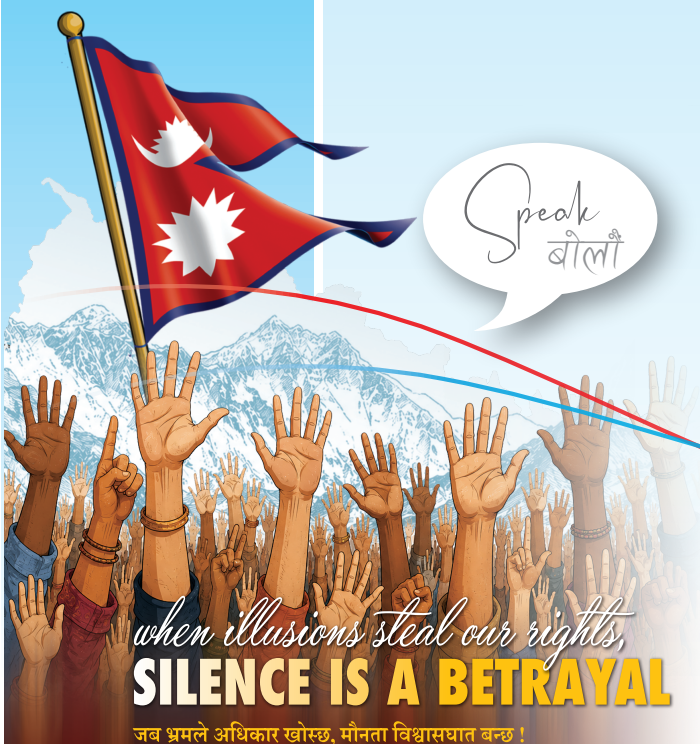


A high-level Panel Discussion

'From Policy to Decision' and 'From Theory to Practice':

“From Conflict to Dialogue, Consensus,
Cooperation, and Coexistence.”

4-5 July 2026, Kathmandu



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General Federation of Nepalese Trade Unions (GEFONT)

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Session- I

Whether GEFONT's conclusion derived from sturdy report:
"Nepali Trade Union Movement Braving
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Nepali Trade Union Movement
Braving the Challenges

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Whether Nepal's
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Nepali Trade Union Movement Braving the Challenges

1

This study examines the challenges faced by Nepali workers, including labour rights, employment conditions, job security, fair wages, and access to facilities. It highlights emerging threats to the hard-earned gains of past labour movements—manifested through non-compliance with labour laws, misuse of legal provisions, and weak implementation of workers’ rights.

Contrary to workers’ expectations of a balanced approach between labour flexibility and social security, current trends indicate increased outsourcing, evasion of legal obligations, and exploitation under various pretexts. These findings underscore critical issues that trade unions must prioritise in shaping their future agenda.

1. Changing Nature of Union Agenda

Under the Labour Act 1991, enterprise-level union agendas were largely **rights-based**, focusing on:

- Permanent employment
- Provident fund and gratuity
- Compensation in case of accidents

With the implementation of the Labour Act 2017, these rights became **universally applicable from the date of employment**, reducing the relevance of earlier union demands. As anticipated, disputes based on such rights have significantly declined.

2. Decline in Collective Bargaining

There has been a noticeable decline in periodic collective bargaining, even in the absence of labour audits. Possible reasons include:

- Collective bargaining now largely applies only to **interest-based disputes**
- Lack of a unifying agenda to attract new workers

- Reduced interest of workers due to automatic provision of legal rights
- Growth of outsourced labour exceeding regular employees
- Weak bargaining power due to fewer permanent workers
- Absence of industry-level bargaining provisions in existing law
- Increased labour mobility and shorter job tenures

3. Weakening of Trade Union Solidarity

- Legal protection against transfer and retrenchment applies mainly to union leaders, not general members
- Management misuse of transfer provisions discourages workers
- Outsourcing is sometimes supported even by union leadership in profit-making sectors
- This has weakened solidarity and collective strength

4. Irregularities in Outsourcing Practices

- Partial registration of workers in the Social Security Fund
- Excessive working hours (up to 12 hours) leading to exploitation
- Contracts restricting union membership

Outsourcing remains poorly regulated and often violates labour laws in practice.

5. Expansion of Non-Regular Employment

- Increase in **time-bound and task-based jobs**
- Growing participation in social security schemes

This dual trend raises:

- Questions about the relevance of “regular employment”
- Persistence of bias against non-regular workers despite equal legal protections

6. Challenges in Inter-country Social Security

Nepal’s attempt to extend social security to migrant workers lacks adequate preparation. Effective implementation requires:

- Bilateral agreements with destination countries
- Institutional mechanisms similar to international frameworks

Without this, confidence in the system may decline.

7. Legal Ambiguities in Education and Public Sector Employment

- Workers outside the Education Act remain inadequately protected
- Diversity in employment categories (teachers, interns, relief staff) creates inequality

Recommendation: Bring all such workers under the Labour Act and Social Security Fund.

8. Misuse of Trainee and Internship Provisions

- Trainees are often exploited under the pretext of foreign employment opportunities
- Many work without pay or proper benefits

Recommendation: Recognise interns/trainees as workers and ensure minimum wage and protections.

9. Emergence of Gig and Platform Economy

Digital platforms (e.g., ride-sharing, delivery services) have created:

- Large-scale informal employment
- Unorganised and unprotected workers

Recommendation: Urgent unionisation and regulation of platform workers.

10. Need for Structural Reform in Trade Union Movement

Two key transformations are required:

a) Shift to Industry-Based Unionism

Replace enterprise-level unions with industry-wide structures to:

- Strengthen bargaining power
- Address fragmented labour organisation

b) Build Unified Labour Voice

Promote coordination among unions to ensure class unity and avoid fragmentation.

11. Proposed Trade Union Structure

a. Industry-Based Central Unions

- Membership-based structure across industries
- Authority for collective bargaining
- Multiple unions allowed based on ideological diversity

b. National Federations

- Formed by central unions
- Continue existing pluralistic structure

c. Workplace Units

- Local branches of industry unions
- Multiple unions may exist
- Representation through:
 - o Majority union recognition
 - o Check-off system
 - o Proportional bargaining panels

d. National Confederation

- Single umbrella body representing all federations
- Based on consensus rather than majority rule
- Represents Nepal internationally

e. Labour Parliament

- Federal and provincial structures
- Representation proportional to workforce
- Platform for national labour policy

12. Social Security System Strengthening

- Need for extensive awareness and training
- Clarify operational issues (compliance, benefits, coordination with insurance systems)
- Expand coverage to dependents
- Integrate into education curricula

13. Clarifying Wages: Rights vs Interests

- **Minimum wage** = legal right
- **Additional benefits** = subject to bargaining

Unions must train members to understand this distinction.

14. Managing Labour Flexibility

- Prevent arbitrary retrenchment
- Introduce unemployment benefits
- Balance flexibility with security

15. Regulation of Outsourcing

- Cannot be eliminated, but must be regulated
- Ensure legal compliance and worker protection
- Adapt union strategies accordingly

16. Universal Labour Law Coverage

- One unified law across all sectors (media, education, etc.)
- Mandatory social security registration before employment

17. Informal Sector Inclusion

- Extend labour law implementation creatively
- Establish labour desks at municipal level
- Ensure coverage in construction and informal sectors

18. Public Transport Reform

- Establish Public Transport Authority
- Ensure fair competition and worker protection
- Involve local governments

19. Service Charge Protection

- Reinstate 10% service charge in hospitality sector
- Mobilise joint union action

20. Awareness in Transport Sector

- Improve knowledge of labour rights
- Ensure social security coverage

21. Strengthening Labour Administration

- Conduct authentic union elections
- Improve enforcement mechanisms

22. Managing Labour Mobility

- Ensure portability of social security
- Maintain balance between flexibility and protection

23. Reforming Union Mindset

- Shift from conflict-driven mobilisation to solution-oriented engagement
- Move beyond traditional “Anger–Hope–Action” model

24. Recognising Interns as Future Workforce

- Integrate interns into union agenda
- Ensure wages and rights
- Align with international labour standards

25. Strengthening Compliance Mechanisms

- Promote labour audits
- Ensure formation of statutory committees

26. Engaging Intellectual Community

- Counter anti-union narratives
- Build broader social legitimacy

27. Clarifying Federal Responsibilities

- Define roles of federal, provincial, and local governments
- Strengthen coordination

Final Reflection

Trade unions must take pride in their historic achievements while adapting to new realities. Emerging challenges—digital labour, outsourcing, mobility, and fragmentation—require innovative strategies.

A renewed agenda grounded in **unity, inclusiveness, and structural reform** is essential to meet the evolving expectations of the working class and to safeguard the future of labour rights in Nepal.

Convention No. 193 concerning Decent Work in the Platform Economy

2

The International Labour Organization (ILO) officially adopted **Convention No. 193 concerning Decent Work in the Platform Economy** (accompanied by its corresponding Recommendation) on **June 12, 2026**.

The adoption took place in Geneva, Switzerland, during the **114th Session of the International Labour Conference (ILC)** following a 406-to-8 vote by delegates representing governments, employers, and worker organizations.

This historic milestone concluded a two-year standard-setting process with key timelines structured as follows:



Agenda Setting

2023

The ILO Governing Body officially placed "Decent Work in the Platform Economy" on the future agenda, initiating the multi-year standard-setting mechanism.



First Discussion

June 2–13, 2025

The 113th Session of the ILC hosted the first formal round of tripartite negotiations to bridge the deep divisions between worker classification protections and employer flexibility.



Final Approval

June 11, 2026

The Standard-Setting Committee finalized and approved the definitive draft text of the treaty.

Official ILC Adoption

June 12, 2026

The plenary of the 114th ILC voted overwhelmingly to adopt Convention No. 193, establishing the world's first binding international employment framework specifically targeting digital labour platforms.

Core Pillars of the 2026 Platform Work Convention

The newly adopted standard introduces unprecedented rules tailored to the modern digital workforce, moving beyond the 20th-century labour definitions:

- ó **Anti-Misclassification Measures:** It mandates that member states correctly classify workers based on how their work is actually performed and paid rather than the platform's contractual labels.
- ó **Algorithmic Management Transparency:** For the first time in global labour history, platforms must disclose how automated systems monitor, evaluate, or allocate tasks. It institutes a **"human-in-the-loop"** requirement, giving workers the right to human review over harsh automated decisions like algorithmic deactivation or non-payment.
- ó **Status-Independent Protections:** Core safeguards—including occupational safety, personal data protection, freedom of association, and protection against violence or harassment—apply to all platform workers *regardless* of whether they are legally classified as employees or independent freelancers.
- ó **Earnings Security:** Ratifying countries must ensure platform workers receive timely payments, are covered under applicable minimum wage frameworks, and are compensated for work-related operational expenses (e.g., fuel, data packages).

Workers' Group Overall Assessment

The Workers' Group broadly viewed the outcome as: **A floor, not a ceiling.**

The Convention establishes, for the first time in history, international labour standards for platform workers and introduces global recognition of algorithmic management as a labour issue. Yet it does not fully resolve fundamental questions concerning employment status, pay, enforcement, data power, and platform accountability.

For many trade union leaders, the key compromise can be summarized as follows:

Workers Wanted	Final Outcome
Stronger presumption of employment	Classification mechanisms only
Convention + detailed Recommendation	Convention only
Stronger algorithmic regulation	Transparency-focused approach
Universal labour protections	Some protections remain status-dependent
Stronger wage guarantees	Fair remuneration principles
Stronger limits on cost-shifting	Partial coverage
Immediate global effect	Ratification required

The Convention represents a historic breakthrough, but it stops short of fully transforming the platform business model. It recognizes platform workers as workers with rights, yet leaves many of the decisive battles—classification, enforcement, wages, algorithmic power, and collective bargaining—to be fought at national level.

What happens next?

While adopted globally, the treaty is not automatically binding. Member states are required to submit the text to their domestic legislative authorities within 12 months to initiate the national ratification and implementation processes.

Whether Nepal's Trade Union Movement?

3

Possible scenarios?

Nepal's trade union movement have had very glorious past. In that context, trade unions have not only contributed in striking a right-balance between labour capital relations but have also equally contributed in countries journey towards democratisation. That said, they played a crucial role both in democratising political power of the state as well as economic power of the market. However, fact remains, that they themselves have not really been able to address the issues related to 'classes' on which the trade union movement is built around. More than one reason could be pointed out in that regard but the most important one, among others, is that often trade unions are found to have been coopted by the capitalists' class at other times they are also blamed to have worked for the interest's groups of various sorts in one way or other. Put together, one may argue that trade union movement itself has lost its conventional role or currency. Despite these sporadic cases, Nepal's trade union movement was still vibrant, trade unions have increasingly realising their shortcomings and renewing their 'power resources' to make them more relevant in line with changing 'sentiments and aspirations' of the people and rapidly changing and evolving global political economy.

That said, however, countries trade union movement, today, is facing tremendous problems internally and externally and more than one factors could be cited in that regard. Of all of them, the most important one, yet again, is the political environment after the Gen-G revolt. Many would not agree but the Gen-G revolt, for all the practical reasons, have altered Nepal's political landscape and it appears that deeper impacts are expected on the modus operandi and modus vivendi of Nepal's political economy. Already, the defeat or rather under performance of conventional political parties, having closer working relations and ideological affinity with trade unions, has led to the rise of some sort of uncertainty not only in the political domain but also in other sectors as well. In fact, Nepal's political spectrum is divided both vertically and horizontally and such a state of affairs certainly is not health for the future democracy let alone building the state.

The new political forces – like the Rastriya Swatantra Party (RSP) – which rose to the helm of political power with resounding performance in the recently concluded election – does not necessarily have sympathy towards them. In contrast, it holds the view that having trade unions is not healthy for the economic development and, therefore, should they be regulated if not tamed. The government, has already dismantled unions in the government and also in the public sector and it may become more harsher even in the private sector in the days to come. They, together, will shrink democratic space in the country. In the shrinking democratic space, the smooth functioning of trade unions always becomes challenging if not difficult. Likewise, apart from that, there is a great deal of fear that the current government might undo the ‘infrastructure’ such as labour laws, trade union acts, social security among others. If that truly happens, it will not only have consequences for the trade union movement but the very objective of having ‘social democracy’ in place which has also been echoed by the current government may fall apart.

Moreover, the extant global political economy is not really favourable for the ‘workers’ let alone the trade union movement. The global political economy is largely dominated by geopolitics and geoeconomic factors and they, together, are already reshaping global trade patterns, influencing labour policies, and altering the dynamics of collective bargaining. For all the practical reasons, these shifts can bring enormous challenges for unions wherein they may require to adapt their strategies and priorities as per the geopolitical and geoeconomic needs just to survive. Likewise, shifts in geopolitical alliances and trade policies can disrupt established supply chains and impact industries where unions have a strong presence. For example, tariff war between the US and China is already impacting the global job-market. Geopolitical and geoeconomic rivalry is the defining momentum of our time which certainly will impact national labour policies as well. The tendency of forming new alliances based on the geopolitical and geoeconomic interests and increased tie up of international investment based on these factors would impact countries like Nepal as well. The increased demand of having ‘special economic zones’, where workers rights are compromised could be taken as the classic example in that regard. This is going to take further momentum in the days to come both internally and externally. The fragmentation of workers and consolidation of capital with the help of technology will be more visible in the days to come. The both will reduce bargaining powers of the trade union movement. There will be more capital but less jobs.

Values vs Interests?

Trade Union movement over the years has seen many ups and down. During the cold war, trade union movement worldwide was stuck in a larger ideological competition. This was a time when ideological positioning between capitalism and socialism was defining the geopolitical contestation. During that time, trade unions were not considered as agents of class struggle but they were also embroiled in a broader ‘bloc’ politics of that time. They hardly had a role of steering fine balance between labour and capital – a classic role of trade union of all the time. After the end of the cold-war, many thought trade union movements would enter into an era and they could truly work for their interests. Sadly enough, that too, did not happen. In contrast, in many countries trade unions, in one way or the other, became victim

of neoliberal orthodoxy. Instruments at the global level were developed to align trade unions with market forces not necessarily with labour. Such a state of affairs only generated legitimacy crisis for them and the idea of ‘class struggle’ was further watered down. The inequality becomes new norms both in the north and south which not only paved way for the financial crisis but also brought severe crisis in democracy itself. The crisis in the financial capitalism of 2007/08 yet again brought another momentum for the trade unions in general and workers in particular. Because of the wider existence of austerity measures and squeezed democratic space, trade unions have had a difficult time to look into the “class politics”. The Covid-19 pandemic and subsequent arrival of new geopolitics, which is built around populism and great power rivalry has brought some sort of in the trade union movement world-wide. **This was also the time which coincided with the debate on just transition where role of trade union is more than crucial not only to protect the workers but also democratise the economic power of the ‘invisible market’ which only produces capital.** Moreover, the extant geopolitical landscape is defined by multipolarity, geoeconomic rivalry, supply-chain politics, and technological competition. They, together, are bringing various types of vulnerabilities for the workers whose impact will be manifested in the trade union movement as well. While the cold war geopolitics was operating around ideologies, today’s geopolitics, for its part, operates largely through geoeconomics. That said, today’s geopolitics is not about values (not really about democracy versus autocracy) but about interests and they alone (re)define values not the other way around.

The context

“Braving the Challenge” was published in the year 2024. The publication, then, was able to find out main challenges that Nepal’s trade unions were facing. Major challenges, then, were shrinking labour rights, rapid changes in the terms and conditions of the employment, job insecurity, lack of adequate wages and other facilities. The documents also underlined potential threats to the achievements of labour movements in the country. There were instances of non-compliance with the law, their misuse, and examples where workers rights were neglected. That said, the document could notice that labour-capital relations in Nepal was not really moving into the right direction. A discernible trend of outsourcing was in increase and exploiting labour under various pretexts was on rise. Likewise, the document also identified the changing nature of jobs, job-market (formal, informal, time-bound, task-bound, and benefits offered to the workers. But, mechanisms to strike a fine balance between labour and capital (collective bargaining, social dialogues etc.) were either not available or not adhered to or discouraged. The technology increasingly replacing the workers due to which unemployment is on the rise. Likewise, the platform economy has become new norms but those who are engaged in the capital formation process (mostly workers) were not really protected. Although, employers were making profits by taking advantage of technology but they were reluctant to pay the workers. The most worrying part was that ‘trade unions’ in Nepal were/ are projected as trouble makers. What was clearly advocated, then, was 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 by unifying many scattered unions. An important point was that, “the aim of the union movement is not just to ensure a pay hike of the workers but to uplift the entire working

classes by transforming the political economy”, the class unity was necessary for that. Keeping all these factors in mind, the study strongly realised that trade unions collective need to address them whilst setting the agendas for the future.

What should be done?

Two-years down the road trade unions certainly have accumulated more problems. Yet solutions are very little on the sight. The biggest problem, as has also been explained elsewhere in this paper, is the rise of politics which does not believe in the values that strengthens position of the working-class. The government certainly believes in having strong economy but it does not say clearly about the role of the workers who are engaged in the capital formation process. Moreover, the global political economy and Nepal’s national political economy are currently facing more than one problem. While global political economy is suffering from persistent inflation, climate change impacts, geopolitical instability stemming from conflicts like the war in Ukraine and west Asia, and disruptions to global supply chains. Nepal’s national political economy for its part has become deeply uncertain. They, together, have led the rise of a situation which can largely be referred as ‘polycrisis’ and if it continues, it may turn into ‘permacrisis’. Such a state of affairs will certainly be difficult to resolve some of the issues that the world of work is facing today. The exponential rise of ‘cloud economy’, and decline of ‘real economy’, will certainly have consequences for the trade union movement in the days to come.

In conclusion, time has for the unions:

First to revisit their own understanding unions and they should realise the fact that why they are there. If the real transformation does not take place in the unions, perhaps, it will be difficult to find or rather locate them in the future. I underline this precisely because we have to change otherwise others will change us which will not be in our interests or interests of the workers.

Second, we should also seek our role in the new evolving political economy not as a participant/consumer but as its stakeholders,

Third, a strong lobby is needed to protect the ‘infrastructures’, that unions have developed over the years for the broader welfare of society.

Fourth, unions are also becoming ‘geopolitical pawn’ in the broader geoeconomic discourses that is undertaking at various layers – national, regional, and global,

Fifth, the issue of class is most important for the trade unions and they should move away from that.

Sixth, image building has become most important and knowingly or unknowingly we have not really worked in that direction in the past.

Presenter: Chandra Dev Bhatta, FES–Kathmandu

Nepali Trade Union Movement Over the Past Two Years: Confronting Challenges

4

Reflection

On **3 March 2024**, GEFONT celebrated the **78th anniversary of the Nepali trade union movement** with great enthusiasm. The occasion provided an opportunity for a comprehensive review of the contribution made by the trade union movement to the establishment of Nepal's democratic republic and to the country's broader socio-economic transformation. Individuals who had played significant roles in the second phase of the trade union movement were honoured by the then Prime Minister K P Sharma Oli.

On the second day of the programme, an extensive review was conducted of the book *The Nepali Trade Union Movement: Braving the Challenges*, published by GEFONT Trade Union Policy Institute (GEFONT-TUPI). The publication analysed not only the contribution of the trade union movement, since its inception in 1947, towards Nepal's democratisation through the active participation of workers, but also the policy transformations that had taken place within the state. It further examined the changes that these developments had brought about in production relations and labour relations.

In particular, following the enactment of the **Labour Act, 2049 (1992)**, which guaranteed workers the rights to organise, to be represented, and to engage in collective bargaining, organised labour pursued sustained struggles and negotiations aimed at establishing industrial relations founded upon class interests. At the beginning of the new century, the Nepali working class also made a significant contribution to the republican movement, which sought both to restore the democratic process disrupted by the royal coup and to transform the Maoist armed conflict into a peaceful political process. As a result, the **Constitution of Nepal (2015)**, promulgated through the Constituent Assembly, recognised the fundamental rights of workers as constitutional rights.

Subsequently, the **Labour Act, 2074 (2017)** and the **Contribution-based Social Security Act, 2074 (2017)** introduced a framework designed to balance labour market flexibility with the protection of workers' rights and interests. Under this model, legal enforcement supported by a strengthened **Labour Audit** system safeguards statutory rights, whilst trade unions negotiate workers' broader interests through collective bargaining. It was therefore concluded that Nepal's industrial relations, which had originated in conflict during the Rana regime, had gradually evolved into a framework characterised by dialogue, agreement, cooperation and coexistence.

The study further revealed that employers had fully utilised the flexibility provisions introduced under the new legal framework and, in some instances, had exploited remaining legal loopholes that still required reform. Meanwhile, labour audit mechanisms failed to expand and improve as anticipated. As workers increasingly relied upon the protection afforded by the social security system, there emerged a tendency among many to devote less effort to strengthening trade unions and pursuing collective bargaining agreements (CBAs). Consequently, as collective bargaining gradually declined, workers' broader interests began to receive less attention.

In response, contribution-based social security and the increased labour mobility encouraged by labour market flexibility were increasingly portrayed as instruments of insecurity and frustration rather than as progressive reforms. Instead of defending these advances in industrial relations, efforts emerged to undermine them and reverse the gains made by the trade union movement. Recognising these developments as serious challenges, the study proposed **27 recommendations** aimed at confronting them. A subsequent review of the research findings on **March 4** (two years before) reaffirmed the validity and urgency of these recommendations.

Context

At the 11th National Congress Delegate's' Council Meeting of GEFONT, held in July 2024, a number of programmes were adopted for the coming year, including the launch of the **"GEFONT Rejuvenation Campaign"**. The campaign sought to integrate the policy directions adopted by the National Congress, the lessons learned from the previous year's initiatives, and the recommendations contained in *The Nepali Trade Union Movement: Braving the Challenges*. Work also commenced on implementing these key recommendations.

The **12th Delegate's Council Meeting**, held on **30–31 July** the following year, reviewed the previous year's activities and approved a programme of work for the coming year. On the same day, the National Executive Committee resolved to translate the organisation's theoretical propositions into a practical action plan. However, before this work could be completed, the events of 8/9 September, known as the Gen Z demonstrations, dramatically altered the political landscape.

The attacks carried out under the banner of the Gen Z movement not only sought to destroy GEFONT's central office physically but also constituted a major political and organisational assault on Nepal's working-class movement. Large workplaces and sources of livelihood came under attack, rendering thousands of working people unemployed almost overnight. The democratically elected Parliament and government were dissolved. The offices of elected local bodies across the country, offices of political parties, and even the private homes of political leaders and activists were reduced to ashes. In effect, the country experienced a regressive political coup. Workers' morale declined sharply, and GEFONT was compelled to prioritise rescue, relief and organisational reconstruction.

Accordingly, on 14 September, the National Executive Committee convened a hybrid meeting and launched the programme **“Dialogue with Workers for Democracy”**, with the objective of enabling every committee member to visit workplaces directly, reconnect with workers and restore their confidence and morale.

Despite numerous adversities, GEFONT participated in the general elections held on 5 March this year. Since assuming office, however, the new government has abolished trade unions within the civil service, curtailed workers' rights to representation, attempted to suppress democratic activities within universities involving teachers and students, and undertaken nationwide demolition campaigns against the shelters of landless and urban poor communities. There has also been an increase in the harassment of political leaders and the filing of politically motivated false cases against them. The government's overall direction appears increasingly committed to restricting the democratic rights of working people.

To legitimise these measures, social media has been extensively misused to spread misinformation, manipulate public opinion and facilitate online abuse. As a consequence, both workers and the wider public remain uncertain and confused about the evolving political situation and its implications.

The Way Forward

The democratic space within Nepal's world of work has narrowed considerably. This represents a critical turning point, threatening to reverse many of the hard-won achievements secured through nearly eight decades of the workers' movement. In the long term, such developments are likely to have serious adverse consequences for the entire labour sector.

It is therefore imperative to help workers and the wider public understand the gravity of these developments and to defend workers' rights and interests. Achieving this objective requires stronger interaction and collaboration with social and political forces that uphold democracy with social justice and share the values championed by the working class. Strengthening such alliances should become one of GEFONT's foremost organisational priorities.

Meanwhile, the labour market itself is undergoing rapid transformation. The accelerated development of the Platform economy and Artificial Intelligence is fundamentally reshaping industrial relations. As automation expands, employment opportunities in traditional production sectors continue to contract. Workers are becoming increasingly dispersed, while the concentration of capital has intensified across the world. Mechanical and algorithmic decision-making is exerting growing influence over human relationships. Young workers are likely to experience the greatest impact of these structural changes.

Consequently, it has become essential to organise, educate and develop the leadership of a new generation of workers entering the labour market equipped with new skills, competencies and aspirations.

Many of the conclusions reached two years ago regarding Nepal's labour market and the trade union movement remain highly relevant today. Their implementation now requires systematic study of both internal organisational structures and the changing external environment, followed by carefully planned and evidence-based action.

GEFONT now stands on the threshold of its **Ninth National Congress**. This should be viewed as an opportunity not only to identify the emerging challenges confronting the working-class movement but also to undertake the necessary ideological and organisational preparations required to fulfil the historic responsibilities that lie ahead.

Presenter: Laxman Sharma, Secretary General–GEFONT

Nepal's Context and the Challenges Faced & Efforts Made by the Global Union Movement

5

Introduction

Nepal has gone through a major democratic transition. Last year, young people took to the streets to demand accountability and good governance. Many paid a very heavy price, including the loss of life and serious damage to public and private property, including businesses that provide jobs to thousands of people. Parliament was abruptly dissolved with the announcement of elections for a new parliament. Accordingly, those elections were held, and a new government has taken office with a strong mandate for change.

This gives Nepal both an opportunity and a responsibility to take this challenge seriously.

The people of Nepal have clearly asked for cleaner governance, more accountability, and a better future. Workers and trade unions share these aspirations and urge deeper consultation and participation rather than alienation. They also want public institutions that are effective, accountable, and free from corruption.

At the same time, reform should not be pursued by weakening the democratic rights of workers. A government with a mandate for accountability and change should also protect the institutions through which workers exercise their voice and representation every day.

That is the spirit in which I speak today: as part of the regional and global trade union movement, and in firm solidarity with the workers and unions of this country.

Democracy and Trade Union Rights: A Global Context

We meet at a time of deep global uncertainty.

Wars and conflicts continue to strain the international system. The war in Ukraine and the continuing conflict in the Middle East have redirected political attention and financial resources away from development, human rights, and social justice.

Recent escalations in West Asia have affected energy prices, supply chains, and the wider global economy. Closer to home, we have also seen armed conflicts flare up over old tensions between neighbours in South Asia and Southeast Asia, alongside the continuing conflict in Myanmar.

These are not abstract geopolitical issues. When oil prices rise, when airfares increase, when supply chains are disrupted, and when inflation returns, workers—especially low-wage and migrant workers—are among the first to feel the consequences.

At the same time, the rise of authoritarian politics and the growing concentration of wealth and power in the hands of a few have weakened multilateralism and narrowed democratic space. In many countries, democratic institutions may still exist formally, but workers are finding it increasingly difficult to speak, organise, bargain, and protest.

This is why the trade union movement insists that democracy cannot be measured by elections alone. Elections matter, but they are not enough. Democracy must also be measured at the workplace and within society.

Can a nurse join a union without fear? Can a teacher protest peacefully without facing punishment? Can a transport worker strike without being criminalised? Can workers sit at the table when laws affecting their lives are being written? Can unions bargain freely with employers and governments?

These are not narrow labour questions. They are fundamental questions of democracy.

The ITUC Global Rights Index gives us an important tool to view this reality. It tracks violations of workers' rights around the world, including the rights to organise, bargain collectively, strike, assemble, and speak freely.

The 2026 Index shows a world where these rights are under severe pressure. Attacks on free speech and assembly were reported in half of the countries surveyed—the highest level ever recorded by the Index. Union registration was impeded in three-quarters of those countries, and workers were arrested or detained in 75 nations.

But there is also some positive news. In an advisory opinion requested by the International Labour Organization (ILO), the International Court of Justice (ICJ) confirmed that the right to strike is protected under ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organise.

This is a significant reminder of why ILO standards matter. Workers need genuine means to defend their interests collectively. The right to organise is weakened if workers cannot act together. Similarly, the right to bargain is undermined if employers and governments can ignore workers with impunity.

No worker or union takes strike action lightly. A strike involves risk, lost income, and immense uncertainty for workers and their families. It is rarely the first option. It normally comes only after dialogue fails, negotiations are blocked, or workers are left with no effective alternative to have their concerns addressed.

When all other channels break down, the right to withhold labour remains one of the most vital forms of collective action available to workers. The ICJ advisory opinion therefore affirms that freedom of association must inherently include the capacity of workers and their organisations to act collectively.

When workers' rights decline, democracy declines with them.

Asia-Pacific Trends: Workers' Rights Under Continuing Pressure

Our own region reflects this global crisis.

If we refer to the ITUC ratings from 2020 to 2026, the Asia-Pacific remained the second-worst region in the world for workers' rights, behind only the Middle East and North Africa. The regional rating worsened during the COVID-19 years, rising from 4.09 in 2020 to 4.22 in 2022. Since then, there has been a slow improvement, reaching 4.08 in 2025. However, in 2026, this progress stalled, and the rating remained stagnant at 4.08.

This tells us something crucial: while the situation may no longer resemble the peak of the pandemic crisis, workers' rights have failed to fully recover.

During the COVID-19 period, many governments and employers used emergency conditions as a pretext to dismiss workers, suspend collective bargaining, increase surveillance, and restrict assembly.

In Myanmar, the military coup led to the total collapse of democratic space and severe, violent repression of workers and unions.

In Hong Kong, independent trade unionism continues, but under highly constrained conditions. The dissolution of the HKCTU and the ongoing prosecution of labour and democracy leaders, such as Lee Cheuk-yan, remain matters of serious concern. While some unions continue to represent workers and maintain links with the regional and global labour movement, they must do so with extreme caution. Our solidarity must therefore remain steadfast, while fully respecting the security of those still working on the ground.

Even after economies reopened, many restrictions remained in place. The emergency ended, but many anti-union practices persisted.

The 2026 ITUC Index shows that in the Asia-Pacific, approximately nine in 10 countries still violate the right to strike, and roughly the same proportion impede the registration of unions. Nearly nine in 10 deny workers the full right to establish or join a union, and more than eight in 10 violate collective bargaining rights.

There is, however, one trend that appears positive at first glance.

In 2020, four Asia-Pacific countries were among the 10 worst countries in the world for workers: Bangladesh, India, Kazakhstan, and the Philippines. From 2021 to 2025, Bangladesh, Myanmar, and the Philippines were consistently on that list. By 2026, only Myanmar remained.

Yet, this data must be read with caution.

Bangladesh moved off the list after reforms under the interim government reduced some barriers to union formation—a piece of progress that should certainly be recognised. However, Bangladesh remains rated at Category 5, which signifies that there is still no guarantee of rights. The Philippines also moved out of the top 10 worst list, which is an encouraging sign. However, it was simultaneously placed on the ITUC Watchlist because violations against workers' rights have measurably increased.

Across the region, governments continue to use the language of reform, efficiency, impartiality, transparency, and stability. These are entirely legitimate public concerns. Too often, however, unions are treated as obstacles rather than democratic partners.

Unilaterally imposed guidelines on union formation, registration, and operating systems frequently degenerate into restrictive permit regimes. Strikes are heavily restricted, collective bargaining is bypassed, and public servants are told that their rights must be curtailed in the name of institutional discipline. Furthermore, the haphazard invocation and enforcement of the Essential Services Management Act (ESMA) has become a serious tool used to dismantle workers' collectives. Migrant workers, informal workers, platform workers, and precarious workers remain systematically excluded from full legal protection.

This is precisely how workers experience democratic backsliding on the ground.

Nepal: Freedom of Association, Social Dialogue, and Constitutional Commitments

Nepal is part of this regional picture, but it also possesses its own unique democratic history and constitutional commitments.

The ITUC Index has rated Nepal as Category 3—indicating regular violations of rights—throughout the entire period from 2020 to 2026. While this does not place Nepal among the absolute worst countries, it demonstrates that workers' rights concerns are long-standing. Worryingly, the government's recent attempt to impose an ordinance banning union rights for the civil service is a clear indication of an undemocratic shift.

Even the historical record includes the arrest of journalists during various protests against job losses. It includes teachers mobilising against restrictions on their right to organise, protest, and demonstrate. It also includes the police heavy-handedness against teachers mobilised by the Confederation of Nepalese Teachers during what was a lawful and peaceful protest calling for permanent employment and fair wages.

This context matters because proposals to restrict or abolish public sector trade unions did not emerge in a vacuum. They appeared in a region where many governments are already squeezing the operational space for workers' organisations.

UNI Asia & Pacific has already expressed its position clearly. Alongside other Global Union Federations in the region, and deeply informed by the concerns of our Nepalese affiliates, we have called on the Government of Nepal to reconsider the proposal to restrict public sector trade unions.

Our concern is firmly grounded in Nepal's own Constitution and its international commitments. Articles 34 and 35 of the Constitution of Nepal explicitly guarantee workers the right to form trade unions and to bargain collectively. Furthermore, Nepal has ratified ILO Convention No. 98 on the Right to Organise and Collective Bargaining and is fully expected to uphold the principles of tripartite consultation reflected in ILO Convention No. 144.

Reform measures that affect workers' rights must be developed *with* workers; they should never be imposed *upon* them.

The Government of Nepal has frequently spoken about the need to depoliticise public institutions, strengthen meritocracy, and improve governance. These are entirely legitimate aims. Workers also want public institutions that effectively serve the people. Unions, too, must be accountable to their members and act as genuine, transparent representatives of the workforce.

However, the answer to politicisation is not the eradication of trade union rights. The far better response is to foster independent, democratic, and accountable trade unionism governed by transparent rules, genuine social dialogue, and good-faith negotiations.

A government has every right to pursue reform, but it must do so within the boundaries of the Constitution, in alignment with its international obligations, and with profound respect for the workers who deliver public services every single day.

Building Accountability and Effective Public Institutions: Reforms with Workers

This brings me to a wider point.

Across the world, governments often present reform as a purely technical exercise. They speak at length about efficiency, restructuring, fiscal discipline, anti-corruption, and modernisation.

Some of these goals may well be necessary. Workers and unions do not oppose reform simply because it is reform. The real question is: *reform for whom, and reform with whom?*

When reform is designed without workers, it inevitably becomes reform *against* workers. It leads to wage suppression, pension cuts, privatisation without protection, job insecurity, and targeted attacks on collective bargaining. Then, when workers resist these measures, they are disingenuously accused of blocking national progress.

We have seen this play out globally.

In Argentina, workers and communities mobilised in huge numbers against aggressive efforts to weaken labour laws and impose harsh austerity measures. In Panama, mass protests against pension reform were met with severe state repression. Consequently, both countries entered the ITUC's 2026 list of the 10 worst countries for workers. These examples serve as a stark reminder that economic reform engineered without social dialogue quickly transforms into a democratic crisis.

The superior path is reform executed *with* workers.

Effective governance and workers' fundamental rights are not competing or mutually exclusive goals. In a truly democratic society, they ought to reinforce each other.

Australia offers an excellent example from our region. Its ITUC rating improved from 3 to 2 after comprehensive industrial relations reforms were developed in direct consultation with trade unions. This proves that real progress is entirely possible when governments treat unions as partners rather than adversaries.

Bangladesh also offers a cautious but valuable lesson. Labour law reforms under the interim government helped the country move off the list of the 10 worst nations for workers. This breakthrough came as a result of sustained pressure and constructive, resilient engagement by the labour movement. While the work there remains incomplete, it shows that dedicated dialogue can open up democratic space. The unions there will now need to guard this space vigilantly and continue working to expand it.

Lessons from the Labour Movement: Organising, Solidarity, and Successful Pushback

Even in this incredibly difficult period, the labour movement is doing far more than just resisting; it is actively building, organising, and winning.

In Myanmar, the international labour movement campaigned tirelessly for decisive ILO action against the military junta. The subsequent adoption of ILO Article 33 measures was historic. Yet, as our colleagues from ITUC-Asia Pacific have rightly reminded us, adoption is not the same as implementation. The work continues. We must resolutely reject the junta's attempts to manufacture legitimacy through sham

elections, and we must remain unshakeable in our support for Myanmar's workers and unions.

In Hong Kong, the imprisonment and trial of Lee Cheuk-yan remain a poignant symbol of the wider assault on democratic trade unionism. The independent trade union movement has undeniably shrunk, but it has certainly not disappeared. The global labour movement will continue to champion his case and the cases of others like him. We will also continue to speak out against the broader repression of workers' rights through international solidarity and established ILO mechanisms.

In Indonesia, unions fought for years against the regressive Omnibus Law, which drastically weakened labour protections and collective bargaining. They took their struggle all the way to the Constitutional Court and successfully won a ruling that partially overturned the law—securing vital protections regarding fixed-term contracts, severance priority, and wage-setting mechanisms. While it was not a total victory, it proved that sustained, strategic organising can reclaim legal and political space.

In Korea, after years of intense pressure, unions secured milestone reforms that expanded the legal definition of an employer, broadened the scope of what constitutes a legitimate labour dispute, and strictly limited the use of crippling damages claims against unions and strikes. This matters immensely, because damages claims have routinely been weaponised to bankrupt unions and deter collective action.

In India, the Joint Platform of Central Trade Unions mobilised an estimated 300 million workers in a monumental nationwide general strike in February 2026. It stands as one of the largest mass mobilisations in human history, and a definitive, roaring rejection of labour reforms imposed without meaningful social dialogue.

In Bangladesh, the formation of the Bangladesh Confederation of Trade Unions and the opening of serious labor law reform discussions demonstrate that targeted pressure and sophisticated engagement can shift the course of national policy. The lesson here is not that all problems are solved, but rather that organised labour possesses the power to shape the national agenda.

The Rana Plaza tragedy also reminds us of a painful but vital lesson. More than a decade ago, the catastrophic collapse of Rana Plaza exposed the fatal consequences of corporate negligence and weak regulatory enforcement. However, the international labour movement—spearheaded by UNI Global Union and IndustriALL—responded by constructing the International Accord, which has since delivered concrete, life-saving results for worker safety. Today, that enduring lesson has culminated in the formation of the Human Rights Due Diligence Competence Centre, providing unions with an advanced tool to hold multinational corporations strictly accountable within global supply chains.

This is incredibly important. When international institutions prove weak or slow to act, the labour movement cannot afford to wait passively. We must proactively build our own capacity. We must aggressively utilise global agreements, human rights due

diligence, ILO processes, public campaigning, and grassroots organising to defend working people.

We also face modern, unprecedented challenges. Artificial intelligence is already rapidly reshaping employment, particularly within service sectors such as call centres, ICT, finance, commerce, and platform work. In developing economies, the threat of mass job displacement and aggressive corporate restructuring is a stark reality.

Our response must be rooted in rigorous collective bargaining, robust regulation, fair taxation, and strong social protection. Workers must have a powerful, decisive voice in how technology is introduced and how its immense benefits are shared.

This is precisely why organising remains the absolute bedrock of everything we do. UNI Asia & Pacific affiliates across South Asia, Southeast Asia, and the Pacific have continued to fearlessly organise new unions, secure collective bargaining rights, and defend workers under the most hostile conditions.

Organising is not merely a numbers game. It is the vehicle through which workers become visible, and it is the only way rights are transformed from words on paper into reality.

Conclusion: A Democratic Future Must Include Workers' Voices

Brothers and sisters,

The deep-seated demand that brought people to the streets in Nepal was a demand for accountability, human dignity, and authentic democracy. The demand of the trade union movement is inextricably linked to that very same democratic aspiration. We desire a democracy that functions effectively not just on election day, but every single day—including within the workplace.

Our message to governments everywhere is offered in a spirit of genuine friendship, but with absolute firmness:

Pursue your reforms. Strengthen your public institutions. Fight corruption relentlessly. Improve public services. Create decent jobs. Expand social protection. These are vital, commendable goals.

But do it *with* workers, never *against* them. Do it through meaningful social dialogue. Do it in strict compliance with your Constitution and international obligations. Do it in a manner that actively reinforces democratic institutions rather than eroding them.

Workers aligned in trade unions are not the enemies of reform, and unions are not obstacles to democracy. When they are independent, accountable, and truly representative, they are the very lifeblood of democracy.

And to the trade unions of Nepal, our message is simple and clear: you are not alone.

UNI Asia & Pacific, UNI Global Union, and the wider international labor movement stand squarely with you.

We stand with you in defending freedom of association, collective bargaining, and social dialogue. We stand with you in building democratic, independent, and strictly accountable unions. And we stand with you in the global struggle for decent work, social justice, and a democratic future.

The future of democracy in Nepal, across the Asia-Pacific, and throughout the entire world must include, respect, and elevate the voices of workers.

Thank you.

Presenter: Rajendra Acharya, General Secretary (UNI-APRO)

Session-II

The Shifted Landscape Post-General Election: The Assault on Democratic Rights

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Governance by Ordinance?

The Present Government's Trajectory Towards Authoritarianism

1. Introduction

To comprehend the character of any country's governance system, it is essential to review the foundational pillars, values and principles of democracy. Democracy, civil liberties and the rule of law encompass diverse dimensions and global perspectives:

- **Nelson Mandela's Perspective:** Mandela, the pioneer of the anti-apartheid movement, asserted that in a democratic system, all citizens possess equal worth. No one should be relegated to second-class citizenship based on race, colour or gender. He defined true freedom not merely as casting off one's own chains, but as living in a way that respects and enhances the freedom of others. In a democracy, liberation from poverty and deprivation is not an act of state charity but a fundamental human right. To this end, an independent, investigative and critical press, free from state interference, is indispensable.
- **The Philosophy of Popular Leader Madan Bhandari:** Bhandari established democracy as an inseparable component of citizens' rights, multi-party competition and press freedom. His doctrine of 'People's Multi-Party Democracy (PMPD)' underscores the supremacy of the Constitution, a pluralistic open society, the separation of powers, the protection of human rights and periodic elections.
- **The Vision of the Constitution of Nepal:** The Preamble of the Constitution itself enshrines a competitive multi-party democratic governance system, civil liberties, fundamental rights, human rights, adult franchise, periodic elections, full press freedom, an independent, impartial and competent judiciary, and the rule of law as unamendable, foundational pillars.

2. Key Pillars of a Democratic System

Based on global practices and the constitutional ethos of Nepal, the core indicators of democracy are as follows:

- **Governance by Sovereign Citizens:** The absolute power of the state is vested in the people, who participate in governance directly or indirectly through periodic elections.
- **The Rule of Law:** A system where no one is above the law and all citizens are equal in the eyes of the law. The government must remain accountable to the people and the Parliament for its every decision and action.
- **Separation of Powers, Checks and Balances:** Respecting the respective jurisdictions of the principal organs of the state (the Executive, the Legislature and the Judiciary) and established state entities, ensuring non-interference in each other's domains.
- **Civil Liberties and Human Rights:** Guarantees of absolute freedom of thought, expression and assembly. The complete protection of an individual's inherent rights, dignity and fundamental human rights is an absolute prerequisite for a democratic system.
- **Full Press Freedom:** A state where citizens have the right to criticise the government, and the media operates entirely free from state control.
- **Creation of a Fear-Free Environment:** Citizens are not subjected to fear or intimidation in conducting their activities. An environment is fostered where everyone can pursue their commercial, professional and organised activities without trepidation.
- **Political Pluralism:** The freedom to establish and compete through multiple political parties and organisations based on diverse ideologies. This grants citizens choices and fosters an environment receptive to the viewpoints of opposition political parties.

3. Authoritarian Indicators of the Present Government

An analysis of the current ruling party and the working style of the executive leadership suggests that the country is tilting towards authoritarianism, undermining democratic values. This is substantiated by the following indicators:

1) The Onset of Political Vendetta and Cycle of Suppression

Actions taken against opposition leaders during the initial phase of this government's formation clearly demonstrate a departure from the democratic norm requiring independent and impartial legal processes. Immediately upon taking office, the government arrested the then Prime Minister and Chairman of the CPN (UML), Comrade K.P. Sharma Oli, alongside the then Home

Minister, Ramesh Lekhak. This served as an explicit signal to all opposition parties that the state could detain anyone at any time. Recently, UML Vice-Chairman Bishnu Poudel has also been arrested. Administrative and judicial powers are being weaponised to target top opposition leaders for political vendetta, striking a direct blow to the spirit of democratic coexistence.

2) A Government Devoid of Human Empathy

Following the formation of this government, the demolition of houses from Birgunj's Ghantaghar to the border checkpoint commenced without any prior notice. This was followed by the forceful eviction of landless settlers (Sukumbasi) from the banks of Thapathali, Baneshwor and Manohara in Kathmandu, without providing any alternative arrangements. These actions, carried out in total violation of established legal procedures and without prior notification, have cultivated an atmosphere of fear and panic rather than the rule of law, proving that the government is completely devoid of human empathy.

3) Curbing Independent Student Unions

The government decided to banish active student organisations from university premises. To diminish the role of active, independent student unions within educational institutions, the government introduced alternative structures like 'Student Voice' or 'Student Councils' while sidelining traditional unions. This exposes the government's intent to cultivate puppet state-aligned student wings while dismantling free student unions.

4) Assault on Trade Union Rights

Through the issuance of ordinances, the government has amended the Civil Service Act, the Health Service Act and the Federal Parliament Secretariat Act to effectively ban civil service and labour organisations. Unions are being stripped of representation at all policy-making levels. Registrations of all unions are being revoked, and their offices within public sector premises are being removed. Furthermore, staff are being forced to sign declaration forms pledging non-alignment with any union—a tactic reminiscent of the early steps taken by Hitler and Mussolini.

5) Unauthorised Interference in the Judiciary and Constitutional Bodies

The principle of 'checks and balances' has been dismantled by pressuring judges of the Labour and Administrative Courts to resign, bypassing seniority in the appointment of the Chief Justice, and summoning heads of constitutional bodies (such as the Public Service Commission, Election Commission, Commission for the Investigation of Abuse of Authority, Auditor General, etc.) to the Prime Minister's Office—or dispatching agents to their offices—to intimidate them into performing illegal acts or resigning. Furthermore, dismissals of officials at the Information Commission and the

Truth and Reconciliation Commission via ordinance have paved the way for arbitrary political appointments to control these institutions.

6) Attempts to Reduce the Administrative Machinery to Servitude

The permanent bureaucracy has been rendered dysfunctional and subjected to humiliating pressures. Legislation is drafted by completely bypassing and ignoring the administrative machinery, reducing civil servants to mere rubber stamps. These actions indicate a systematic policy by the present government to capture the state's administrative apparatus.

7) Control Over the Media

The rise of this government is deeply rooted in the manipulation of social media. It continuously utilises social media networks to defame opponents, defend its own wrongdoings and unleash barrages of abuse against critics. Much like the physical assaults carried out by Nazi youth squads or Mussolini's Blackshirts against critics, this regime engages in relentless character assassination through digital mobs, aiming to neutralise and defame mainstream independent media.

8) The Arrogance of Treating Everyone Else as Infinitesimal

The Prime Minister insulted the President. He walkabout during the presentation of the government's Policy and Programme in Parliament, which he himself had summoned. He has consistently violated the constitutional mandate requiring regular prime ministerial briefings to the President. Treating the Parliament with contempt, he failed to address it properly or respect traditional legislative procedures. The government is currently run by a single individual and their inner coterie within a de facto one-party system, disregarding both Parliament and other Cabinet members.

9) Violation of National Interests and Diplomatic Decorum

In flagrant violation of diplomatic norms and national interests, the leadership made unpatriotic public remarks regarding state borders, falsely claiming that Nepal had encroached upon Indian territory, thereby humiliating the nation. The government has displayed immaturity by attempting to drag third parties into bilateral border disputes and has adopted an undiplomatic, insulting posture towards ambassadors of various nations, severely damaging Nepal's long-term international image.

10) Elitist Budgetary Policies and Accumulation of Illicit Wealth

Through the budget, provisions were made to exclusively benefit a select elite. Tax rates were reduced by ten per cent to favour the Prime Minister, Ministers and MPs of the ruling majority, while lower thresholds were raised. Minister salaries were hiked under the guise of public service pay adjustments. Simultaneously, high-profile corporate figures are being arrested under the banner of good governance to create fear—a strategy aimed at establishing

regular avenues for extortion and illicit income for those in power, the realities of which will inevitably surface in due course.

11) Governance via Ordinance

Bypassing regular parliamentary sessions and ignoring the legislature, a series of sensitive ordinances have been issued simultaneously:

- Cooperatives (First Amendment) Ordinance
- Public Procurement (Second Amendment) Ordinance
- University Related Some Nepal Acts Amendment Ordinance
- Anti-Money Laundering Prevention (Third Amendment) Ordinance
- Special Provisions on Dismissal of Public Officials Ordinance
- Some Nepal Acts Amendment Ordinance
- Health Science Academies Related Some Nepal Acts Amendment Ordinance
- Constitutional Council (Functions, Duties, Powers and Procedures) (First Amendment) Ordinance

The issuance of these ordinances represents a gross abuse of constitutional powers, failing to adhere to the provisions of the Legislation Act. They were enacted despite the absence of any urgent or extraordinary necessity. Ordinances must not strip citizens of their rights, yet this government has used them to curtail fundamental freedoms.

12) Violation of International Commitments and Labour Conventions

Abolishing the tripartite representation system (Government-Labour-Employer) via ordinance stands in direct violation of the International Labour Organisation (ILO) **Tripartite Consultation Convention (Convention No. 144)**. Sidelining trade union representation from entities like the Social Security Fund, which runs entirely on workers' contributions, is a severe assault on labour rights.

13) Execution of Dictatorial 'Executive Orders'

The exploitation of loopholes within the Legislation Act to govern through arbitrary 'Executive Orders'—which do not require parliamentary presentation or approval—is a modern variant of Adolf Hitler's 1933 *Enabling Act*.

4. Historical Context and Characteristics of Authoritarian Governance

History demonstrates that dictators often emerge from democratic elections or within parliamentary systems. The rise of Hitler and Mussolini serves as textbook examples:

A) Nazi Germany and the Rise of Adolf Hitler (1933)

In the absence of a clear majority for any party in the German Parliament (*Reichstag*), Adolf Hitler was appointed Chancellor on 30 January 1933. The authoritarian steps he subsequently implemented included:

1. **The Reichstag Fire and Emergency Decree:** The parliament building was set ablaze, blame was pinned on political opponents (especially communists), civil liberties were suspended, and opponents were arbitrarily detained.
2. **Propaganda and Censorship:** Under Propaganda Minister Joseph Goebbels, a state-controlled apparatus was built on the premise that a lie told a hundred times becomes the truth. Nazi ideology was forcibly imposed across the press, education, arts and culture.
3. **The Enabling Act (1933):** Passed through Parliament, this Act granted Hitler full executive power to enact laws without parliamentary approval.
4. **Banning of Trade Unions and Student Bodies:** On 2 May 1933, independent trade unions were banned, collective bargaining was outlawed, and the 'German Labour Front' was established. Simultaneously, the Nazi Student League seized complete control over universities.
5. **Repressive Intelligence Apparatus:** The *Gestapo*, a powerful secret police force, was established to neutralise internal party critics and external political opponents. Nazi ideology was codified, and thousands of books opposing their doctrine were publicly incinerated.
6. **Control Over the Judiciary:** Hitler asserted complete control over the courts. Legal professionals were forced to join Nazi organisations, and non-Nazi or Jewish judges and lawyers were purged. Special courts and the 'People's Court' (*Volksgerichtshof*) were set up to handle political trials.
7. **Hitler Declared Supreme Leader:** Following the death of President Hindenburg in 1934, the offices of Chancellor and President were merged, making Hitler the supreme leader (*Führer*)—the ultimate source of authority for both party and state.
8. **Repudiation of Treaties and War:** Denouncing the Treaty of Versailles as humiliating, Germany embarked on aggressive foreign policies. Extreme nationalism painted Aryans as a "master race", culminating in the systematic genocide of Jews (The Holocaust).

B) Fascism in Italy and Benito Mussolini (1922)

In October 1922, Benito Mussolini orchestrated the 'March on Rome', using violent intimidation to compel the King to appoint him Prime Minister. His subsequent actions included:

1. **Banning of Political Parties:** By 1925, all political parties except the Fascist Party were outlawed, and opposition leaders were exiled or imprisoned.
2. **The Secret Police (OVRA):** A ruthless secret police force was deployed to monitor, suppress and assassinate political opponents.
3. **Fascistisation of the Judiciary:** The independence of the judiciary was dismantled, placing courts under the absolute control of the Fascist Party and establishing special tribunals for political dissidents.
4. **Abolition of Labour Rights:** Independent trade unions and strikes were declared illegal. They were replaced by state-controlled corporations that stripped workers of their rights to benefit industrial owners.
5. **Fascist Youth Organisations:** Groups like the *Gruppi Universitari Fascisti* were formed to indoctrinate university students and shape young minds in line with fascist ideology.
6. **Press Censorship:** Strict censorship was enforced; critical newspapers were shut down, and printing rights were restricted exclusively to those supporting Mussolini and his party.
7. **Total State Control:** Democratic institutions were dismantled, fascistising the entire state apparatus under the absolute command of Mussolini.
8. **Alliance with Nazi Germany:** Following the rise of Hitler, Mussolini aligned with Germany, plunging the country into the Second World War with expansionist ambitions.

5. Conclusion and Future Course of Action

A comparison between historical precedents and the trajectories of the present government confirms that the current leadership is steering the country towards authoritarianism through an 'Ordinance Raj' and unauthorised institutional capture. To safeguard democracy, constitutional supremacy and civil liberties, the following actions are urgently required:

- **Formation of a Broad Political and Civic Front:** Cultivating internal unity among all political parties, civil society and social institutions to resist authoritarian maneuvers.

- **Persistent Vigilance in Parliament and on the Streets:** Exerting pressure within Parliament and parliamentary committees to reject anti-people ordinances brought by bypassing constitutional processes.
- **Revitalisation of the Trade Union Movement:** Launching a nationwide campaign under a unified front with the collective slogan: "*Save Tripartism, Protect Labour Rights*".
- **Mobilisation of International Solidarity:** Drawing the attention of international bodies, including the International Labour Organisation (ILO), to violations of established labour and human rights.
- **Constitutional and Legal Remedies:** Initiating legal battles before the Supreme Court for judicial review against the government's unconstitutional ordinances and arbitrary decrees.

Presenter: Ramesh Badal, Senior Advocate

Nepal in Brief

7

Fact: Emerging Compliance Gaps under ILO Supervisory Mechanisms

Trade Union Perspectives on Recent Ordinances and Executive Actions

For Distribution at: ITUC South Asia Trade Union Meeting on National
Compliance with ILO Supervisory Mechanisms

114th International Labour Conference (ILC)

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Key Message

Recent ordinances and executive measures adopted by the Government of Nepal have significantly weakened trade union participation, collective bargaining structures, and tripartite social dialogue mechanisms. These developments raise serious concerns regarding Nepal's compliance with obligations arising from ratified ILO Conventions, particularly **Convention No. 98** (Right to Organise and Collective Bargaining) and **Convention No. 144** (Tripartite Consultation).

Background

Between 30 April and 5 May 2026, the Government of Nepal promulgated **eight ordinances**. Two of these contain provisions with direct implications for workers' rights, trade union representation, social dialogue, and labour governance:

- **Special Provisions Relating to the Removal of Public Officials Ordinance, 2083**
- **Ordinance to Amend Certain Nepal Acts, 2083**

These ordinances were issued while Parliament was not in session, bypassing consultation with relevant stakeholders i.e.; representative of workers' and employers' organisations.

Major Areas of Concern

1. Weakening of Collective Bargaining Structures

The ordinances remove or significantly reduce representation of workers' organisations in statutory labour institutions established under:

- Labour Act
- Contribution-based Social Security Act
- Education-related legislation

This undermines workers' ability to participate in policy formulation and collective labour governance.

ILO Implications

Convention No. 98

- Protection of collective bargaining rights
- Promotion of voluntary negotiations between workers and employers

The replacement of representative trade union participation with government-appointed individuals weakens independent collective representation.

2. Erosion of Tripartite Social Dialogue

Existing tripartite mechanisms involving government, employers and workers have been altered through unilateral executive action.

ILO Implications

Convention No. 144

- Requires effective consultation with representative workers' and employers' organisations on labour matters.
- Calls for meaningful participation in labour policy and international labour standard implementation.

The removal of trade union representatives from statutory bodies is inconsistent with the spirit and objectives of Convention No. 144.

3. Government Control over Workers' Representation

The ordinances introduce nomination mechanisms that enable government influence over worker representation in public institutions.

Concerns

- **End of independent union representation** → Government's nomination system reduced independence of workers' organisations.
- **Removal of fixed terms** → Increased risk of politically selected representatives.
- **Political control over social security** → Erodes worker trust in SSF.

- **Exclusion from policy-making** → Teachers, civil servants, and workers silenced.
- **Risk of dictatorship** – Dissolving civil servant organisations is a dangerous rehearsal, which weaken autonomous trade union structures.
- **Long-term consequence:** Serious adverse effect on industrial democracy, social dialogue, industrial peace, and workers' socio-economic rights.

ILO Principles

The ILO Committee on Freedom of Association has consistently affirmed that workers must be free to choose their representatives without interference from public authorities.

4. Restrictions on Public Sector Trade Union Rights

The ordinances and subsequent government notices effectively remove legal recognition of trade unions for civil servants and place union-affiliated public employees under threat of disciplinary action.

ILO Implications

These measures conflict with internationally recognised principles concerning:

- Freedom of association
- Protection against anti-union discrimination
- Collective representation of public employees

5. Undermining Worker Participation in Social Security Governance

The Contribution-based Social Security Fund is financed basically through worker and employer contributions.

The removal of workers' representation from its governance structures:

- Weakens accountability
- Reduces stakeholder ownership
- Risks undermining confidence in the social security system

6. Exclusion from Education Sector Governance

The removal of representatives of teachers' and professors' organisations from education policy bodies diminishes stakeholder participation and professional consultation.

This raises concerns regarding the broader trend of excluding organised workers from public decision-making processes.

Broader Democratic Concerns

Recent legislative amendments have expanded executive authority to issue orders affecting rights and institutional arrangements.

Trade unions are concerned that:

- Social dialogue is being replaced by unilateral decision-making.
- Parliamentary scrutiny is being bypassed.
- Stakeholder consultation is diminishing.
- Democratic checks and balances are being weakened.

These developments have implications beyond labour relations and affect the broader environment for democratic governance.

Relevant ILO Standards

Ratified by Nepal

Convention No. 98

Right to Organise and Collective Bargaining Convention, 1949

Convention No. 144

Tripartite Consultation (International Labour Standards) Convention, 1976

Relevant Fundamental Principles

Convention No. 87

Freedom of Association and Protection of the Right to Organise Convention, 1948

Although not yet ratified by Nepal, Convention No. 87 forms part of the ILO's Fundamental Principles and Rights at Work and serves as an important benchmark for assessing freedom of association.

Trade Union Demands

Nepali trade unions call upon the Government of Nepal to:

1. Withdraw or amend provisions that undermine trade union rights and tripartite representation.
2. Restore representation of workers' organisations in statutory bodies.
3. End state violence against workers & squatters.
4. Respect obligations arising from Conventions No. 98 and No. 144.
5. Ensure meaningful consultation with representative workers' and employers' organisations before introducing labour-related reforms.

6. Strengthen—not weaken—social dialogue as a foundation for industrial peace, democratic governance, and decent work.

Why This Matters

Strong and independent trade unions, effective collective bargaining, and genuine tripartite consultation are indispensable pillars of democratic labour governance. Weakening these institutions risks undermining social dialogue, labour market stability, and the protection of workers' rights.

The case of Nepal highlights broader challenges facing South Asia, where labour law reforms are increasingly pursued without adequate participation of representative workers' organisations. Strengthening compliance with ILO supervisory mechanisms remains essential to advancing social justice, decent work, and democratic governance across the region.

ILO Supervisory Bodies:

A Recurrent Compliance Concern Regarding Public Sector Trade Union Rights

Current developments in Nepal echo concerns previously raised by the ILO supervisory system. In March 2006, following a complaint filed by the Nepal National Teachers' Association (NNTA), the Nepal Teachers' Association (NTA), and the Nepal Government Employees' Organisation (NEGEO), the ILO Committee on Freedom of Association examined measures that had suspended public sector trade unions and effectively prohibited the activities of NEGEO through amendments to the Civil Service Act.

In its decision (**Case No. 2412, Report No. 340, 2006**), the Committee expressed concern over restrictions on civil servants' trade union rights and urged the Government to amend the Civil Service Act to ensure that public servants could freely establish and join trade unions, federations, and confederations of their own choosing, including cross-sectoral organisations. The Committee also called for the restoration of NEGEO, the return of its assets, an end to government interference in trade union affairs, and meaningful consultation with workers' organisations before adopting legislation affecting their rights.

Twenty years later, many of the concerns identified by the Committee remain relevant. Recent ordinances and administrative measures that restrict public sector trade union representation, weaken collective bargaining institutions, and reduce workers' participation in social dialogue raise questions regarding Nepal's compliance with the principles underpinning ILO Conventions No. 98 and No. 144, as well as the longstanding jurisprudence of the ILO Committee on Freedom of Association.

About JTUCC

The Joint Trade Union Coordination Centre (JTUCC) is the representative coordinating platform of Nepal's trade union movement. It brings together ten nationally recognised trade union centres and serves as the principal forum for joint action, social dialogue, and advocacy on matters concerning workers' rights and labour policies.

The ITUC Nepal Affiliates Council (**ITUC-NAC**) brings together Nepal's three ITUC-affiliated national trade union centres: GEFONT, NTUC and ANTUF. The Council serves as a common platform for coordination, advocacy and engagement with the ITUC and international labour institutions.

Key Violations of Workers' Rights: Summary

Area of Attack	What Has Happened	ILO Violation
Constitutional Power Abused	Ordinances (meant for urgent needs) used to terminate union rights – an abuse of executive power.	Violates principles of democratic governance and ILO's <i>Tripartite Consultation Convention (C144)</i> .
Fundamental Right to Organise (Article 34, Nepal Constitution)	Legal representation of highly representative trade unions abolished; replaced with government appointees.	Violates <i>Freedom of Association (C87 – fundamental)</i> and <i>Right to Organise (C98)</i> .
Tripartite Structures Destroyed	Union & employer representation removed from Labour Act, Social Security Fund Board, Education Act, and Central Labour Advisory Council.	Direct violation of C144 (Tripartite Consultation) ratified by Nepal.
Social Security Fund (SSF)	Worker representation removed from the SSF Board – a fund built by workers' contributions.	Attack on worker ownership and participation.
Civil Servants' Union Rights	Legal provisions for civil service unions removed; all civil servant organisations dissolved. Grievance handling (individual) replaces collective bargaining.	Violates C98 (Collective Bargaining) and ILO Freedom of Association principles.
Education Sector	Teachers' Federation & Professors' Association removed from Education Council and District Committees.	Termination of professional participation.
Executive Orders	Amendment to Legislation Act, 2025 allows government to issue executive orders to curtail rights at any time.	Undermines rule of law and social dialogue.
State Violence	Bulldozers deployed on homes of workers/squatters; goods of street vendors looted; threat of Property Investigation Commission against union leaders.	Beginning of state terror against labour.

Address to the 114th International Labour Conference

8

**Mr. President,
Colleagues from the world of work,**

I stand before you today representing the resilient workers of Nepal.

I congratulate the President and the Officers of the Conference on their election.

I also commend the Director-General for his timely report, **“A Moment of Choice: Harnessing Artificial Intelligence for Decent Work.”**

The title says it all.

We are at a crossroads.

The future of work is being reshaped by two powerful forces:

- **Artificial Intelligence.**
- **And the platform economy.**

The question before us is simple:

Will technology serve humanity? Or will humanity serve technology?

Will it advance decent work?

Or

will it deepen **inequality, insecurity** and the **concentration of power**?

AI is not destiny.

Technology is neutral. Institutions are not.

The real choice is not technological.

- It is political.
- It is social.

It is a choice about governance, rights and justice.

Brothers and sisters,

This Conference is not merely discussing the future.

We are negotiating it.

The proposed Convention and Recommendation on Decent Work in the Platform Economy are our first major response to the age of AI.

They are an opportunity to place human dignity before technological power.

Today, algorithmic management is already shaping millions of lives.

- It brings surveillance.
- Opaque decisions.
- Discrimination.
- Work intensification.
- Loss of autonomy.
- And weakened collective rights.

These are not future risks. They are today's realities.

Platform workers receive work from algorithms.

- They are rated by algorithms.
- Paid by algorithms.
- And too often, dismissed by algorithms.

Platform workers have become the world's first AI-managed workforce.

If we fail to establish rules for them today, we will struggle to govern AI tomorrow.

The choice before us is clear.

Under a **market-driven model**,

- platforms write the rules,
- algorithms control workers,
- surveillance expands,
- bargaining power shrinks, and
- inequality grows.

Under a **human-centred model**,

- workers have rights,
- algorithms are transparent,
- human oversight is guaranteed,
- social dialogue is respected, and
- productivity gains are fairly shared.

This Convention must help us choose that path.

Because human dignity must always rule the machine.

Mr. President,

Allow me to bring a message from Nepal.

While we discuss social dialogue in this hall—
social dialogue is under growing pressure in my country.

In less than one hundred days,
Nepal has witnessed a troubling regression in the world of work.

Tripartite institutions are being weakened.

Independent and elected trade union representatives are being removed from key
statutory bodies.

Workers' voices are being replaced by political appointees.

The governance of the Contribution-Based Social Security Fund,
built by workers and employers, faces increasing political interference.

Most alarming of all,
public-sector trade union rights are under attack.

Only a decade ago—
Nepal was regarded as a democratic example in South Asia.

Today, collective bargaining rights are being curtailed and freedom of association
is under threat.

Twenty years ago—
the ILO urged Nepal to respect the trade union rights of civil servants.

We must not repeat the mistakes of the past.

Colleagues,

What is happening in Nepal is a warning.

And not only for Nepal.

Across the world, labour rights are being challenged in the name of reform.

Workers are increasingly excluded from decisions that shape their lives.

We must use every available ILO mechanism to defend social dialogue, collective bargaining and freedom of association.

Because no democracy can survive without industrial democracy.

And no economy can prosper without social justice.

- Let us remain vigilant.
- Let us defend workers' rights.
- Let us defend democracy at work.

Because—

- **Populism sells illusions.**
- **Illusions steal rights.**
- **Silence betrays democracy.**
- **Resistance defends it.**
- **Solidarity forever.**

Thank you.

Binod Shrestha

President–GEFONT

Global Models of Labor Relations: From Legalistic Co-Management to State-Directed Steering

9

Introduction

The architecture of industrial democracy—the structural relationship between society, trade unions, corporate management, and the state—varies dramatically across the globe. No nation has developed a universal blueprint for balancing economic competitiveness with social equity. Instead, nations have constructed vastly different frameworks rooted in their unique historical, political, and cultural evolutions.

These frameworks can be categorized into five distinct global models—recognizing that countries often exhibit mixed characteristics:

1. **The Continental European Corporatist & Co-Management Model** (Germany, The Netherlands, Belgium)
2. **The Nordic Flexicurity & High-Trust Model** (Denmark, Sweden, Norway, Finland)
3. **The Anglo-Commonwealth Adversarial Contractual Model** (Canada, Australia, New Zealand. The United States shares similar adversarial traditions but operates under a distinct Wagner Act framework and is not included in this grouping).
4. **The East Asian Enterprise & Tripartite Model** (Japan, South Korea, Singapore)
5. **The State-Led & Transitional Model** (China, Vietnam, Brazil, South Africa)

1. The Continental European Corporatist & Co-Management Model

Countries: Germany, The Netherlands, Belgium

The defining characteristic of the Continental European model is **legalism and institutionalized consensus**. Rather than treating capital and labour as naturally adversarial forces, this system utilizes federal statutes to embed worker voice directly into corporate governance and macroeconomic policy.

Germany: The Architecture of Codetermination (*Mitbestimmung*)

Germany operates a highly stabilized **dual** system that splits labour representation into two distinct, legally mandated channels:

- **The Workplace Level (Works Councils):** Under the *Works Constitution Act* (*Betriebsverfassungsgesetz*), workers in enterprises with **at least** five employees **can elect** a Works Council (*Betriebsrat*). These councils possess **co-determination rights** over social matters (like working hours and vacation schedules) and **strong consultation rights** regarding hiring, firing, and corporate restructuring.
- **The Corporate Level (Supervisory Boards):** In large companies (employing over 2,000 workers **in certain industries**), the **Codetermination Act** (*Mitbestimmungsgesetz*) of 1976 mandates a two-tier board system. Workers elect **up to 50%** of the Supervisory Board (*Aufsichtsrat*), which directly oversees executive management, approves major investments, and appoints the Executive Board (*Vorstand*).

This historical model was forged through a century of evolution—from the revolutionary factory committee debates of 1848, through the Weimar Republic's Works Council Act of 1920, to the post-WWII reconstruction period when British authorities and German unionists sought to democratize coal and steel monopolies to prevent the re-emergence of totalitarianism.

The Netherlands: The Polder Model

The Dutch system is the epitome of consensus economics, famously embodied by the **Polder Model**, originating from the *Wassenaar Agreement of November 1982*, where unions agreed to wage moderation in exchange for job creation and shorter working hours. Macroeconomic policy is hammered out in the **Social-Economic Council (SER)**, an institution where independent crown experts, union leaders, and employers collaboratively advise the government. Like Germany, the Netherlands protects the shop floor via powerful, legally protected Works Councils (*Ondernemingsraad*).

Belgium: Automatic Indexation and the Ghent System

Belgium features one of the most centralized and rigid labour systems in the Western world. It maintains **high union membership** (around **35–50%** depending on measurement) primarily because it utilizes a **Ghent-style system**, where union-

administered unemployment benefits incentivize membership. Crucially, Belgium is one of the few nations that legally mandates **automatic wage indexation**—by law, sectoral collective agreements must automatically adjust wages to match inflation, a mechanism fiercely guarded by unions through centralized sector bargaining.

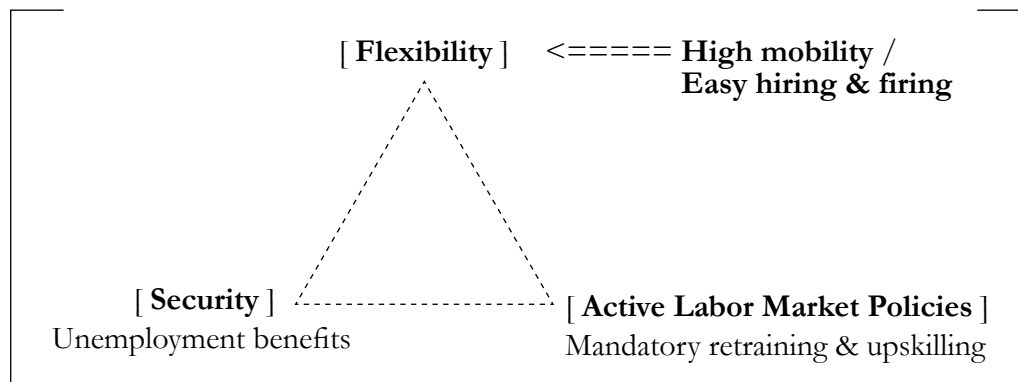
2. The Nordic Flexicurity & High-Trust Model

Countries: Denmark, Sweden, Norway, Finland

The Nordic model shifts the power base from rigid statutory corporate law and places it primarily into the hands of **high-trust collective bargaining**. The state largely steps aside, leaving independent trade unions and employers' associations to govern the labour market autonomously.

Denmark: The Golden Triangle of Flexicurity

Denmark's "**flexicurity**" model derives its name from a synchronized approach combining market flexibility, social security, and **active** labour market policy.



- **Flexibility for Employers:** Danish employers face minimal statutory employment protection and no legally mandated severance pay, making it relatively easy to terminate workers and allowing firms to adapt to market shifts.
- **Security for Workers:** If a worker is laid off, a robust social safety net steps in, offering unemployment benefits with a maximum replacement rate of up to 90% for lower-wage earners (subject to a cap), with an average replacement rate around 69%, for up to four years.
- **Active Labor Market Policies (ALMPs):** The state aggressively pushes workers back into employment by mandating retraining, education, and job-matching schemes to shift workers from declining industries into growing sectors.

The core philosophy of Flexicurity is to **protect the worker, not the job**. There is no statutory minimum wage in Denmark; all wages and conditions are settled via the historic *September Agreement* framework—an autonomous pact between unions and employers.

The Wider Nordic Space: Sweden, Norway, and Finland

While sharing Denmark's high union density and robust welfare state, the wider Nordic space features localized differences:

- **Job Protection:** Sweden and Norway maintain stricter employment protection legislation than Denmark, including Sweden's "**Last In, First Out**" principle under the *Employment Protection Act (LAS)*.
- **The Ghent System & Density:** Sweden, Finland, and Denmark employ union-managed unemployment insurance funds. This keeps union membership high (often 60–70% in Sweden and Finland, lower in Denmark), as workers join unions to secure their safety net.
- **Board Representation:** Sweden allows **employee representatives** to corporate boards under certain conditions (the *Co-determination in the Workplace Act, 1977*). Unlike Germany's 50% parity, these seats focus on operational transparency rather than strategic vetoes.

3. The Anglo-Commonwealth Adversarial Contractual Model

Countries: Canada, Australia, New Zealand

This Anglo-Commonwealth tradition treats labour and management not as partners, but as **competing interest groups** bound by legally binding contracts. Relations are decentralized, adversarial, and often litigated.

Canada: The Wagner Act Legacy & The Rand Formula

Canada's framework follows a **Wagner-style certification model** (similar to the *US National Labor Relations Act of 1935*). Unions are certified on a plant-by-plant or office-by-office basis. If a majority of workers at a specific site vote for a union, that union wins **exclusive bargaining rights** for that specific workplace only.

- **The Rand Formula:** Handed down by Justice Ivan Rand in 1946, this principle dictates that because a union has a legal duty to fairly represent every worker in a bargaining unit, **all employees must pay union dues**, whether they choose to officially join the union or not. This effectively solves the "free-rider" problem.
- **The Peace Clause:** Canadian law enforces that **during the term of a collective agreement; strikes are generally prohibited**. All disputes must be settled through a formal grievance arbitration process.

Australia & New Zealand: The Award & Tribunal Systems

Historically, the Pacific nations pioneered a unique "Conciliation and Arbitration" system that relied on independent court tribunals rather than raw industrial warfare to set wages.

- **Australia:** Operating a highly distinct hybrid model, the centerpiece is the "**Modern Award**" system managed by the government's

independent **Fair Work Commission**. Awards are legally binding documents that establish baseline minimum terms and conditions (wages, overtime, breaks) for entire industries or occupations nationwide. On top of this mandatory baseline, unions and employers negotiate site-specific **Enterprise Bargaining Agreements (EBAs)**.

- **New Zealand:** In 1991, New Zealand significantly deregulated its labour market via the *Employment Contracts Act*, shifting **toward** decentralized individual and enterprise contracts, **which contributed to** a sharp decline in union density. Modern policy adjustments have seen attempts to rebuild sector-wide protections via mechanisms like *Fair Pay Agreements*, aiming to mimic the Australian or Nordic approach of setting industry-wide baselines.

4. The East Asian Enterprise & Tripartite Model

Countries: Japan, South Korea, Singapore

The East Asian models reflect rapid post-war industrialization where labour policy was tightly integrated into national economic development strategies, focusing on organizational structure or state-guided harmony.

Japan: Enterprise Unionism & Harmony (*Rōshi-Kyōchō*)

In Japan, labour relations **are primarily organized** within individual enterprises. Unlike European industrial unions that represent an entire sector, Japanese unions are organized company-by-company. A union member's primary loyalty is typically aligned with their company's market success.

- **The Three Divine Treasures:** Historically, Japan's labour peace relied on three pillars: **Lifetime Employment** (*Shūshin Kōyō*), the **Seniority-Based Wage System** (*Nenkō Joryetsu*), and **Enterprise Unionism**. Management offered structural job security; unions offered wage moderation and maximum productivity.
- **The Shuntō (Spring Wage Offensive):** To prevent fragmented company-level wage suppression, Japan utilizes an annual coordinated negotiation event. Every spring, enterprise unions across major industries simultaneously negotiate wage increases with their respective managements, using peak federations (like **Rengo**) to set nationwide baseline targets.

Japan features **no legal equivalent to German board-level codetermination**. Worker voice is maintained through internal, cooperative labour-management councils rather than rigid legal statutes.

South Korea: Polarized Enterprise Unionism

South Korea shares the enterprise-based structure of Japan **but has historically been more confrontational**, with **less emphasis on harmony**. Powerful enterprise unions in massive, family-run conglomerates (**Chaebols** like Hyundai

and Samsung) frequently engage in militant strikes. This has led to a deeply dualized labour market, where a highly protected tier of unionized conglomerate workers sits in stark contrast to a massive tier of non-unionized, subcontracted gig and service workers who enjoy far fewer protections.

Singapore: The Tripartite Consensus

Singapore operates a unique, hyper-efficient model driven by strict **Tripartism**—a deeply cooperative alliance between the State, employers (SNEF), and the only recognized union federation, the **National Trades Union Congress (NTUC)**, which is historically intertwined with the ruling political party. Guided by the **National Wages Council (NWC)**, labour policy is treated as an extension of national economic attraction strategy. Striking is virtually non-existent, and wage guidelines are set annually to ensure global economic competitiveness.

5. The State-Led & Transitional Model

Countries: China, Vietnam, Brazil, South Africa

In these developing or transitional economic powerhouses, labour relations are heavily shaped by the state—either serving as an arm of the ruling party or born out of intense historical resistance against authoritarian regimes.

China: State-Led "Transmission Belt" Relations

The Chinese model functions under the Leninist principle of "**Democratic Centralism**" where labour relations are strictly subordinate to the state and the ruling party.

- **Monopoly of the ACFTU:** Similar like Singapore, there is only one legally recognized trade union organization in China: the **All-China Federation of Trade Unions (ACFTU)**. All enterprise-level unions must affiliate with it; independent, grassroots unions are entirely illegal.
- **The Transmission Belt:** The ACFTU does not operate as an adversarial bargaining unit. Instead, it serves as a bridge between the Chinese Communist Party (CCP) and the working class. Its official mandate is dual-focused: it must protect the legal rights of workers, but it must also **maintain social stability** and **promote state economic productivity targets**.

The right to strike was removed from the Chinese Constitution in 1982. Despite the constitutional removal, wildcat strikes and industrial action continue to occur, particularly in response to unpaid wages or labour standard violations.

Vietnam: The Socialist Transition

Highly similar to China, Vietnam operates a state-led labour model via the **Vietnam General Confederation of Labor (VGCL)** under the umbrella of the ruling Communist Party. However, in a major historical shift driven by international trade agreements (like the CPTPP and EU-Vietnam FTA), Vietnam updated its *Labor*

Code (2019, effective 2021) to legally permit workers to form **enterprise-level worker representative organizations** separate from the VGCL, though these remain heavily regulated by the state.

Brazil: The Rigid Corporate Code

Brazil's framework is heavily defined by the *Consolidação das Leis do Trabalho (CLT)*, a vast, rigid legal labour code dating back to the corporate state models of the 1940s. Brazilian unions are organized strictly by economic category and geographic municipality. **Prior to the 2017 labour reform**, a mandatory "union tax" (*imposto sindical*) was collected by the state from all workers to fund these unions. **The 2017 reform eliminated the obligatory collection**, though unions still receive resources through other mechanisms.

South Africa: The Liberation Axis

South Africa's labour model is deeply institutionalized and highly protective, enshrined directly in the post-apartheid Constitution. The major union federation (**COSATU**) exists in a formal, historic political alliance with the ruling African National Congress (**ANC**). National socio-economic policy is formally debated in a unique tripartite body called **NEDLAC** (National Economic Development and Labour Council). Despite this immense institutional power, labour relations on the ground remain highly adversarial, characterized by frequent, protracted strikes in the mining and public sectors.

The Modern Fractures: The Gig Economy & Declining Union Density

Regardless of whether a country relies on German corporate law, Danish trust, or Canadian contracts, two 21st-century forces are actively fracturing these traditional models: the **rise of the gig economy** and the **steady erosion of traditional union density**.

The Gig Economy Fracture

Gig platforms (food delivery, ride-hailing, digital freelancing) deliberately exploit legal grey areas by classifying workers as "independent contractors" rather than traditional employees, effectively bypassing the 20th-century labour architecture.

- **In the Legalistic Model (Germany):** Because German **Mitbestimmung** is built entirely around the legal status of the **"Employee"** (*Arbeitnehmer*), gig workers find themselves in an institutional vacuum. They cannot legally form or vote for a Works Council, and they lack a centralized corporate structure to access Supervisory Boards. German labour courts have had to step in case-by-case, ruling that app-based workers **can** be reclassified as employees if a platform's algorithm exercises tight control over their labour.
- **In the High-Trust Model (Denmark):** Lacking a statutory safety net, Danish unions have had to pioneer voluntary agreements to close the gap. The landmark **3F agreement with Hilfr** (*April 2018, effective August*

2018) saw the union **3F** negotiate a pact with a digital cleaning platform where, after **100 hours of work on the app**, a gig worker is **automatically reclassified as an employee** ("*Superhilfr*"), instantly gaining access to a minimum wage (DKR 141.2/hour $\approx$ €19), holiday pay, and pension contributions.

The Decay of Union Density

Union density—the percentage of the workforce belonging to a trade union—has been declining globally due to deindustrialization, the growth of the fragmented service sector, and changing generational attitudes.

- **Germany's *Tarifbindung* Crisis:** German union density has dropped to around **15–17%**. The real crisis, however, is the erosion of collective bargaining coverage (*Tarifbindung*). Increasingly, small-to-medium enterprises (*Mittelstand*) are choosing **not** to join Employers' Associations, or they join under "**OT**" (*Ohne Tarif*) status, which frees them from paying union-negotiated wage rates. This has forced the German state to intervene directly by introducing a **Statutory National Minimum Wage** (*Mindestlohn*) in 2015—a mechanism the system historically avoided.
- **The Nordic Yellow Union Threat:** Even in the Nordics, where the Ghent system historically kept density above 70%, the legislative decoupling of unemployment insurance from mandatory union membership has led to the rise of independent, cheap "yellow" unions. These alternative organizations provide basic insurance but do not engage in sector-wide collective bargaining. As traditional union density slips, the legitimacy of the autonomous model weakens, threatening to force state intervention into a system that has historically prided itself on state neutrality.

Global Comparative Matrix

Model / Country	Primary Axis of Interaction	Legal Character	Worker Presence in Management	Mechanism for Handling Gig Economy
Germany	Joint Corporate Management	Highly Legalistic / Statutory	Very High (50% Supervisory Board seats in large firms)	Case-by-case court litigation over "Employee" status reclassification
Denmark	Sectoral Collective Bargaining	Autonomous / Mutual Trust	Minority Presence (Focus is external to boards)	Voluntary platform pacts (e.g., Hilfr agreement) to pull apps into collective bargaining
Canada	Workplace-Specific Contract	Adversarial / Contractual	None (Strict boundary between labour and capital)	Individual labour board challenges; emergence of fragmented "dependent contractor" definitions

Model / Country	Primary Axis of Interaction	Legal Character	Worker Presence in Management	Mechanism for Handling Gig Economy
Australia	Independent State Tribunals	Regulated Industry Awards	None (Regulated via external tribunals)	Extension of Fair Work Commission powers to mandate minimum standards for "employee-like" gig workers
Japan	Inside the Enterprise Walls	Harmonious / Consultation	Moderate (Maintained via informal corporate councils)	Complete exclusion from lifetime employment track; gig workers remain isolated freelancers
South Korea	Inside the Enterprise Walls	Polarized / Militant	None (Highly adversarial environment)	Severe dualization; gig workers left with minimal protection outside core Chaebol unions
Singapore	Tripartite State Steering	Coordinated State Consensus	None (Coordinated top-down)	State-directed creation of representative associations specifically for platform workers
China	State-Led Monopolistic Federation	Monolithic / Subordinate to Party	None (Union acts as an arm of state regulation)	Top-down ACFTU mobilization to establish state-approved "joint contracts" for tech/delivery giants

Nepali Model: A Comparison

When evaluating global industrial relations against the **Nepali Model**, you are looking at a system that deliberately shifted from a history of deep-rooted industrial friction to a structured framework of institutional cooperation.

Framed by the twin pillars of **the Labour Act 2017 (2074)** and the **Contribution-based Social Security Act 2017 (2074)**, this framework explicitly brands itself as a mechanism moving the world of work **"From Conflict to Coexistence"**.

To compare other global models or individual corporate regimes with this dual-act architecture, the comparison can be broken down across **three core dimensions** where the twin laws fundamentally altered the landscape of labour relations in Nepal.

1. Flexibility vs. Security (The Grand Bargain)

Historically, employers in Nepal struggled with rigid "no-firing" provisions, while workers faced highly precarious, informal conditions without a safety net. The 2017 twin laws created a compromise that balanced the priorities of both sides.

- **For the Employer ("No Work, No Pay" & Exit Flexibility):** The Labour Act 2017 provides for "No Work, No Pay" (*Section 36*) during **unlawful** strikes, subject to the dispute resolution timeline and definitions of unlawfulness. It also streamlined the legal process for retrenchment (downsizing) due to business insolvency or restructuring and recognized various flexible hiring arrangements, including time-bound, work-based, and casual employment.
- **For the Worker (Social Security & Universal Coverage):** In exchange for this operational flexibility, the Contribution-based Social Security Act created the **Social Security Fund (SSF)**. Crucially, the law removed the old threshold of requiring 10 or more employees for basic protections; the twin laws apply to **all enterprises**, regardless of size, extending an ultimate safety net to formal, informal, and even domestic workers.
- **Comparison Pivot:** When comparing this to hyper-flexible "at-will" employment regimes (like the US) or highly rigid bureaucratic regimes, the Nepali model attempts a middle path: giving employers a structured exit mechanism while shielding workers from immediate poverty via a portable, state-managed fund.

2. Risk Mitigation: Shifting the Burden of Liability

Before 2017, statutory benefits like gratuity, medical insurance, and retirement payouts were directly funded from an individual company's cash flow. If a company went bankrupt or faced industrial disputes, workers lost everything, and employers faced severe litigation.

The twin laws completely restructured this by transferring individual employer liability into a pooled, tripartite macroeconomic ecosystem:

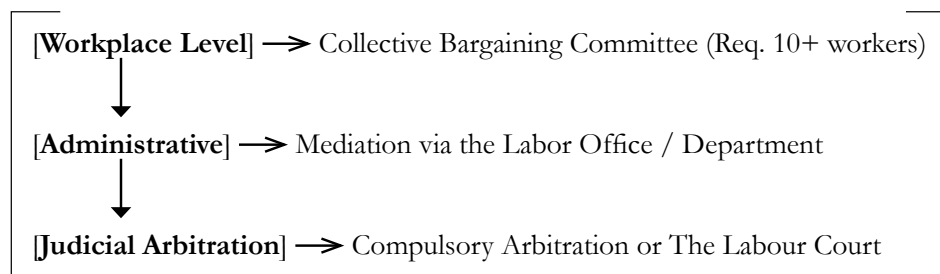
Feature / Fund	Employer Contribution	Employee Contribution	Total Pooling
Provident Fund	10%	10%	20%
Gratuity (Old Age Protection)	8.33%	—	8.33%
Medical & Maternity Protection	1.0%	1.0%	2.0%
Accident & Disability Insurance	1.4%	—	1.4%
Dependent Family Protection	0.27%	—	0.27%
Total Comprehensive Pool	20%	11%	31% of Basic Salary

By mandating this **31% total contribution**, the model fundamentally changes the dynamic of workplace tension:

- **De-escalating Individual Flashpoints:** If a worker is injured or goes on maternity leave, the financial burden is borne by the SSF, not the employer's immediate bank account.
- **Ensuring Portability:** Because the fund belongs to the worker and is linked to their unique Social Security identity, changing jobs or experiencing a layoff does not mean losing accumulated retirement or health benefits; rather it continues.

3. Dispute Resolution: Moving from Streets to Statutes

The tagline "From Conflict to Coexistence" specifically targets the political strikes, lockouts, and union-led shutdowns that historically paralyzed Nepali industries. The *Labour Act 2017* built an explicit ladder of dispute resolution designed to exhaust collaborative options before allowing industrial action.



- **Regulated Right to Strike:** While workers retain the right to strike, they can no longer do so spontaneously without undergoing a rigid collective bargaining timeline and submitting formal advance notice to management and local security agencies.
- **The Workplace Committee Mandate:** Enterprises with **10 or more employees** are required to establish a **Labour Relations Committee** to address internal friction daily, suppressing minor grievances before they escalate into union-backed protests.
- **The Labour Audit:** Demands are categorized as either **rights-based** or **interest-based**, triggering an automatic labour audit system. Rights-based issues—such as violations of statutory entitlements—are resolved through administrative procedures. Interest-based issues—such as wage negotiations or working condition improvements—are addressed through social dialogue.

Summary of the Comparative Matrix

When positioning the **Nepali Model** against other international frameworks, consider this baseline:

- **Unlike Anglo-American Models:** It rejects pure market-driven hire-and-fire philosophies by locking employers into heavy, mandatory social safety contributions (**20%**) and maintaining regulatory institutions including a dedicated Labour Court system.

- **Unlike Traditional Nordic/European Models:** It does not rely purely on voluntary sector-wide collective bargaining agreements; instead, it codifies highly prescriptive, minute details (like exact leave types, holiday counts, and insurance values) directly into statutory law.

The Reality of Coexistence

The model's primary vulnerability is **enforcement variance**. While it successfully created a world-class legal blueprint for structural harmony, compliance remains concentrated in urban, formal corporate sectors and INGOs, while full expansion into micro-enterprises and the vast informal sector remains a work in progress.

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Session-III

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AI, the Dehumanisation of Labour Relations Created by Algorithms, and the Defence of Human Labour

Artificial Intelligence, Platform Capitalism,
and the Future of Decent Work: A Research Paper

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Abstract

The rapid expansion of Artificial Intelligence (AI) and algorithmic management is profoundly transforming global labour markets, production relations, and work processes. While AI offers significant opportunities for productivity growth, innovation, workplace safety, and improved access to services, it also poses serious risks, including the dehumanisation of labour relations, the expansion of workplace surveillance, the erosion of worker autonomy, growing employment insecurity, and the concentration of economic power and wealth.

This paper examines the political economy of AI and algorithmic management through the theoretical lenses of Karl Marx's concept of alienation (*Marx, 1867/1976*), Harry Braverman's labour process theory (*Braverman, 1974*), Michel Foucault's analysis of surveillance (*Foucault, 1975/1977*), and contemporary theories of platform capitalism and surveillance capitalism (*Srnicek, 2017; Zuboff, 2019*). Drawing upon the International Labour Organization's report *A Moment of Choice: Harnessing Artificial Intelligence for Decent Work* (*ILO, 2026a*) and the newly adopted international labour standards on platform work (*ILO, 2026b*), the paper argues for a human-centred approach to digital transformation. It concludes that the social consequences of AI will not be determined by technology itself but by the political, legal, and social institutions that govern its development and use. The central challenge of the digital age, therefore, is the defence of human labour, the strengthening of workers' rights, and the construction of democratic governance over AI.

Keywords

Artificial Intelligence; Algorithmic Management; Platform Economy; Labour Process; Alienation; Surveillance Capitalism; Decent Work; Trade Unions; Social Dialogue

1. Introduction

The history of human civilisation is, in many respects, the history of transformations in the means of production, technological development, and labour relations. From the Industrial Revolution to the digital age, each major technological breakthrough has reshaped the relationship between labour and capital. Today, Artificial Intelligence (AI) stands at the centre of a new wave of industrial transformation.

What distinguishes AI from previous technological innovations is its capacity to perform not only routine physical tasks but also cognitive, communicative, analytical, and decision-making functions traditionally associated with human intelligence. As a result, AI is fundamentally altering the organisation of work, labour processes, and systems of management across virtually all sectors of the economy.

As the Director-General of the International Labour Organization (ILO) has observed— "the future of work will not be determined by technology alone; it will be shaped by the policies, institutions, and social dialogue that guide it" (*ILO, 2026a*).

Consequently, AI is not merely a technical issue. It is a question of power, labour, democracy, human rights, and social justice.

The central challenge before contemporary societies is not whether technological progress should continue, but whether AI will be deployed to advance human emancipation and shared prosperity or become a new mechanism for the control, commodification, and dehumanisation of labour.

2. Theoretical Framework

2.1 Marx and the Alienation of Labour

Karl Marx argued that under capitalism workers become alienated from the products of their labour, from the labour process itself, from their fellow human beings, and ultimately from their own human essence (*Marx, 1867/1976*).

In the age of AI, this process of alienation acquires new and more sophisticated forms. Workers increasingly surrender not only their physical labour but also their knowledge, communication, behaviour, and personal data to digital systems. Their activities are continuously monitored, measured, and transformed into data points that can be analysed, commodified, and controlled.

In this sense, AI represents a new stage in the historical development of alienation. Labour is no longer merely subordinated to machinery; increasingly, human judgement, creativity, and social interaction are themselves incorporated into systems of algorithmic control.

2.2 Braverman and Labour Process Theory

Harry Braverman demonstrated how capitalist development systematically transfers knowledge and control from workers to management through the division and simplification of work (*Braverman, 1974*).

The scientific management techniques associated with Taylorism fragmented labour into increasingly specialised and measurable tasks. Contemporary AI systems and algorithmic management represent a digital extension of this process.

Many scholars have therefore described contemporary workplace management as a form of “digital Taylorism”, in which sophisticated algorithms monitor performance, allocate tasks, evaluate productivity, and enforce discipline with unprecedented precision.

The consequence is not merely technological efficiency but the further consolidation of managerial control over the labour process.

2.3 Foucault and Digital Surveillance

Michel Foucault’s concept of the Panopticon provides a powerful framework for understanding contemporary workplace surveillance (*Foucault, 1975/1977*).

Under algorithmic management, workers may be continuously monitored through digital devices, wearable technologies, geolocation systems, productivity metrics, behavioural analytics, and communication monitoring.

The result is a form of digital surveillance that extends far beyond traditional workplace supervision. Workers increasingly operate within environments where every action can be recorded, analysed, and evaluated.

This transformation risks converting labour relations from human interactions into relationships mediated by opaque technological systems.

3. AI and the Transformation of the World of Work

Contrary to popular fears, AI is unlikely to eliminate entire occupations on a large scale. More commonly, it will transform the tasks performed within occupations.

Its effects can generally be categorised into three forms:

- **Automation:** The replacement of specific human tasks by machines and software systems.
- **Augmentation:** The enhancement of human capabilities through AI-assisted tools and decision-support systems.
- **Creation:** The emergence of entirely new occupations, industries, and forms of employment.

The critical issue, therefore, is not simply the quantity of jobs but the quality of work that remains available.

The challenge is to ensure that technological progress contributes to decent work rather than precarious employment and social exclusion.

4. Algorithmic Management and the Dehumanisation of Labour Relations

One of the most significant consequences of AI is the emergence of algorithmic management.

Under such systems, key employment decisions—including task allocation, performance assessment, remuneration, promotion, disciplinary action, and even dismissal—may be determined by automated processes.

While algorithmic management can improve efficiency, it also creates serious risks for workers (*ILO, 2026a*).

4.1 Erosion of Worker Autonomy

Workers increasingly find themselves following instructions generated by software systems rather than exercising professional judgement and discretion.

This reduces opportunities for creativity, initiative, and meaningful participation in the labour process.

4.2 Continuous Surveillance

AI-powered monitoring systems can track workers in real time, collecting vast quantities of information regarding productivity, movement, communication, and behaviour.

Such systems may create environments of constant observation and psychological pressure.

4.3 Intensification of Work

Algorithmic systems frequently prioritise efficiency and productivity maximisation.

As a consequence, workers may experience increased workloads, tighter performance targets, and growing mental stress.

4.4 Opaque Decision-Making

Many AI systems operate as “black boxes”, making it difficult for workers to understand how decisions affecting their employment have been reached.

This undermines transparency, accountability, and procedural fairness.

4.5 Algorithmic Discrimination

AI systems trained on biased or incomplete data may reproduce or amplify existing forms of discrimination relating to gender, ethnicity, age, disability, or other social characteristics.

5. The Platform Economy: The First Laboratory of AI Governance

The platform economy provides the clearest example of algorithmic management in practice.

Ride-hailing drivers, delivery workers, online freelancers, and other platform workers increasingly perform labour under conditions largely governed by algorithms (*Srnicek, 2017*).

Within these systems:

- Algorithms allocate work;
- Algorithms determine ratings;
- Algorithms influence remuneration;
- Algorithms monitor performance;
- Algorithms may even trigger suspension or deactivation from the platform.

Platform workers therefore constitute the first large-scale workforce operating under AI-driven management systems.

The platform economy has effectively become the first testing ground for AI governance.

The emergence of international labour standards governing platform work reflects growing recognition that algorithmic management must be subject to democratic oversight and labour regulation.

6. AI, Inequality, and the Concentration of Power

AI possesses enormous productive potential. However, the distribution of its benefits remains deeply unequal.

Critical questions therefore arise: Who owns the data? Who controls the computing infrastructure? Who benefits from productivity gains? Who governs the algorithms?

Without effective regulation, AI may reinforce existing inequalities and create new forms of economic concentration.

The development of advanced AI systems remains heavily concentrated within a small number of multinational technology corporations and technologically advanced countries.

The Stanford HAI Artificial Intelligence Index Report 2025 reveals that AI research, investment, and infrastructure are concentrated within a few select countries and corporations; in 2024, private investment in AI in the United States reached \$109 billion, which is approximately twelve times greater than China's \$9.3 billion (Stanford HAI, 2025).

This concentration risks generating:

- Rising income inequality;
- Greater concentration of wealth;
- Increased market dominance;
- New forms of digital dependency;
- Technological exclusion for developing economies.

The benefits of AI must therefore be distributed more equitably if technological progress is to contribute to inclusive development.

7. Defending Human Labour in the Age of AI

The central objective of labour movements in the AI era should not merely be the preservation of jobs but the protection of human dignity within work.

Five principles are particularly important.

7.1 Human Oversight

Significant employment decisions should remain subject to meaningful human review and accountability.

7.2 Algorithmic Transparency

Workers should have the right to understand how decisions concerning recruitment, evaluation, remuneration, and dismissal are made.

7.3 Digital Rights

Privacy, data protection, and freedom from excessive surveillance should be recognised as fundamental labour rights.

7.4 Social Protection

Workers affected by technological transitions should have access to adequate income security and social protection mechanisms.

7.5 Lifelong Learning

Reskilling and upskilling opportunities should be available throughout working life to enable workers to adapt to changing labour markets.

The ILO has also emphasised these same four pillars—rights, employment and skills, social protection, and social dialogue—for the AI era (ILO, 2026a).

8. Trade Unions and Social Dialogue

The digital transformation of work does not diminish the importance of trade unions; it increases it.

Trade unions must expand their agendas to address:

- Algorithmic transparency;
- Digital rights;
- Workplace surveillance;
- AI-related collective bargaining;
- Platform worker representation;
- Democratic governance of digital workplaces.

Social dialogue between governments, employers, and workers remains essential for ensuring that technological change is socially just and economically inclusive.

Without effective social dialogue, the governance of AI risks becoming dominated by corporate interests alone.

9. People's Multiparty Democracy (PMD) and Artificial Intelligence (AI)

The concept of People's Multiparty Democracy (PMD) emphasises the extension of democratic principles beyond the political sphere into economic and social life.

Applied to the digital age, this perspective implies:

- Democratic oversight of technological development;
- Social responsibility in the ownership and use of digital assets;
- Inclusive access to innovation;
- Equitable distribution of productivity gains;
- Protection of social justice and human dignity.

From this perspective, AI should not become an instrument of monopoly power but rather a tool for advancing collective welfare and democratic development.

10. Conclusion

Humanity stands at a decisive historical moment.

One possible future is characterised by algorithmic surveillance, platform capitalism, concentrated digital power, and increasingly precarious forms of employment.

Another is founded upon democratic governance, workers' rights, social protection, human dignity, and the equitable sharing of technological progress.

The future of work will not be determined by technology itself. It will be determined by the political choices, legal frameworks, and social institutions that govern technological development.

The central challenge of the AI era is therefore not the advancement of artificial intelligence as such, but the defence of human labour.

The fundamental question is not what AI can do, but whose interests it serves, under what social values it operates, and what kinds of labour relations it helps to create.

The answer to these questions will determine whether the digital age becomes an era of human flourishing or a new stage in the dehumanisation of work.

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Transformation of the Trade Union Movement in the Digital Era:

A Brief Overview of International Practices

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1. The Reflection

The dawn of the 1990s marked a monumental turning point in world history. The Berlin Wall, which divided Germany, fell; the dissolution of the Soviet Union brought an end to the Cold War; and China embarked on a new phase of economic transformation. These global events created an illusion that following the collapse of autocracy and fascism, capitalism, coupled with a liberal market economy, had ultimately triumphed in the long-standing battle against communism.

Influenced by these developments, thinkers like **Daniel Bell** put forward the concept of the '**end of ideology**', asserting that "the era of great ideologies is ending... and politics will now be guided by pragmatism rather than ideology". Going a step further, **Francis Fukuyama** declared that "history has reached its final destination... and liberal democracy has become the ultimate form of human governance".

At the time, this narrative felt somewhat plausible!

Yet, three decades later, we are forced to ask ourselves: if ideology has truly ended, why do inequality, exploitation, and structural contradictions still persist? Why are millions of people still struggling not just for prosperity, but for basic human dignity?

Karl Marx reminded us long ago:

"History does not culminate in comfort and stability; it advances through the momentum of contradictions."

The reality is that ideology has not perished; it has merely mutated. The ideas that were once articulated through the language of revolution and visibly manifested in class struggle are now quietly operating beneath the guise of "neutral" systems within markets, media networks, and algorithms.

The inherent conflict and relationship between those who work and those who employ—namely, labour relations—have undergone various experiments. The world has witnessed fluctuations ranging from the formula of lifetime employment to ruthless dogmas like 'survival of the fittest'. In the context of the welfare state, experiments have spanned from 'flexicurity' (flexibility with security) to 'co-determination' (joint decision-making).

In every period of transition, we have creatively applied ideological frameworks.

While a wave of changing party names and switching allegiances for mere political survival swept the globe, we in Nepal—under the guidance of People's leader **Madan Bhandari**—embraced a path that neither rejects democratic competition nor surrenders to inequality: **People's Multi-Party Democracy** (*Janatako Bahudaliye Janabad* – PMD). This is a system where democracy is not confined to mere procedures but becomes meaningful, where party competition serves the people, and where ideology evolves for societal transformation rather than division.

Ideology is not a relic of the past; it is a compass that navigates the future. Guided by this ideological foundation, we advanced our trade union movement in solidarity with the international labour movement. If the Labour Act of 1991 (2048 BS) was a necessity of its time, we formulated a new labour legislation in 2017 (2074 BS) in alignment with the Federal Democratic Republic. As a result, our journey has evolved from conflict to dialogue, dialogue to consensus, consensus to cooperation, and ultimately, cooperation to coexistence.

2. The Context

Today, we find ourselves amidst a new turbulence driven by Artificial Intelligence (AI), digital capitalism, and global uncertainty. Much like the first Industrial Revolution, this era is redefining not just the modes of production, but the very fabric of social, economic, and human relations. Where factory sirens and physical attendance registers once marked a worker's presence, mobile notifications, digital platforms, and algorithms now dictate tasks, pace, and performance evaluations.

Politically, we are traversing an uncertain tunnel occupied by 'ideology-free ideologues'—populists rapidly veering towards the far-right. A climate where voices go unheard, interaction and dialogue are absent, and physical meetings and authentic representation have shrunk to near zero—this is the grim reflection of contemporary democracy.

As the German philosopher Jürgen Habermas frequently reminds us, the vitality of democracy does not rely solely on institutions like constitutions, governments, or elections; its true foundation lies in the quality of public discourse. Democracy thrives when citizens engage in open dialogue and exchange ideas based on reason, evidence, and mutual understanding. He termed this process "**the unforced force of the better argument**".

However, today, digital platforms and algorithms heavily manipulate the public sphere, dictating what we see, hear, and ultimately believe. When dialogue is driven

by attention-seeking and virality rather than mutual understanding, the public sphere risks turning into a commercial marketplace of influence and propaganda rather than a forum for rational debate. Therefore, technology must support democratic discourse, not replace it. Safeguarding democracy in the age of algorithms means preserving those public spaces where citizens can still reason freely, question authority, and collectively seek the truth.

As times change, global trade unions are adapting to Industrial Revolution 4.0, automation, the platform economy, gig and remote work, and a data-driven society. They have recognized the expansion of informal labour, the rise of platform workers, youth disengagement from unions, and the politics of perception as the new frontiers of struggle.

To confront these challenges, the UK's TUC has launched digital capacity-building programmes, America's AFL-CIO is running data-driven campaigns, and European unions are fighting for digital rights. Similarly, trade unions in China, Japan, South Korea, and Singapore are utilising technology as a powerful tool for union building, member services, and mass mobilisation.

In this context, six common trends have been observed in global trade unions:

- Data-driven membership management and union organising.
- Increased utilisation of social media and digital campaigning.
- Particular emphasis on organising platform and gig workers.
- Blending online and offline activism (the hybrid model).
- Deployment of research, AI, and digital tools.
- Expansion of international cooperation and knowledge sharing.

Global Digital Practices Adopted by Trade Union Federations

Country / Region	Trade Union Federation	Core Digital Strategies and Actions
Europe (Overall)	ETUC	Protection of platform labour and digital rights
Italy	CGIL	Digital campaigning and online mobilisation
UK	TUC	Digital health checks, innovation labs, and digital workshops
USA	AFL-CIO	Data-driven campaigns and digital organising
South Africa	COSATU	Digital activism within social movements
China	ACFTU	Digital member services and online worker assistance
South Korea	KCTU	Digital activism and youth mobilisation
Japan	RENGO	Digital member services and consensual labour relations
Singapore	NTUC	Digital skills development, member services, and lifelong learning
Global	UNI Global Union	Cross-border digital campaigns and platform worker organising

3. The Contents

If we remain anchored to obsolete appointment letters, ration cards, and the traditional "Eight-hours" division of time (work, rest, and recreation), we will fail to withstand impending challenges. The battle of the AI era cannot be won with a conventional mindset. The times demand a new agenda. Trade unions must transcend traditional definitions and address digital rights, data privacy, algorithmic transparency, and the unique labour rights of gig workers who are expected to remain online 24/7.

Even in this new struggle, an absolute truth remains: the **'human element comes first'**. Habermas divided society into two domains:

1. **The Lifeworld:** The realm where people live through relationships, communication, and mutual understanding.
2. **The System:** The institutional realm of government, markets, and administration, driven primarily by money and power.

When the market and institutional power become excessively dominant, they encroach upon our lifeworld, commodifying social relationships, replacing civic dialogue with political marketing, and prioritizing sensationalism over substantive ideas in the media. Habermas famously termed this the **'Colonisation of the Lifeworld'**.

This era of social media, algorithms, and influencer culture forces us to confront a critical question: *"Are we genuinely communicating, or are we merely shouting inside echo chambers constructed by algorithms?"*

To dismantle these illusions, modern trade unions must develop "physical organising" and "digital organising" as complementary forces rather than competing methods. We must preserve the core values of traditional organising while integrating digital capabilities. Unions need a commanding presence on social media just as they do on the shop floor. We must learn to back our slogans with empirical data, couple our agitations with rigorous research, and build robust digital communities alongside physical mass rallies.

The New Model of Digital Campaigning:

Social Media → Digital Storytelling → Data Analysis → Targeted Mobilisation → On-the-ground Action → Negotiation

To succeed, future trade unions must synthesize **five core capabilities**:

1. Human collective organising capacity.
2. Digital communication power.
3. Advanced data analysis.
4. Platform and technological literacy.
5. Responsible use of AI-enabled tools.

To achieve this, establishing a **“Digital Union Lab” (Innovation Hub)** is imperative. It will comprise five core components:

1. **Digital Membership:** E-membership cards, centralized databases, and online renewals.
2. **Digital Communication:** Integrated use of Facebook, Messenger, WhatsApp, Viber, Telegram, SMS, and email.
3. **Legal Aid:** Online consultations, digital repositories of labour rights, and virtual helpdesks.
4. **Research:** Labour market analysis, tracking the impact of AI, and studying the gig economy.
5. **Education:** Webinars, e-learning platforms, mobile apps, and micro-courses.

Conclusion

In the digital age, the labour struggle is no longer fought over wages, benefits, or policies alone; it is equally a battle over perceptions, information, and ideas. Future trade union movements must seamlessly intertwine evidence-based communication, digital literacy, and ideological clarity with grassroots organising. Only by securing a potent and effective presence in the virtual world—matching their strength on the streets and in the workplace—can workers' movements sustain their relevance, efficacy, and leadership in a rapidly transforming world.

Praped by: Bishnu Rimal, Patron– GEFONT

Concept Note

A high-level Panel Discussion on
'From Policy to Decision' and 'From Theory to Practice':
"From Conflict to Dialogue, Consensus, Cooperation, and Coexistence."

4-5 July, 2026

Context:

With the enactment of the Labour Act 2017 and the Contribution based Social Security Act, labour relations in Nepal entered a new phase. A broad consensus was reached: issues ensured by the Constitution and the law (rights-based) would be implemented automatically, while issues above the basic (interest-based) would be resolved through social dialogue, based on productivity and the capacity to pay.

However, a study conducted by GEFONT two years ago revealed a sense of 'confusion' and ambiguity among all three stakeholders: workers, employers, and the government. Among workers in the formal sector, the understanding of labour relations remains rooted in the 'Labour Act 1992'. Consequently, they hold expectations that run contrary to the concept of a 'flexible labour market'. Rather than seeking 'protected and dignified labour', they continue to pursue the notion of 'life-long employment'. Their voices were heard in favour of regular employment (permanent appointment) and against casualisation (temporary, daily wage, or contract outsourcing).

Among employers, instead of committing to the social security system to strengthen flexible labour relations, a negligent attitude of "they are just casuals, why bother?" was observed. There appeared to be a lack of understanding—or perhaps a deliberate disregard—for the distinction between 'rights-based' and 'interest-based' obligations.

Furthermore, the government, which ought to play a balancing role through labour audits, failed to assume its responsibility. This has led to a situation where workers are exploited by flexibility while employers revel in short-term gains—a state of affairs directly opposed to the spirit of these 'twin' acts.

This raises a fundamental question: how do we translate ‘policy into decision’ and ‘theory into practice’ in general? How do we eliminate the ambiguity currently prevailing in the labour market?

Moreover, additional challenges have now emerged. A process of curtailing the rights guaranteed by the Constitution of Nepal has begun. Warning against the regressive turn that followed the ‘Gen Z’ protests, GEFONT stated: “Our rights are being snatched away.” Questioning the illusions created by populism, it declared: “Let us defend democracy—not through silence, but through resistance.” This regressive journey is gaining momentum. Restrictions are being imposed on trade unions, and ‘dozers’ are being deployed against the landless and the urban poor.

By **reflecting** on past actions and contemplating today’s **context**, it is essential to deliberate upon and reach a conclusion regarding the future ‘**content**’ of the union movement.

Current labour law established the foundation for “**dialogue** rather than **conflict**; **consensus** through dialogue; **cooperation** through consensus; and **coexistence** between the two opposing classes of the world of work through cooperation.” How can this ‘policy/theory’ be put into practice? What should be the role of the three parties in the world of work?

With this in mind, a high-level panel discussion is proposed under the theme: **From Policy to Decision’ and ‘From Theory to Practice’: “From Conflict to Dialogue, Consensus, Cooperation, and Coexistence.”**