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Spotlight interview with Umesh Upadhyaya (GEFONT - Nepal)

"Neutralising violence to advance the economic and social agenda at long last"

Brussels, 1 April 2010 (ITUC OnLine): After decades of inaction, Nepal's leaders are finally taking an interest in the concerns of the workers, such as the creation of a social security net. Umesh Upadhyaya, general secretary of the General Federation of Nepalese Trade Unions (GEFONT), looks back at the political upheavals that have shaken the country and the challenge of integrating former Maoist rebels into the world of work.

The main Nepalese trade unions are currently fighting for the creation of a comprehensive social security system. How is this debate progressing?

At present, social security is restricted to public sector employees and a few rare private sector workers. The percentage of Nepalis employed in the formal economy is no higher than 6 to 8%, and even among these only a small proportion is covered by social security. Less than 2% of Nepal's workforce benefits from social security. We want to progressively extend this coverage to all, both in the formal and the informal economy.

A 1% tax is being deducted from workers' wages as of this fiscal year to set up a social security fund. We want to secure a 2.5% contribution from employers and 2.5% from the state. It hasn't been settled yet, but we're on the right track: the employers are willing to negotiate, as they want greater labour flexibility and they cannot achieve this without a social security net being created. They may not perhaps agree to contribute as much as 2.5%, but after negotiation, we may reach 2%, and the fund will gradually grow.

International institutions such as the World Bank, the IMF and the Asian Development Bank are also of the view that in exchange for labour market flexibility, some form of social security is needed. They have observed that, in other countries, social protection boosts productivity. These institutions should, therefore, be willing to invest in the institutionalisation of a social security system in Nepal.

We are hoping the social partners will agree on the social security bill before mid-July, when the new fiscal year begins. We are insisting on four main areas of social security: unemployment benefit for six to twelve months, health care, compensation in case of disability and maternity protection. We have been carrying out advocacy work with the government and employers on the subject. No one is opposed to the idea, but they do not really know how they are going to implement it.

Nepal remains one of the poorest countries in the world, in spite of the substantial revenues from tourism and remittances from migrant workers. Why is that?

The main reason behind the poverty is that Nepali politicians have never really taken economic development seriously. We have been in transition since 1950! There was major political instability between 1950 and 1960. In 1960, the King seized power and suppressed all the political parties. He ruled the country autocratically for 30 years. People thought this period was stable, that development was taking its course, but the corruption developed by the royal family was rampant. Public companies had to give it money whenever it wanted it. Investment was only driven by personal gain, and if there was no profit, they seized the money. No priority was given to the economic agenda.

After the return to democracy in 1990, there was a major rift between the royal family and the emerging political players: as political parties had only been able to operate

underground until then, they had no experience of governance. The economic agenda was therefore pushed to one side and this period stretched until 2001, when the royal family was massacred. The King's younger brother took over from him, but his only motivation was to take control of everything, especially the executive power. A civil society movement was formed and led to the overthrow of the absolute monarchy in 2006. The economic agenda had been left aside until then, a situation compounded by the armed struggle led by the Maoists for 10 years, which had created none too few obstacles to economic development. During this period, government programmes were focused on urban areas; the rural areas were left aside.

After 2006, Nepalis were hoping that the election of a Constituent Assembly would bring stability, but we are still going through a very difficult transition. The economic agenda is still not the political parties' top priority, as they are submerged in the writing of a new constitution. A solid economic agenda would require the development of all sectors at the same time: tourism, agriculture, communications, energy, etc. Many Nepalis believe that tourism and remittances from migrants are enough to make them rich, but if we keep sending our young people abroad, who is going to work here? Remittances from migrants can only be a temporary solution to an urgent economic situation. The only reason our economy hasn't collapsed is because young Nepalis have gone to work abroad and send back hard-earned money. Remittances represent between 18 and 20% of our GNP, agriculture represents between 30 to 35% and tourism 11%.

What role did the trade union movement play in the overthrow of the absolute monarchy, and what kind of repression did it face?

The whole of Nepal was opposed to the absolute monarchy. All the political parties, human rights organisations, women's and young people's associations came together, with the unions on the frontline. The mass trade union involvement meant that we were able to hold general strikes that brought everything to a standstill, even public services, and led us to victory in April 2006.

Demonstrators were arrested every day. Released the following day, they would rejoin the protest. That was our daily routine for almost three years, from 2004 to 2006. Hundreds of GEFONT and NTUC-I members were imprisoned, injured, etc. The general secretary and the president at the time were arrested. We had to operate underground at times. We received considerable support from the international trade union movement, which helped us to keep up the fight for a return to democracy.

How is the integration of Maoist trade unions in the world of work going?

When they came out of hiding following the 2006 peace agreements, they tried to create a space for themselves in the formal economy, by starting to attack here and there. We opposed this by speaking to all the stakeholders and mobilising the media to denounce their inhumane and violent acts. At the same time as staging this resistance, we tried to channel their aggression by getting them involved in labour issues. We set up the Joint Trade Union Coordination Centre, and the democratic trade unions invited the Maoist unions to join us. We made them understand that joint activities were needed, that denying the others' existence and limiting oneself to violent actions would not pay off. Little by little, they started to change and agreed to evolve toward a peaceful trade union movement.

It is going well at national level: they agree with our proposals within the Joint Trade Union Coordination Centre and cooperate with us, be it on the drawing up of the new constitution or the establishment of social security. At local level, however, the conflicts remain present. Maoist militants continue to attack our members and those of the NTUC-I. The frequency of the attacks has diminished though. Initially, even our national leaders were attacked by the Maoists, but this only happens at local level now. The problem is that they have not really developed as a trade union organisation yet; they are still a

kind of branch of the Maoist party. The strategy of the two ITUC affiliates, NTUC-I and GEFONT, is to try to curb their aggression so that they do not disrupt the labour market. This violence has to be neutralised if we want to create a positive environment for economic activities. Each time there is an attack, we present the facts to our Maoist colleagues within the Joint Trade Union Coordination Centre, and they respond that they are trying to control their members.

How long will your patience last?

It's very difficult, but we have no other alternative. Violence will not protect us. We have to develop a defence strategy founded on our ideological strength. Our members sometimes defend themselves and fight back. In such cases, we intervene and try to normalize the situation.

Is collective bargaining possible in such an environment?

Collective negotiations do take place, but not within a legal framework, as elections to select collective bargaining agents are not held in most companies. Neither the employers nor the government officials in charge of labour matters are honest, and the Maoists do not respect the legal procedures. By law, the procedure to be followed before staging a strike takes 66 days (presentation of demands, negotiations, securing a 60% vote in favour of strike action). As no one has the patience to wait 66 days, wildcat strikes are quite common in Nepal. It is not unknown for GEFONT members to act this way too, but they generally respect the law. The Maoists, for their part, go on strike whenever they deem fit, and negotiate afterwards.

By law, 25% of the workers in any given company can form a union. The maximum number of unions in a company should therefore be four, but in some factories there are as many as eight duly registered unions! The Labour Ministry officials do not act responsibly: if someone goes to them and "forces" them to register a union, they do it; they won't take any risks...

Are union elections held?

No, because the Maoists would act improperly, they would force the workers to vote for them. We wanted to hold elections in the beginning, but when we saw that the Maoists were manipulating everything, involving their armed men and creating a climate of terror among the workers, we realised that these election would only create even more tension on the labour market. We have lost all interest in this type of elections.

So it is difficult to appoint collective bargaining agents?

Yes, all the unions within a company find themselves around the negotiating table. Collective agreements are sometimes signed, but they are rarely registered with the Labour Ministry, as it is weak.

Are the former Maoist rebels joining the workforce?

They are integrating little by little. Those who were not in the cantonments are now working here and there, some abroad, others in construction, hotels, etc., but their ways are different: they have violent habits, they force employers to give them money without necessarily working. Some of them behave like gangsters in the workplace, and even the employers fear them, as they know they can be insulted, attacked or held to ransom.

Why did the employers hire them?

The Maoists forced them to: "If you don't hire our members, we'll burn down your factory." They hired a lot of people in the casinos in this way. In this sector, some

members of the democratic trade unions have joined the Maoist unions because of the intense pressure placed on them. Workers are not usually looking for trouble. To avoid any tension, they say they are members of the Maoist trade unions, even if their heart is not really with them.

Interview by Samuel Grumiau

See "Union View" report : « Nepal : unions advocate peace to secure development » at: http://www.ituc-csi.org/IMG/pdf/VS_nepal_EN.pdf

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