

Globalisation and Trade Unions in Nepal

Nepalese Scenario

The present nature of globalisation is clearly indicative of the fact that it is bringing larger and larger profits to advanced nations, whereas it is bringing sacrifice and marginalisation to underdeveloped countries and the people living therein. The transnational movement of capital is really aggressive and the neo-liberal policies of globalisation in practice have become packages to be accepted without any quarry wherever they are being imposed.

The process of globalisation in Nepal actually started in the form of structural adjustment programmes in 1985. It was slow up until 1990 and was limited to a few monetary and fiscal reforms. But after the mass movement of 1990 and with the reestablishment of democracy, the process was launched forcibly with a predominant emphasis on privatisation - the blind & haphazard privatisation of Public Enterprises.

Since Nepal is one of the least developed countries of the world, the process of socio-economic development is far behind in comparison to others. Agriculture is the major occupation, which alone contributes 40.2 % of the GDP and provides employment to 81 per cent of the labour force, while industries & services engage 2.7 & 16.3 per cent of the labour force in Nepal. But agriculture is based on traditional technology and the nature of employment in it is mainly self-employment. In reality, the waged labour force in Nepal is only 21 per cent. Whereas the self-employed labour force is 79 per cent. This dominance of the self-employed and informal sector was much more significant in the past, when an autocratic system by the name of the Panchayat System was introduced in 1960 and banned organizational activities including political & social organizations. Therefore, trade union activities were considerably limited. As a result, trade unions were also banned along with political parties. It was only after 1990 that a successful mass

movement for democracy forced a reinsertion of the multiparty system and trade unions were allowed an environment for open air activities.

Impact of Globalisation

Because of the increasing speed of liberalization & globalization in our country, threats to the interest of the working masses has increased. Job security and employment security are heavily endangered. Even the formal sector of work is being informalized by the subcontracting of work and subcontracting of labour, in the name of gaining competitiveness, cost minimization and a 'comparative advantage in international trade'. The responsibility for sacrifices and the entire burden is being shifted to the workers. Unfortunately, the government is facilitating the employers and the market instead of shouldering any social responsibility for the working masses. This tendency is mainly visualized in carpet and garment industries, the major export sectors in Nepal. But legal revisions are insufficient to protect workers in this condition.

With the blind and haphazard privatization of public enterprises, both production & employment have been adversely affected. Though there is no mass retrenchment, slow group retrenchments have been observed. From privatized PEs, 19.8 per cent of the workers have already lost their job and many others are waiting for the same. The extent of the permanent workers is gradually going down and the number in contract work or casual labour is sharply increasing. The vast majority of workers are in informal sectors which are unprotected and neglected by the labour laws. Only 10 per cent of the work force under the wage employment is informal, while 90 % is in unorganized sectors of the economy. With the offensive policies of globalization, this low proportion of the formal sector is endangered to further deterioration pushing new entrants, as well as old ones, in the labour market towards the informal sector. The conditions in the informal sector are miserable and the danger is of further misery. The long working hours, low payment, the use of child labour, the existence of bonded labour in agriculture, gender discrimination in wages & terms of employment, no minimum wages in the informal sector and the non existence of any social security measures are the basic characteristics existing at present in the informal sector.

The policies of liberalization have caused deductions in social expenditures. Even the state expenditures in education and public health

are being curtailed. At the same time the burden of foreign debt has constantly increased. Hence the hardships and difficulties of the working population have increased tremendously. The major consequences have been observed in the deteriorating living standard. Since the market deregulation has removed restrictions on prices, the cost of living has increased heavily. On the contrary, real wages and hence real incomes have declined.

Looking from another angle, consumerism has affected the whole national life not only urban but also rural life. An indigenous way of life is at stake. Access to land and natural resources for needy people have become very difficult.

However, the level of awareness against the adverse effects of globalization and neo liberalized policies is very low in Nepal.

Initiatives by the Trade Unions

Trade unions are not silent observers of the changing situation. We have been working constantly against adversities from the side of social movements. But the problem is complicated in the sense that influential political parties are not determined to take strong decisions in order to minimize the adverse and negative effects of globalization.

In 1994, GEFONT had organized in cooperation with the Asia Pacific Workers Solidarity Links the International Trade Union Conference. 15 nations participated. The conference issued the Kathmandu Declaration. It clearly opposed the existing mode of privatization and advocated the Pro Worker Trade Unionism. The sentiment is carried on through 'Pro Worker Voice', the annual publication of the ITUN Secretariat.

In 1996, we adopted the 'National Labour Policy: Our Concept & Position' document in our second national congress. The document clearly states that straightforward opposition without action plans and determined efforts will be mere lip service and hence resistance movements against adversities created by liberalization are necessary. We have to look at the policies and their impacts from the perspective of workers' welfare and not from the technocratic angle of profit and growth statistics. Campaigns are necessary against the global market philosophy of comparative advantage which imposes all the burdens on the working masses. Thus, our concentration is towards social expenditure, social welfare, social security and social justice. Movement

for better working conditions and social security, an extension of minimum wages to the informal sectors and reforms in labour laws have always been our agenda.

In addition to the genuine struggles and actions, we have concentrated our efforts towards massive unionisation and Workers' Education. Our Workers' Education Packages and materials include our views on privatisation, globalisation-liberalization, their adverse effects and possible ways out. Strong organization, Massive unionisation, Intensive Workers' Education and Genuine Intervention in national policies are the basic pre-requisites to resisting the adverse effects of globalisation.

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