

## **The Social Charter: A South Asian Trade Union Perspective**

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### **Trade union and social charter**

The concept of 'trade union is one of social partners' has dispelled the traditional notion of 'trade union is the only vehicle to increase wages and facilities, and that is for strikes'. The present day trade union movement has proven that it has two-fold responsibilities. Trade union's primary responsibility is *professional*, which is related to rights and interests concerning job and employment. This 'public image' has already been demonstrated in our case. However, another significant responsibility of trade unions—the social responsibility, which is related to the liberation of the oppressed segment of society—is yet to be established in the countries like ours.

GEFONT views that new and better world based on justice and equality can be built through a strong national trade union movement supported by international solidarity. Such trade unions are the representatives of working masses, and working masses are in the majority in every society. If social responsibility is wiped out from trade union activities, the participation of the majority is denied in state policy making.

### **The South Asian Context**

South Asia has around 10 percent of unionised workers. The denial of basic labour rights, particularly in the informal sector, is a common trend that cuts across all the countries in the region. In addition, a process of informalisation is increasing day by day in the industrial sector.

Globalisation of capital has resulted in a steady increase in unemployment and in a drastic deterioration in the living and working conditions of labour. It has resulted in privatisation, closures and retrenchments of companies, and led to massive job losses.

Sub-contracting of work by companies to small family based and home-based units is also increasing simultaneously with sub-contracting and casualisation of labour. Another impact of globalisation is de-unionisation in work places. The result is the reduction in membership and weakening of the bargaining capacity of trade unions. This process has intensified the exploitation of toiling masses. The rich are becoming richer, and the poor are going poorer.

The central point of the trade union demand today is to put an end to the adverse effects of globalisation, effects such as massive job losses, new job creation in poorly paid informal sectors, restructuring of enterprises to face competition, slowdown in industrial growth, growth mainly in the service sector and growing industrial sickness imposed by the globalising finance capital.

It is not just an accident. Nor can we so easily conclude that this is because of IMF and the World Bank. The two with WTO are the carriers of globalisation. Global competition inherent in the policy and process of globalisation motivates employers to adopt new strategies. Private employers alone cannot be made responsible for this. Government, which is a big employer, is the first to be accused of as it is escaping its social responsibility towards the working masses. In the name of downsizing the work force, this big employer is acting disguisedly to enforce such conditions as early retirement, voluntary retirement, flexibility, mobility, golden hand shake and so on. The pattern of employment is changing rapidly.

By this strategy, employers want to cut down the cost of production. They call for flexible labour arrangements. They resort to lay off, retrenchment, sub-contracting and casualisation, all to reduce costs. They seek to replace or substitute the unskilled workers with skilled hi-tech employees. They adjust their HRD or industrial relations technique to increase labour productivity. The essence of their HRD policy is to minimise permanent employees.

This process of informalisation results in two segments of works in the industrial workforce. In one category will be skilled, technical, professional and non-unionised staff hired through a confidential process. The main consideration in the segment is the loyalty of the workforce. The other is the semi-skilled and unskilled mass of workers. The job for this segment is only casual. Ultimately, the industrial

workforce is marked by a scenario of a large percentage of non-regular work forces and a small percentage of regular work forces.

### **The Nepali Context**

Nepal is a least developed country with 23 million people, 50 percent of them living below the poverty line (although official statistics claim it to be 42 percent). There exists a high disparity in the distribution of income and wealth. The gap is ever widening with the intensification of new economic policies of globalisation. Land is the major form of asset, and agriculture is the major occupation in which some 80.2 percent of labour force is engaged. Majority of peoples, around 88 percent, live in rural areas and most of them are engaged in subsistence farming.

The total size of the labour force is of 11 million and annual growth rate is 2.4 percent. Of the total labour force, women cover 47 percent. But in agriculture, women cover 62 percent of the total labour requirement. However, in formal sectors of work only 4 percent of the total labour force is of women.

In informal sectors, 87 percent labour force is of females and 67 percent is of males.

The unemployment rate is 4.89 percent. But if go through a head count methodology, it stands as high as 15 percent. Underemployment is very severe and is as high 45 percent if total human days are to take into account

The Nepali labour market is largely unfair. Working hours, leaves and benefits vary in different business and government services. There is still prevalence of bonded labour and different patterns of forced labour.

Contract labour is a serious issue in this regard. Gender discrimination is rampant. Violation of labour law and international labour standards is a common phenomenon. The sudden imposition of Essential Services Act aiming to ban worker strikes in 10 different services including hotel, restaurant and catering services is a fresh example of its kind. Social security is almost non-existent in Nepal.

Overall attitudinal change is required in the feudal mentality of employers that treats workers not as partners but as servant. The state machinery is still insensitive to labour issues even though its ILO membership is nearly five decades old. In government bureaucracy,

Labour Ministry is considered as one of the neglected ministry. As a result, the labour administration is too weak to implement laws and regulations in an effective manner. In addition, government machinery is less socially responsive and does not care about developing a sound system of social welfare, protection and social security.

In this context, we feel that the conflict between labour and capital continues to play an essential role for most workers and their unions. However, still there are additional factors and some of them have become more visible and relevant in recent years. For example, there are wide differences between 'North' and 'South', and between rich and poor countries. The issue of gender and the conflict between the formal and informal sector, economy and environment, tradition and modernity are other areas that need sincere attention.

Should we, trade unionists, see the world through the old concept as being divided into workers and capitalists? Or is it to be viewed as a regional division of the world into a privileged "North" and an underprivileged "South". If we go along this division, we will also see division in terms of regional hemispheres. The answer however is crystal clear! We will find the privileged as well as the underprivileged both in the "North" and the "South". Thus the unions under any circumstances should try to represent the underprivileged from any corners of the world, irrespective of the place where they work.

### **South Asia and Social Charter**

The 10th SAARC Summit of July 1998 has developed a Social Charter which focuses on the area of poverty, ill-health, illiteracy, malnutrition, population control, human resources development, empowerment of women, protection of children and proper mobilisation of youth. But it does not include components related to workers. Thus it differs from the European Social Charter, which was designed to establish common standards concerning employment, working conditions and social security of workers of the continent.

The solution presented in the proposed South Asian Social Charter without addressing the working class will not make any sense. The Charter should cover at least the following working class related concerns:

- Establishment of basic labour rights in all South Asian countries in conformity with the 8 ILO Core Conventions including Conventions 102,103,107 and 141
- Formulation of a wage policy establishing national need based minimum wages in each SAARC country
- Formulation of SAARC Trade Union Alliance
- Migrant Workers Rights
- Inclusion of labour charter as one of key activities of SAARC

The South Asian Consultations of trade unions, human right organisations and NGOs developed the following three-fold charter after the establishment of WTO on the issue of Social Clause:

- Human Right Charter
- Labour Charter
- Environment Charter

A policy adopted by 17<sup>th</sup> Congress of ICFIU globalising social justice trade unionism in the 21<sup>st</sup> century has proposed a 6-fold programme:

1. Spreading and Deepening Democracy in the era of Globalisation (including the policy of considering democracy as the yardstick for good governance, finding out common principle in a diverse world and making worker's views heard from the workplace to international platforms)
2. Jobs and Justice in the Global Economy (recognising safety net of social protection as a basic state responsibility, inclusion of core labour standards in the world trade system to achieve genuine development and the inclusion of employment and environment on sustainable development agenda)
3. Human Rights and the World of Work (recognising democracy as the foundation of global economy, opposing no-union policies in EPZS, elimination of child labour and recognition of unity and democracy as a source of union strength)
4. Ending Discrimination at the Workplace (recognising rampant discrimination in workplaces, recognition of gender aware union with women being a vital force for change in unions and inclusion of insecurity-racism and 3-d jobs as union agenda)

5. Organising International Solidarity (engaging with MNCs to generate dialogues and agreements, linking workers in the global production chain, organising the informal sector to include excluded voices and establishing respect for workers in a changing world), and
6. Trade Unions in the 21<sup>st</sup> Century (campaigning for social justice in the globalise world and driving reform with a clear vision and value of the international union work)

The ICF<sup>TU</sup>-APRO has designed the Social Charter for the democratic development of the Asia Pacific countries which emphasises on minimum basic standards and best practice standards, human and trade union rights and social policies. The APRO's 'five essential' areas are:

- essential social security schemes
- essential clause in CBA, which includes unions and agency shop, check-off, compulsory consultation for redundancies and joint consultative systems
- essential provisions in labour legislation
- essential area in social development, which includes compulsory education, eradication of child labour and universal health care
- essential conventions on International Labour Standards

The ICF<sup>TU</sup>-APRO social charter is concerned with how union should work together to promote the recognition and respect for the fundamental rights of workers. Thus it has tried to dig out practical measures for justice at the workplace in the context of global market economy. Simultaneously the Charter has developed a guideline for social dialogue, which covers a number of issues like employment, wages and working condition, vocational training and retraining, industrial relations, OSH and environment, women workers, MNCs and EPZs, migrant workers and social security, among others.

## **Conclusion**

In this age of globalisation, the issue of social protection and social security comes as the core agenda of trade unions both in the developed and underdeveloped world while discussing the Social Charter. The major components of social security system such as old age benefits, unemployment benefits, compensation of workplace injuries, Medicare, sickness benefits, maternity protection, invalidity and family as well as

survivors benefits should not be curtailed. They should rather be expanded to cover the workers of informal and self-employed sectors. It may be a phase-wise exercise in implementation, based on the stage of socio-economic development of the country in question. But these components should be institutionalized.

In this context, GEFONT views that the union activities and priorities in Nepal should be as follows:

- Extension of legal frameworks in favour of working masses, formulation, revision and amendment of labour laws and regulations, and their effective implementation
- Maximum security of jobs, currently under threat from new economic policies, which encourage informalisation and casualisation
- Unionising formal and informal sectors
- Widening the coverage and enforcement of minimum wages
- Promotion of a sound wage structure
- Ensuring fair working conditions
- Minimising unfair labour practices affecting women, children and bonded labour
- Increasing workers' education programmes
- Establishment and extension of a dependable social security system, compatible with Nepal's economy

Regional blocks in various levels have been developed everywhere. But we, South Asian, are far behind in this connection in spite of our commonalties. Trade Union Network is also one-sided. Neither ICFTU based SAARTUC is functioning well, nor is the WFTU SAARC Council of Trade Unions. WCL exercises are naturally unproductive. Effective independent trade union centres are also in the scene, but they operate outside these networks. Recognising all efforts made by either side, it is necessary to form a broad alliance of all South Asian Trade Unions. Focal points of the Alliance should:

- raise issues emerging from the adverse impacts of globalisation, based on practical experiences and not on theoretical assumptions

- try to develop commonality of responses against anti worker moves and activities of MNCs, Big Houses and their joint ventures.
- try to develop issue based and action based unity among existing numerous diversities in South Asian Trade Unions.
- develop a sound system of networking among South Asian Trade Unions.
- take up the issue of Social Charter for South Asian Countries and go on lobbying in the Sub Regional level.
- try to implement officially guaranteed minimum wages to all wage earners irrespective of their nationalities in order to regularise sub-regional labour migration and protect migrant workers' rights.
- try to build a strong social movement in co-operation with other wings of social movements--peasant movements, woman movements, Dalit movements and other forms of human right movements.

In view of poverty and problems of south Asia, the Social Charter should be focused towards the informal sector and towards the establishment of a sound system of social security network covering all workers in formal, informal and self-employed works.

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