

## Revisiting Our Labour Market

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### **On Labour market**

After the introduction of plurality in Nepal's politics, globally widespread economic liberalisation started to influence the Nepali labour sector. The liberal economic and industrial policy of the state promoted the process of the globalisation of capital. Despite the opportunity of openness and competition, the outcomes of liberalisation have been mainly negative. One of the examples is the privatisation of the public enterprises and resultant expulsion of large number of workers. The provisions of permanent job status and subsidies for the welfare of the people, which were in place during the period of mixed economy, have been severed. The defective policy of so-called 'hire and fire' has been given a high emphasis by the employers. They prefer to hire workers whenever they feel the need and fire them at their discretion.

The workers are paid a poverty wage when there is surplus of labour. In scarcity, they are paid comparatively higher amounts. In addition, the practice of labour sub-contracting has been enforced. The facilities provided for long time have been curtailed to compensate the increase in other costs in enterprises and industries. In the world of work, workers are still treated as a commodity.

Traditional employment in Nepal is actually based on agriculture. In the last 12 years, there has been a regressive trend of change in agriculture compared to a progressive trend in the non-agricultural sector. The number of self-employed workers in agriculture is continuously falling.

Wage employment has substantially increased. However, employment opportunities have been narrowed-down. The policies of liberalisation adopted so far are to be blamed for the collapse of domestic industries from an uncontrolled inflow of foreign goods. One of the living examples is the textile industry. Looking at the number of workers per enterprise, it is evident that the industries having around 135 workers in 1991 employ only 90 workers now. Official statistics indicate that the rate of unemployment

has exceeded 5 percent and the underemployment rate is more than 45 percent.

The seriousness of the condition in the labour market and employment can be conceived from the increasing rate of the collapse of industries, and the entrance of more than 300,000 new faces every year as job seekers.

The demand of skilled labour has increased due to policies of liberalisation and globalisation of capital. However, the policy makers of Nepal have not paid any attention to quick earning and market friendly skills. As a result, while we are having a large unemployed workforce, on the one hand, we are facing the shortage of skilled labour force on the other.

Liberalisation has adopted a policy of employing cheap and voiceless workers. This has resulted in an employment of foreign migrants in the country, and Nepalis are compelled to go out in search of jobs. According to the statistics of the Department of Labour, there were nearly 4,000-recorded Nepali workers working abroad in 1994. In 2002, the number increased to approximately 125,000.

### **Wage condition**

The norm of *eight hours work, eight hours rest* and *eight hours recreation* indicates that the earnings of eight hours of a worker should be enough for their family of four: two spouses and two children. But, the wage system introduced after the parliamentary democracy directed towards *poverty* rather than *decent living*. Consequently, the fate of a large number of Nepali workers has become hard. Their earning of the day is hardly enough for the meal of the day with the next meal always being uncertain. There has been no option except taking loans to perform relevant social and cultural activities. In fact, there has been no change in the practice of burrowing loans and getting sunk in it.

The state in a neo-liberalised framework treats the citizens as customers. The state adopts the policy of satisfying the demands of the riches with the tax paid by the poor. As a result, bureaucracy becomes hopeless and anarchy covers public enterprises. This is the scenario of the world of Nepal's workers.

There has been a substantial change in industrial relation. Ten years back, the employers and the workers were in the state of 'tiger' and 'goat' in the world of . The workers used to burst into a sudden action like a wild cat. Today's workers are however prepared to accept the 'tigers' of yesterday as their social partners. The industrial actions like wildcat-strikes are dragged

gradually in the rim of legal battle. Labour disputes have reached to the level of achieving expected results through dialogue, discussion and agreement instead of pressure, destruction and conflict. Trade union movement has ascended in a rational direction of attaining achievements through agreements instead of filling the history of workers movement from unnecessary sacrifices.

But these achievements are neither the result of merely a natural process nor of the sympathy of other partners. The credit goes to the labour movements covering services, industry and agriculture in this regard. Some representative examples include the nation-wide transport strike against Transport and Traffic Regulation Act, general strike of civil servants, movement for 10 percent service charge in the hotel-restaurant-catering sector, the struggle of carpet workers, struggle of garment workers for wage increases, jute mill workers' movement, the movement of 50 thousand workers in public enterprises and teacher's movements.

There have been countable achievements in the world of Nepali workers during these 12 years. The institutional development of the trade unions, establishment of rights and legal bases, publication of valuable materials on *Workers Education and Training*, exchanges of experiences, increased participation in different national and international forums, and increased capability of policy intervention are some examples in this context.

The effort of building consensus among social partners is one of appreciable initiatives of this period. Similarly, there has been a unified response to the ongoing armed conflict and resultant destruction, unhealthy competition amongst the workers and ultimately the division of trade unionism. Among a number of achievements are; the Dhulikhel Declaration of trade unions on elimination of child labour, consensus on the prioritisation of common agenda among major three trade unions, joint mechanism for gender equality and empowerment, high level task force to move towards single unionism and bilateral agreement for the timely amendment to labour laws, to name a few. We believe, these examples provide concrete answers to pessimists. Liberation of bonded Kamaiyas, minimum wages for agricultural workers and trade union rights in the informal sectors are some other achievements, which cannot be ignored. The credit for these achievements goes to the continuous and unrelieved struggle of the workers in Nepal.

We do have a dark side, too, in our 'world of work'. A major obstacle is the professional inefficiency of managers and employers. A culture of favouritism is still in practice in enterprises instead of professional dedication. There are problems with the government as well. The labour

administration in the government mechanism is not only ineffective but also incapable to face the challenges of time. They lack a progressive mentality.

The demand of the present day is to follow the pace of development creatively. But, we still have a trend of considering the workers as a market commodity and trade union as trouble creators from the conservative lenses of past 200 years.

Precisely putting the facts together, following questions emerge from various corners.

1. Are trade unions political or apolitical?
2. Do trade unions have concerns confined only to rights of the employed or do they also pay attention to the problem of unemployed workers?
3. Is the labour agenda independent or intertwined with politics? How far is its scope?
4. How is the relation between unions and political parties? As a parent and sister organization? As a patron or else?
5. Who should control whom, party to control union or vice versa?
6. How is the current labour law? Friendly with workers? Rational? Incomplete? Or absurd?
7. How about the contribution of unions? Development and improvements in industrial relations or only in 'politics'?
8. What should be the base of a union? Office or the workplace?
9. Is it logical for unions to go for strike and destruction in spite of the possibilities of achieving demands through pressure and dialogues?
10. What is the trend of contemporary trade union movement: political, focussed on economic demands or bureaucratic trade unionism?

Different dignitaries have raised these questions and have made attempts to give their opinions as well. We have made our views public frequently from time to time through our publications and through various forums. We believe, these questions need further discussions and interactions as a significant part of ongoing process.