
Country	Workers' power (in millions)	Union membership (in millions)	Organized %	Recognized union centers
India	487.60	24.61	5.00	12
Pakistan	58.41	1.23	2.2	12
Bangladesh	75.42	4.19	5.56	32
Nepal	11.78	2.00	16.98	11
Sri Lanka	8.37	1.13	13.50	19

Source: Dr. Sharan K.C., Reflection on Trade Union Development in Nepal: 2012

In comparison, expansion and situation of trade union strength in Nepal is better than others. But Nepal faces challenges to ensure membership stability. This is due to the existence of a large informal sector. Therefore, Trade union movement of Nepal has to accept that organizing is the first and continued necessity of union movement for 'Building Workers' Power'.

14. “Three Guarantees, Five Prerequisites and Five Major Works” for Development of Workers’ Power

To face this challenge and build workers' power, trade union movement should be based on “Three Guarantees” – Return (decent wage), Sustainability (regular employment), Protection (social security) and following five Prerequisites:



Trade union movement of Nepal has to accept that organizing is the first and continued necessity of union movement for 'Building Workers' Power.'



- Freedom: for union rights and democratic practice at workplaces
- Wage: based on minimum wage, demand for fair wage and aim for decent wage
- Protection: implement all social security programs mentioned in ILO 102 based on agreement among tripartite social partners.
- Dialogue: make labor relation workplace-friendly through collective bargaining
- Productivity and efficiency: fulfilling our responsibility to ensure “high wages – high productivity”

To confirm these five prerequisites into a sustainable system, five major works have to be continued:

- **Get involved:** Build connections everywhere with workers wherever they work
- **Organize:** Organize workers at every workplace to increase the membership
- **Educate/train:** Increase awareness and technical skill of workers through trade union education and technical trainings
- **Mobilize:** Mobilize workers' power, agitate if required for promoting agenda, issues and activities of the union. Utilize mass media to maximum possible extent
- **Intervention:** Trade union movement should intervene in ensuring representation of workers in state mechanism and reforming public policies.

Part 3:

Achievements and Challenges of Nepali Trade Union Movement

15. Trade Unions after the election of Constituent Assembly

After the Constituent Assembly (CA) elections, a sense of collaboration started to permeate the union movement. GEFONT and NTUC adopted a policy of bringing ANTUF into the mainstream of the union movement. ANTUF also accepted to collaborate with GEFONT and NTUC, containing its aggressive rhetoric and violent attack on competing unionists. The difficult journey of collaboration that started on 2 December 2006 arrived at an important point on 26 October 2008, when ANTUF agreed to be part of the JTUCC, which then became a common forum of over 90 percent of the organised workforce in Nepal.

However, the division and discord among political parties continued to affect the union movement one way or another. Following the fusion of the Unity Centre into the Maoist party, ANTUC fused into ANTUF. But the infighting that soon began within the Maoist party badly affected the ANTUF. Those affiliated to the erstwhile ANTUF and now supporting the CPN-Maoist¹ following the split, forced the party leadership to dissolve ANTUF and constitute a Congress Organising Committee.

Conflict and competition aside, the trade union movement of the last six years has effectively succeeded in firming up its issues and demands. In terms of organisation, trade unions expanded unionism in the non-traditional sector. GEFONT expanded its influence among some 52 thousand health volunteers (mostly women) operating at VDC levels, employees of private hospitals and nursing homes, beauticians, home-

1 CPN-Maoist was formed in June 2012 following the split in the UCPN (Maoist).

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This period also saw the mobilisation of media to 'glorify labour' and enhance the social image of unions. GEFONT's weekly radio and television programme - "Labour and Creation" - is an example of its kind.

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based and domestic workers. ANTUF remained influential among security guards and outsourced workers.

In this period, unionism also got a formal recognition in the civil service, and unions reached among teachers and non-teaching employees in private and boarding schools, private banking and financial institutions, airline service, mass communication and publication houses. While the membership of unions was on the decline in the world, it continued to increase in Nepal.

This period also saw the mobilisation of media to 'glorify labour' and enhance the social image of unions. GEFONT's weekly radio and television programme - "Labour and Creation" - is an example of its kind. Another example is the increased coverage of labour related materials by broadsheets, newspapers and radio and television.

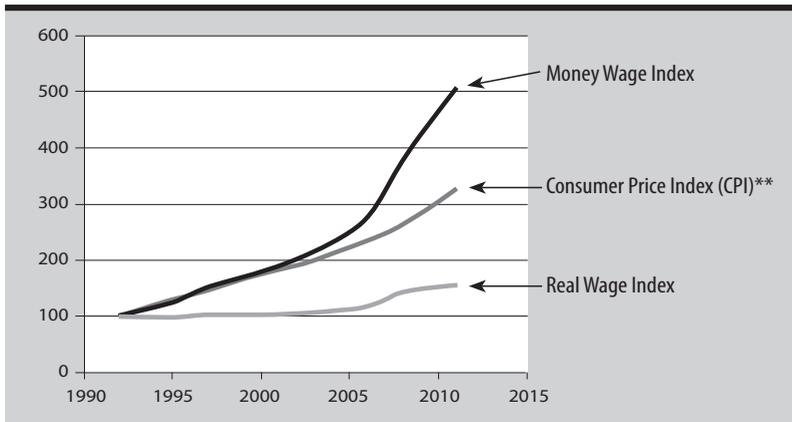
In terms of pay hikes, the period saw the review of minimum wages two times. Despite inter-union competition, all unions stood united to ensure that real wages do not fall below a certain base line. The demand of 10 percent service tax, which hotel workers had been raising for the last 25 years, materialised in this period. (See line diagram below)

The issue of social security system, on discussion right from the start of the parliamentary system, found a logical end during the period. To address the pending 'what' and 'how' of the system, a contribution-based Social Security Fund has established, and a theoretical agreement

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Labour flexibility was tied compulsorily to the question of the social security system, and the laws contrary to reformed labour laws – such as Kamaiya/child labour, transportation-bonus and foreign employment, to name a few – were nullified.

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reached to operate various schemes under the Fund with 11 per cent contribution from the workers and 20 per cent from the employers. The system began with 1 per cent tax levied on the payment of all salaried workers.

Also a policy agreement was reached to make labour relations more practical. A tri-partite process was initiated to reform, or enact as necessary, labour laws, by-laws and procedures. Efforts were made to reform Labour Act 1992 to ensure the inclusion of permanent, temporary, contract-based, seasonal, piece-rate and outsourced works in its scope. Labour flexibility was tied compulsorily to the question of the social security system, and the laws contrary to reformed labour laws – such as Kamaiya/child labour, transportation-bonus and foreign employment, to name a few – were nullified.

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To regulate the mushrooming ‘paper’ unions in the fertile environment created by democracy, a “compulsory provision of 25 percent members of the workers in the enterprise” was introduced.

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In another important policy decision of this period, the demands of workers were classified as ‘rights-based’ and ‘interest-based’. The former would be addressed through a strong labour inspection system, and the latter through collective bargaining. In the four-year tenure of the CA, a joint concept was developed to enlist the demands of workers under four categories of ‘rights’, ‘commission’, ‘representation’ and ‘protection’. The Labour and Employment Rights discussed in the conceptual draft prepared by the Thematic Committees of the dissolved CA were an outcome of this process. These are significant achievements although it could not be materialised to reform labour laws, establish a labour commission, develop and implement schemes under the Social Security Fund, and ensure 10 percent representation of workers in all organs of the state.

16. Revisiting Trade Union Act 1992

GEFONT initiated a debate as to whether the union formation process prescribed in the existing trade union act is appropriate. The Fifth National Congress of GEFONT held in April 2009 made following assessment with regards to the issue:

The trade union act provided a framework for trade union formation and operation. It adopted a bottom-up procedure of union formation as practised in some of the democratic countries in the world. It adopted the policy of negating external engagement in collective bargaining at the local level and entrusted lower committees all necessary powers. To regulate the mushrooming ‘paper’ unions in the fertile environment created by democracy, a “compulsory provision of 25 percent members of the workers



As a few office bearers had to be engaged in union activities in all enterprises, the relation between union leaders and members became less 'comradely' and more of a 'master and worker.'



in the enterprise” was introduced. There was no ill intention in these policies and provisions. But their effects came in various colours and reflections.

The rule of the game, on a bottom-up scale, was that 25 percent members would constitute an enterprise-level union, 50 such unions would form one federation, and 10 federations would form one confederation. The policy aimed to regulate labour relations by enabling the workers to table demands before their managements and engage in collective bargaining with their representatives.

Such unionism was neither industry-based nor unitary. To federalise in general is to give more power to local units compared to the centre. In legal terms, this created a situation in which those trying to learn about the movement had to take up all responsibilities and the experienced and informed were pushed away from executive roles.

Enterprise union activists had to spend most of their time doing paperwork for the Labour Office. They could not give time to train and educate union activists. Some good leaders became a target of the management, while bad leaders in some enterprises reduced the structure to a 'yellow union'. As a few office bearers had to be engaged in union activities in all enterprises, the relation between union leaders and members became less 'comradely' and more of a 'master and worker.'

As such, GEFONT started to advocate for the replacement of the trade union act with a new one or for its overhaul among its collaborators. In the package of reform of contemporary labour legislations were also issues related to the trade union act.

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“All rights to lower units” is pleasant hearing. But in practice, it only contributed to the hated wish of “divide and rule” of the opposing class.

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Then, what is the alternative? This question is under discussion among trade unions. All agree that there should be a common voice. But the existing confederations, federations and local unions are still in confusion as to the scope of their authority. There is no difference that there should be a single platform. But the discussion is not settled as to how much power the umbrella organisation should yield. There is agreement that labour agenda should be common. But confusion prevails as to whether collective bargaining at an enterprise level requires a ‘collective bargaining team’ or no.

17. Proposition for Future Destination of Nepali Trade Union Movement

Nepal’s trade union movement is faced with two challenges. The first is to initiate an industry-based union movement in place of the existing enterprise-based one. The second is to create an integrated voice of the working class unifying the many scattered unions.

The role of the union movement is not just to ensure a pay hike of the workers in one or the other enterprise. The role is to uplift the entire working class, transform the political economy that derogates the working class and create a condition in which the working class stands on par with the middle and high class. It is not possible without class unity, hence the slogan “the workers of the world unite.”

But our experience suggests that enterprise-level unionism does not contribute to the unity of the working class. “All rights to lower units” is pleasant hearing. But in practice, it only contributed to the hated wish of



How should the trade union movement go about in the future? What approach should it adopt? As one looks at the future of the trade union movement, one has to confront these basic questions.



“divide and rule” of the opposing class. The compulsion of the workers to deal with the conflicting situation of “more benefits here, and less benefits there” and the obligation to “protect the benefits available now and prepare for a movement for more” has prevented them from making a call for a national movement to ensure equal rights to all the workers.

How should the trade union movement go about in the future? What approach should it adopt? As one looks at the future of the trade union movement, one has to confront these basic questions. And the answer to these questions is clear and straight. The future is such that the country goes federal, sectoral unions go central, federations of central unions operate on the basis of an ideology, and the federations constitute a common confederation to represent the entire working class. To get to the vision requires the following step-by-step intervention:

- a. Industry-Based Central Union:** This union should replace the existing federation of unions and should engage only in policy work. It should be an integrated union with access down to enterprise-level processes. Currently, in organised industries, 50 enterprise level registered unions elect a central trade union in the system of ‘organised membership’. The proposed Industry-based Union will distribute individual membership.

The unions will have power to engage in collective bargaining with their own employers and industries they work for. Union members will have an automatic right to form a branch union wherever



How to give recognition of authenticity and to whom will be decided on the basis of the number of union members in the concerned enterprise or workplace.



they work. The central union will have the power to mobilise and consolidate its members and branches.

As in the existing practice, the proposed process will also have more than one union that will be based on ideological/political diversity, party affiliation or non-party values. How to give recognition of authenticity and to whom will be decided on the basis of the number of union members in the concerned enterprise or workplace.

Local Unit at the Workplace: The workplace/enterprise will have a branch of industry-based central union or a local unit. There will also be representative/s (or shop-stewards) of national federations. The local or enterprise level unit will have more than one union as each industry-based central union will have their direct activities at the local level. There can be three alternatives as to which of them should be considered as authentic union for collective bargaining:

- An authentic union elected at enterprise level can be recognised as an enterprise-level constituent of a single union and authorised to engage in collective bargaining. The participation of others – second, third or rest unions – can be ensured in decision-making processes through a ‘labour relations committee’ constituted on the basis of proportional representation of unions.
- Authentic unions can also be identified for collective bargaining following verification of levy paying members



The confederation will be a 'single union' representing multi-unions. Instead of the common 'majority-minority' procedure, its operation will be on the basis of 'consensus' among affiliated federations.



of the union concerned, through a 'check-off' procedure. Such a unit/local branch of union/federation will replace existing enterprise-level unions.

- Authentic unions can be elected at the enterprise level as per existing procedures. However, for collective bargaining, a 'bargaining panel or negotiating team' can be formed with proportional representation of all active unions based on their votes in elections.
- b. National-Level Federation:** National-Level Federations will be constituted by central unions based on their ideological affinity. In other words, existing trade union centres, such as GEFONT, ANTUF or NTUC, will be such federations. Since they will operate as per the existing procedure, there will still be a situation of multi-federations, which will continue representing their own central industrial unions.
- c. Only One Confederation at National Level:** Only one confederation will be formed to represent the entire country. It will be a common organisation of all national federations with representations ensured on the basis of the number of levy-paying members of each federation.

The confederation will be a 'single union' representing multi-unions. Instead of the common 'majority-minority' procedure, its operation will be on the basis of 'consensus' among affiliated federations.

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After the restructuring of the state, the labour parliament should also be restructured. In the centre, representation should be ensured proportional to the total number of workers in all trades and industries.

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The confederation will be a counterpart of the apex body of employers 'organisation but will represent the interest of the opposite class. The nation will recognize it as the nucleus of trade unions. It will be well-placed to represent Nepali trade unions also in international forums, such as the International Labour Organisation.

- d. Labour Parliament:** A new structures, such as a labour parliament, should also be created to set national labour agendas. Such a parliament should be at all three levels, namely in the centre, zone and district. After the restructuring of the state, the labour parliament should also be restructured. In the centre, representation should be ensured proportional to the total number of workers in all trades and industries. Similar procedure can be followed in the zonal level as well, but the representatives should be from the trade and industry at the same level. In the district level, it would be prudent, from the stand point of democratic representation, to form a large body with presidents of all local units of all federations. In the labour parliament and confederation, the workers can send their representatives through industry-based central unions.

It is through this process and procedure that we can correct the by-product of the 1992 Trade Union Act, and also form a mechanism that brings together 'multi-unions' and creates 'unity based on diversity' of the working class.



Our movement is not for absolute equality, but for relative equality and hence we do not stop the journey of the rich class but explore ways to channelize a sufficient proportion of their income and property towards the ...



18. Realistic Ground for Labour Relation in days to come

The method of class struggle being used by the union movement is a major factor to build workers power. The essence of the class struggle is also the upliftment of working class.

As already discussed, 40% of Nepal's population constitutes the poorest class in contemporary Nepal. Half of the total population in the middle class is flourishing and the journey of the upper class is continuing upwards.. Thus, whatever may be the method of struggle, our goal is to transform the condition of ‘poor to sweet and rich to own’ into decent work and equal share. During the Kamaiya liberation movement, our slogan of ‘let us change slaves into the poor’ produced good results. Likewise, the movement today onwards should have the immediate aim to ‘shift the working class to the middle class’. Our movement is not for absolute equality, but for relative equality and hence we do not stop the journey of the rich class but explore ways to channelize a sufficient proportion of their income and property towards the upliftment of poor and poorest classes.

As we know, a labour relation should not be understood as production relations. If a labour relation is understood as production relations, then union movement will have wrong conclusion to consider ‘labour action’ as a class struggle ‘to change production relations’. Naturally this type of conclusion will promote anarchy and wildcat strike in the name of ‘revolutionary’ unionism. Hence a labour relation is a very important issue.



In a labour relation, the adequate method of settlement of disputes is social dialogue. Collective bargaining is the most effective tool of social dialogue.



In a labour relation, the adequate method of settlement of disputes is social dialogue. Collective bargaining is the most effective tool of social dialogue. The process of collective bargaining depends on the nature of economy adopted by the political system. In socialist economy, it will be more based on cooperation. In capitalist economy, particularly in CMEs, both regulation and control work together, thus bargaining goes through dialogue in cooperation in a centrally bargaining frame. Centrally bargaining practice in Sweden, flexicurity in Denmark and co-determination in Germany are the examples. However in the capitalist economy, basically in LMEs, bargaining is decentralised and more conflicting as the system believes in laissez-faire where both employers and employees are left free to touse or interact. Employers engage in hire and fire and employees go into unexpected strikes.

In general, the practice of collective bargaining can be theorised in 4 tendencies:

- ***Negation of the opposite relation:*** Employers, in this understanding, are bourgeois capitalists, like a tiger, and the workers are a helpless goat. Without the negation of the former, the latter's emancipation is not possible.
- ***Coexistence relation:*** In this relation, the employers and the workers are seen as two inseparable but opposing poles of magnet. To remain together, each should listen to, understand and negotiate with the other.
- ***Co-determination relation:*** This relation holds that relative cooperation is a must between capital investors and labour



If the new CA designs our economic roadmap in accordance with the same policy, then economic policies to be implemented in Nepal will take the form of almost that of Centrally Coordinated Market Economies.



investors in any production process. A nail protects flesh, but the nail cannot exist without flesh.

- **Exploit-the-other relation:** Under this bargaining process, workers' leaders are exploited to gain personal benefits. Workers are highly charged and mobilised, but the issues and demands of workers are suppressed or denied on employers' instruction by manipulating the leaders.

After the Comprehensive Peace Accord, of November 2006, the character of mixed economy adopted by Nepal has been explained as a 'Three Pillar' policy. An elementary draft prepared by the dissolved CA has also integrated this policy. If the new CA designs our economic roadmap in accordance with the same policy, then economic policies to be implemented in Nepal will take the form of almost that of Centrally Coordinated Market Economies. Whether it is a 'new democratic system' termed by traditional communist parties or the system with the norm 'not to kill capitalism and also to benefit the working class' as mentioned above, the essence of the labour relation is 'Co-existence of Labour with Capital'. Hence, the model of collective bargaining should be based on co-existence.

Part 4:

Union Movement for Next Generation: The Future Plan for Building Workers' Power

19. Context

It has been 35 years since the commencement of the second phase of Nepali trade union movement. Twenty-four years have elapsed since the establishment of GEFONT. Various methods have been used to organize workers in the formal sector and informal sectors of employment. From 1979 to 1989, we practiced the “organizing model” to organize the factory and service sector workers in the formal set up of work and employment. Our comrades were dedicated to follow the philosophy of organizing model to “form union for us at our own expense”. After establishing GEFONT in 1989 along with “organising model” several other methods and techniques have been used for building and expansion of workers’ power.

While reviewing and evaluating the past, there are three generations of unionists in GEFONT movement. Large number of youth and workers with high mobility are active in grassroots and adults – stable but active cadres are in decisive positions. In the GEFONT periphery, there is a considerable number also of the retired and retiring veteran unionists. After 1990, our movement has taken this height based on 10 years planning. Now we are in the juncture to form new 10 years plan for the coming decade. The planning for coming decade means formulating necessary policies, methods, structures and committed leadership for trade union movement. Undoubtedly for GEFONT family, this would mean intensive homework for regular but concrete education and training.



But at the moment we need to educate our leaders and activists on ideology, principles, political economy and labor relations to prepare them for updated leadership.



According to the statistics of the Fast Track High Level Team Campaign mobilized during 2013, there are more than 2000 local committees of GEFONT which are being led by district, zonal and central structures. The senior generation will hand over responsibilities to fellow comrades currently working in these structures. We know that leadership cannot be formed haphazardly. Leadership is developed through formulation of team of people with knowledge and activities in diverse fields.

In the earlier two decades 'learning' was done through lecture method based on already designed curriculum covering a 9 month period. This initiative named as The Trade Union Education Campaign (TRUE Campaign) brought forward the concept of Mobile Trade Union School to move towards the idea of labour university. Not all but some of our plans produced encouraging results. This process has developed many structures ranging from GEFONT resource centre to National Labor Academy (NLA).

But at the moment we need to educate our leaders and activists on ideology, principles, political economy and labor relations to prepare them for updated leadership. Each country has developed different kinds of structures to build the workers' power. Looking from their experiences, structures like trade union education department, central planning commission, and national labor academy seem inadequate to address the expected demands of our movement. Generally, European trade unions have their own trade union institutes through which they conduct training campaigns; they have their own trade union schools. Several national centres and Global Union Federation



We link the former one with social transformation and the latter one with wages and benefits based on investment of labour power.



annually operate ‘Summer Trade Union School’ to give training to a large group at a time. The Australian trade union centre—ACTU has a different approach in conducting training and campaigns. Trade Union Training Authority (TUTA) was established not only to help Australian Trade Union movement but also to benefit Trade Union movement outside Australia. In United Kingdom, Trade Union Centre has developed Organizing Academy functioning also in collaboration with different colleges/campus and universities. Since 25 years, American trade union centre (AFL CIO) is conducting its own organizing institutes. ITUC, the international centre with which we are affiliated, also has developed a plan for Organizing Academy. These are few examples of such practices among many worldwide. We have to take these international experiences and practices into consideration to formulate our own for forthcoming tenure.

20. Goal

Broadly speaking, the working class has two areas of focus – right based and interest based. Right based area of focus is political one and interest-based area of focus is associated with constitution-law-agreement. We link the former one with social transformation and the latter one with wages and benefits based on investment of labour power. The former is significant to make the workers dignified citizen of the state and the later one is inevitable to ensure actual return for contribution of labour.

We have named the path to achieve these goals as “class struggle”. We believe transformation of our society and political economy is possible



There is general thinking that we should promote the growth of capitalism and facilitate capitalist class, which gives incentives to investors to invest more and more.



only through class struggle. And, we accept that class struggle can go ahead peacefully as directed by our political ideology and program. There is general thinking that we should promote the growth of capitalism and facilitate capitalist class, which gives incentives to investors to invest more and more. And the advocates of this thinking feel that it is possible only through curtailing wages and benefits of the workers.

In our understanding, economic activity is not possible by one actor alone as there are two actors – one who invests capital and money and the other side who invests in labor. First side invests all its capital/property and the other all its life! Investors ask for three things – result, sustainability and security. This is true for both sides. The first side looks for profit in result, risk free environment to invest for sustainability and protection of its property for security. The second side looks for decent wage in result, uninterrupted regular income in sustainability and social security in security. These two are opposing sides of class struggle. These two struggle and will continue to struggle for the development of society. Their existence depends on one another so we look for common existence and translate this conflict into social dialogue. Social dialogue means collective bargaining between two investing sides. Therefore, collective bargaining, as we believe, is a legitimate and peaceful medium of the expression of class struggle. Each and every member, cadre and leader of the trade unions should understand this goal on equal footing. So, the forthcoming plan for 10 years should be on “learning and teaching”.



Social dialogue means collective bargaining between two investing sides. Therefore, collective bargaining, as we believe, is a legitimate and peaceful medium of the expression of class struggle.



21. Future Plan: Back-up Structures

Proposed planning will have two parts: Research and Policy Analysis and Union Building and Mobilisation. In short, it can be presented as follows:

- 1) **Policy Analysis-** GEFONT - Trade Union Policy Institute (GEFONT-TUPI) for policy analysis will be established. GEFONT-TUPI will be a reliable “Think Tank Wing” of GEFONT and will be in functioning through GEFONT –NEC ‘Directives’. It will involve high level professionals from labor and political sector to formulate material for contemporary policy matters and give feedback to National Executive Committee. Trade Union Policy institute is expected to cover a broader scope more than existing Central Planning Commission. So, CPC will be removed after the establishment of TUPI.
- 2) **Research:** National Labor Academy (NLA) will be strengthened for research on policy matters. Its conclusion will be reference for TUPI to develop policy conclusions and relevant document. GEFONT Resource Centre and NLA Library will be combined and Labor Resource Centre will be located in NLA building.
- 3) **Training:** Regular trade union school to train large number of trade unionists will be set up. The school will conduct classes ranging from few hours or a day to a weeklong residential training. For example, if one thousand committees with 11 persons in each are considered, a total of 11 thousand can be trained in first phase. One week long class with 30 in each



Concept of “Organizing Academy” as a time-bound campaign should be implemented to increase union membership in practice.



class will have 367 classes. If the pair of two trainers could continue conduct training for two months, we will require 46 pairs of trainers. This requirement can be fulfilled by selecting the trainers who were developed during the past and who had participated in the last Educators Conference. These trainers should be immediately given residential refresher training in the beginning of next tenure to prepare them for their responsibilities. GEFONT Trade Union Education Department will develop necessary curriculum from the policy conclusions and documents prepared by GEFONT-TUPI. Department will be responsible for management and coordination of trainers and operation of regular trade union school.

- 4) Mobilisation:** It will be difficult to face the forthcoming challenges if organizers are not mobilized for union membership expansion. Concept of “Organizing Academy” as a time-bound campaign should be implemented to increase union membership in practice. Organizing academy is not a structure but a concept so the trained organizers by the school are mobilized as campaigners. This will be coordinated by Union Councils and by Central Labor Relation Council with the help of zonal and district level GEFONT committees. Mobilisation should include GEFONT youth and women committee.
- 5) Program ‘From Centre to Door to Door’:** This program will be launched in coordination with Veterans Network. The Veterans Network is established to involve the unionists in trade union

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We are hopeful to derive positive results by establishing Central Workers Cooperative Promotion Committee consisting of Veteran unionists and experienced leaders and activists.

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movement even after retirement from the executive role and portfolio. Unionists above 50 years of age, working for more than 15 years in union, senior leaders at district, zone or central level in confederation or affiliates are to be considered as Veterans. As Veterans live in community with their families, Veterans Network will have a coordinating role to mobilize GEFONT Community Workers Club. Cooperative Campaign may prove to be a practical link to join the Veterans Network and the Workers Clubs. However, our past experience in cooperative is not very encouraging. Therefore, we can study and analyze several cooperatives run by affiliates at local level and coordinate with them to address the problems challenges witnessed in past. We are hopeful to derive positive results by establishing Central Workers Cooperative Promotion Committee consisting of Veteran unionists and experienced leaders and activists. This program can be promoted as program “From Centre To Door to door.”

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Appendix 1

Initiations of Trade Union for Formulating Constitution

a) Labor related provisions in the first draft prepared by the dissolved Constituent Assembly:

In the past, through a joint forum JTUCC, Nepali trade unions raised worker-related agendas. Workers' agendas raised by these forums and committees are as follows:

Subject/ Issue	Provision	Committee
1. Right to freedom	<ul style="list-style-type: none"> ● Every citizen has the right to association and union and to any profession or business 	Committee on Fundamental Rights and Directive Principles
2. Right to equality	<ul style="list-style-type: none"> ● No citizen shall be discriminated on the basis of religion, caste, gender, sexual orientation, physical status, disability, health, marital status, economic status, language of origin and region, and ideological belief. ● Special provision in law to protect, empower and develop women, dalits, indigenous groups, ethnic groups, madhesi, farmers and workers who are economically, socially or culturally marginalized. 	Committee on Fundamental Rights and Directive Principles
	<ul style="list-style-type: none"> ● No persons shall be discriminated in the entitlement of salary/ wage along with other benefits on the basis of being indigenous groups, ethnicity, dalit, habitant of Terai, madhesi, muslim or being member of certain religion, caste, gender, sexual identity, language, political or other ideological belief, social origin, property, birth, physical or mental disability or any other criteria ● Citizen can protect and promote his/her community's arts, skill, knowledge and can register and utilize it as intellectual property. 	Committee on Protection of Rights of Minorities and Marginalized Communities

Subject/ Issue	Provision	Committee
3. Right against exploitation	<ul style="list-style-type: none"> ● Every person shall have right against exploitation. No person can be exploited on the basis of religion, culture, tradition or any other basis. People cannot be sold, enslaved or bonded as slave. Such acts shall be punishable by law and perpetrator shall compensate the victim. No person can be made to work against his/her will. 	Committee on Fundamental Rights and Directive Principles
	<ul style="list-style-type: none"> ● People cannot be sold, used as child labor, slave or bonded labor. 	Committee on Natural Resources, Economic Rights and Tax Distribution
4. Right to employment	<ul style="list-style-type: none"> ● Every citizen shall have right to employment. Terms and conditions of employment will be in according to the rule set by national laws. Every citizen will have right to choose employment. Every unemployed citizen will be entitled to unemployment allowances 	Committee on Fundamental Rights and Directive Principles
	<ul style="list-style-type: none"> ● Every citizen shall have right to employment. State shall manage this with suitable laws in place. 	Committee on Natural Resources, Economic Rights and Tax Distribution
5. Labor related rights	<ul style="list-style-type: none"> ● Every worker has right to decent work practice. Every worker has right to fair wage, benefits and social security. Every citizen has right to open trade union, involve in trade union activities and participate in collective bargaining and strikes as provided by law. 	Committee on Fundamental Rights and Directive Principles
6. Rights of women	<ul style="list-style-type: none"> ● Women shall not be discriminated against gender. 	Committee on Fundamental Rights and Directive Principles
	<ul style="list-style-type: none"> ● Right to equal pay for equal work 	Committee on Natural Resources, Economic Rights and Tax Distribution
7. Child rights	<ul style="list-style-type: none"> ● Nobody can put the children at work in factories, mines and similar precarious work environment. Children cannot be used as soldier, police and in armed conflict groups 	Committee on Fundamental Rights and Directive Principles
8. Right to social justice	<ul style="list-style-type: none"> ● Under the proportional and inclusive principles labor class will be involved in states structures and public services 	Committee on Fundamental Rights and Directive Principles
9. Right against untouchability and caste discrimination	<ul style="list-style-type: none"> ● No person shall be discriminated against on the basis of caste, lineage, community and profession. Any discriminatory act will be a serious offence of law and shall be punishable as provided in law. Victim of such act will be compensated as provided by law. 	Committee on Building Social and Cultural Solidarity
	<ul style="list-style-type: none"> ● No person shall be maligned , treated untouchables on the basis of caste, indigenous, ethnicity, dalit, habitant of terai, madhesi, muslim, disable, religion, gender, lineage, community, profession or any other basis. 	Committee on Protection of Rights of Minorities and Marginalized Communities

Subject/ Issue	Provision	Committee
10. Right for dalit community	<ul style="list-style-type: none"> ● Right to get special opportunity (positive discrimination) to use, protect and develop the traditional profession, knowledge, skill and technology and utilize these opportunities for benefit as provided by the law 	Committee on Fundamental Rights and Directive Principles
11. Economic rights	<ul style="list-style-type: none"> ● Work security, labor relation, trade union and likewise matters are kept under federal bounds 	Committee on Natural Resources, Economic Rights and Tax Distribution
12. Basic directive principles on public administration	<ul style="list-style-type: none"> ● Ensuring decent work practice in government services through trade union 	
13. Fundamental duties	<ul style="list-style-type: none"> ● Respect for work: Proposed to make respect for work as a duty of citizen 	Committee on Fundamental Rights and Directive Principles
14. Directive principles, policies and responsibilities of the State	<ul style="list-style-type: none"> ● Policy on work and employment: Ensure right to employment to strengthen and upgrade capacity of workers' power to utilize the worker power in the country. Based on the concept of decent work ensure rights of all types of workers of all fields and ensure occupational safety and health. End all kind of labor abuse and exploitations including child labor. Ensure participation of workers in vocation/ trade. Monitoring and managing the labor sector to end foreign employment exploitation, ensure safe foreign employment and workers' right. Encourage to invest the remittance, technical experiences and skills at domestic level in production area. ● Policy on social justice and inclusion: Based on principle of Inclusive and proportional participation start participation of working class in state structures and public services. 	Committee on Fundamental Rights and Directive Principles

b) Agendas raised by JTUCC but not included in the first draft:

- Right to fair work practice for citizen and foreign workers
- Establishment of a National Labor Commission as a constitutional body
- Every trade union member having right to participation in internal management and affiliating with confederation or other organisations without interference from the employer

- Ensure social security and equal pay for workers working under the condition of contract, piece-rate and wage
- State shall not discriminate against employer and trade union
- Along with ensuring participation of working class in the state structure as guided by the principle of inclusion and proportional participation, there should be provision of 10% reservation for working class representation at federal states
- Every citizen should have the right to Gratuity, Medicare, life insurance and health insurance

TRANSFORMATION:

BY BUILDING WORKERS' POWER

Transformation gained through 'revolution' can be classified into two categories of political and social ones. Political revolution will give way to transformation of our politics, for example, we overthrew old feudalistic monarchy and declared Nepal a republic. "Republic Nepal" is a political transformation through "rhododendron revolution 2006". Social transformation means transformation of the society and we are now at the entry point. Social transformation will establish new relations among and between classes and social groups. If we accept the three phases of revolution based on our philosophy – collapse of feudal structures of society, development of capital and movement towards socialism, then we are at the doorstep of the second phase. The question is - how is the transformation possible? And we answer "through the development of workforce". Therefore, this 6th National Congress is going to be concluded under this theme: "Transformation: By Building Workers' Power".

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