# Shaping Nepal's Labour Landscape for Tomorrow

Swastik Pandey



# **Shaping Nepal's Labour Landscape for Tomorrow**

Swastik Pandey

## Contents

| Introduction   | 1  |
|--|----|
| An Overview of the Trade Union Movement in Nepal             | 2  |
| Trade Unions at the Global Level                             | 4  |
| Challenges faced by the Global Trade Union Movement          | 6  |
| Women and Informal Workers                                   | 6  |
| Rise of anti-democratic movements and autocratic regimes     | 7  |
| Digitalization and Artificial Intelligence (AI)              | 7  |
| Labour vs Capital  | 8  |
| Climate Change   | 8  |
| Gender based Violence at the Workplace                       | 9  |
| Instruments at the Global Level: Power Resource Perspectives | 10 |
| Power Resource Approach Toolkit                              | 10 |
| Key Implications for Trade Union Policy and Action           | 11 |
| Analysis and Interpretation                                  | 13 |
| Political Impulses   | 13 |
| Changing World of Work and Positioning of Trade Unions       | 14 |
| Transforming Power Structures                                | 15 |
| Conclusion   | 16 |
| References   | 18 |

### Introduction

The fourth industrial revolution or the next phase in the digitization of the manufacturing sector, is characterized by improved connectivity and advanced manufacturing technology. As this evolution unfolds, two major challenges stand out - the digital transition and the energy transition. The rapid advancement of digital technology is reshaping the world of work at an unprecedented pace. Meanwhile, the consequences of our reliance on fossil fuels have sparked a global crisis, driving a fundamental shift in energy dynamics.

When the world of work changes, there are deeper implications for the workers, as potential changes have a high possibility of displacing jobs. In the long run, this will consolidate capital at the top while fragmenting the workforce both vertically and horizontally, thereby creating new dynamics between capital and labour. The effects of these transitions are already being felt across the global labour market, with technological advancements leading to widespread job displacement, particularly in large corporations. To address this situation, a global covenant will be necessary. However, achieving balance requires traditional forces, such as trade unions, to enhance their capacity. Ironically, trade unions are

losing ground; unless they reinvent themselves, their impact is unlikely to be effective. This paper delves into the global challenges brought about by technological and political economic forces and their impact at international, national, and local levels. It also explores the tools available to navigate this complex landscape. The ideas in this paper draw inspiration from a strategic meeting on Preparing for the Future Strategies of Trade Unions in Nepal, organized by Friedrich-Ebert-Stiftung (FES) Nepal. Various trade unions in Nepal provided input to the conceptualization of this paper as well as helped clarify the current status of trade unions. Notable contributions came from the Nepal Trade Union Congress (NTUC), General Federation of Nepalese Trade Unions (GEFONT), All Nepal Trade Union Federation (ANTUF), Center for Labour and Social Studies (Class Nepal), and Joint Trade Union Coordination Center (JTUCC).

Alongside the findings from the strategic meeting, a comprehensive review of the trade union work was conducted for this paper. It aims to provide an overview of the challenges faced globally, assess instruments available to address these challenges and explore new pathways for the Nepali Trade Union movement.

## An Overview of the Trade Union Movements in Nepal

The first trade union movement of Nepal emerged as an informal organization opposing the mill owners at Biratnagar Jute Mill. The movement's demands included the establishment of an eighthour workday, subsidies for food and clothing, and wage increases. It was primarily targeted against the Rana regime. After the success of the movement, which prompted the administration to respond to the demands of factory workers, the All Nepal Trade Union Congress was established.

The restoration of multi-party democracy in Nepal in 1990 created space for trade unions to formally establish themselves as recognised organisational entities. After the 1990 movement, there was a notable rise in trade unions representing factory workers, which also led to a focus on service sector workers (Rimal, n.d.). The Trade Union Act of 1992 mandated a renewal of union registrations every two years. According to Dahal (2002), the period from 1993 to 1999 can be characterised as a "conducive" period for union activism, although these activities were later disrupted by the violent armed conflict.

Trade unions played a pivotal role following the Comprehensive Peace Accord in 2006. In the post-conflict scenario, during the development of the constitution, trade unions were instrumental in highlighting the status of workers and bringing their issues back into the public debate. Establishing a minimum wage system in both the formal and informal sectors, advocating for mandatory workers' safety, and creating a safe working environment became primary goals. The trade unions initiated discussions and pressured the government to establish these essential prerequisites for workers' safety. Article 34 of the Constitution of Nepal 2015 states the Right to Labour as fundamental. The Constitution also defines "labourer" or worker as someone "who does physical or mental work for an employer in consideration of remuneration for their services". Section three of the article states that workers have the right to form and join trade unions and engage in collective bargaining, in accordance with the law. The federal democratic system gradually paved the way for the establishment of workers' rights. Society was navigating these political advancements, when it was struck by two major disasters; the earthquake in 2015 and COVID-19 in 2021. These disasters severely impacted the economy and it has taken Nepal years to recover. The impacts were strongly felt by trade unions and their affiliated workers.

Nepal's trade union movement has a significant history in its contributions to the democratisation process. Its long history of both formal and informal organisation is unique, and its successful trajectory has led to important political transitions. During significant political transformations, trade unions have played a crucial role in lobbying for the rights of workers. The representation of labour becomes a primary concern in democratic societies, as labourers are the backbone of the economy, and their representation reflects the status of the society at a normative level. Industries, as spaces for labour interaction, also present opportunities for exploitation. Trade unions serve as beacons for discourses on social justice.

In Nepal, trade unions have established themselves as agents of change, across various political systems, promoting workers' rights. However, in recent years, their impact has become less visible. Significant challenges have prompted an internal transformation within the trade unions. In the past, the close ties between trade unions and political parties have influenced their governance mechanism. Alignment with political ideologies can sometimes divert trade unions from their primary goals, leading to a loss of faith among their labour force. This challenge raises the question: How liberated are the associations of liberation? Another challenge trade unions are facing is globalisation. The globalised world presents new advanced technologies that affect the labour market. Trade unions must reinvent themselves, to strike a right balance between labour and capital in this context.

## Trade Unions at the Global Level

Modern trade unions operate in two arenas: the state and politics on the one hand, and the labour market and collective bargaining on the other' (Streeck, 2003). In pursuing their political agendas, it is crucial for unions to carefully consider fundamental concerns regarding wages and working conditions. Ensuring favourable conditions over the long term is essential for maintaining the trust of the workers. In the case of Nepal, trade unions need an internal shift in political dynamics and require visionary leadership to navigate the globalized market system. Their priority should be to balance these two arenas while consistently advocating for the benefit of workers. Globally, the trade union movement emerged as a response to capitalism and the industrial revolution. Amidst mechanical advancements, campaigns for higher wages, better working conditions, fair treatment from employers and the implementation of labour laws were born out of necessity, evolving through multiple phases.

As basic facilities were achieved, the labour movement expanded to include issues of welfare, social security, social justice, and wealth distribution. Trade unions primarily expanded at the national level in response to economic changes and the growth of capitalism following the collapse of the Berlin Wall (Morris, 2002). In the face of globalization, trade unions should reflect upon current practices and view globalisation as an opportunity to amplify their cause.

Initially, globalisation was seen as the 'enemy of trade unions' as it restricted the free utilisation of capital and limited management's rights to unilaterally determine work practices. However, over time, the adaptability of the trade unions has allowed them to become a bridge for workers' rights. Coping with the COVID-19 pandemic and securing protections for workers during the crisis initially presented significant challenges.

The 8<sup>th</sup> Goal of the Sustainable Development Goals (SDG) is: Decent Work and Economic Growth, which sets a target to achieve full and productive employment and decent work for all women and men by 2030, including for young people and persons with disabilities, as well as ensuring equal pay for work of equal value. The pandemic has hindered the achievement of these SDGs, exacerbating inequality and job insecurity. The 2024 Spring Meetings between the International Monetary Fund (IMF) and World Bank highlight for global organisations to take a new direction toward the democratic legitimacy of global governance. The meeting indicates a shift away from policies that undermine job quality to address major transformations such as climate change and the digital transition. The statement notes, "without reform these transformations will further divide the world between those who benefit from new technologies and greater productivity and those that see their livelihoods destroyed with no replacement nor hope at the horizon".1

Potential reforms can be highlighted as follows:

- The primary responsibility of trade unions is to expand the access and change societal perception held by the public.
- 2. There is a need for new leadership within trade unions to engage younger workers.

<sup>&</sup>lt;sup>1</sup> https://www.ituc-csi.org/IMF-World-Bank-Spring-Meetings-2024.

- Trade union issues should extend beyond organisational boundaries, requiring transformative ideas and leadership.
- Social structures and dialogues are vital for implementing transformative policies, understanding labour-capital relationships, and driving structural changes in organisations.
- Partnerships and ideas within society need to evolve, as the current practices of 'funding and event organisation' may not lead to meaningful changes.
- Listening to stakeholders, including industrialists and workers on the ground, is crucial for decision-making and partnership building.

The 'mass resignation' of people from both the state and society (Bhatta 2024), opting to work abroad and thus boosting the remittance economy, is another issue. Thousands of youths voluntarily leave Nepal every day due to a lack of employment opportunities or jobs that can support a sustainable livelihood. This exodus, also referred to as mass migration, can be attributed to past decisions favouring financial capitalism and prioritising profit generation over societal welfare. While these changes result from past decisions that we cannot alter, we can change the present to shape the future we want to see. The debate circulating around the two major global trends-the digital transition and the energy transition-raises important questions about inclusive growth and shared prosperity, making it difficult to speculate about the future. These are advancements present challenges, particularly regarding the need for adequate policies and strong employment protections. Technology poses a new form of challenge, as those who are adept at using technology will be better off than those who are not.

The Global Unions statement<sup>2</sup> highlights current practices where employers leverage their capital and political power to prevent workers from exercising their labour rights. This trend is likely to result in a precarious and exploited workforce. Another important concern is the issue of unpayable loans incurred by countries. A debt crisis makes low-income countries even more vulnerable. As a result, measures such as cutting social spending, raising taxes and reducing the size of the public sector are often introduced, which creates immense pressure within these countries. The IMF estimates that 60 per cent of low-income countries, along with many middleincome and emerging market countries face debt distress. In this context, trade unions in Nepal have a huge role to play, as these emerging changes must be carefully addressed.

<sup>2</sup> https://www.ituc-csi.org/IMG/pdf/camcom\_en\_spring\_meetings\_statement.pdf.

## Challenges faced by the Global Trade Union Movement

The trade union movement has evolved through various sociopolitical landscapes. During the 5th World Congress of the International Trade Union Confederation (ITUC), a policy and action statement was adopted to address three intersecting global challenges: climate change, public health, and technology. The ITUC called for a new social contract to transform the foundational landscape of work. This new social contract should be grounded in jobs, rights, wages, social protection, equality, and inclusion. According to the International Labour Organization (ILO) (2023), the traditional doctrines of the social contract as articulated by Hobbes, Grotius, Locke, and Rousseau- where individuals delegate their power and freedom to a sovereign state to avoid chaos- require refinement. The rapid changes driven by globalisation, demographic shifts, new technologies and digital transformation, climate change, and increasing inequality and extreme poverty, necessitate the realisation of a new social contract focused on the world of work. This contract aligns with the three dimensions of the 2030 Agenda for Sustainable Development: economic, social, and environmental. To build a better world of work, it is essential to empower social dialogues aimed at improving labour conditions, anchored in the notion of human rights.

The global challenges faced by trade unions in Nepal include:

#### Women and Informal Workers

Nepal's economy is characterised by a high level of informality, which is reflected in the labour market. The ILO states that more than 70 per cent of the economically active population in Nepal is engaged in the informal economy. The informal sector remains outside the purview of unions, and bringing these workers into the fold could enhance the work culture.

The Nepal Labour Force Survey 2017/18 reveals a significant disparity in the labour market indicators between female and male workers. The female employment-to-population ratio (EPR) is 25.4 per cent lower than that of males, standing at just 22.9 per cent. The labour force participation rate for female is 26.3 per cent and 53.8 per cent for males. Beyond the informal market, the participation of female labourers in the workforce is hampered by a strong dogma, chauvinistic notions, informed by patriarchy, which contribute significantly to the marginalization of women in the labour market. Likewise, domestic work remains outside the scope of labour organisations. The notion of 'household work' as primarily a woman's responsibility often disrupts the work-life balance for women. Trade unions have a significant gap to fill in addressing these issues. Social dialogues that transform individual worldviews are essential, as is the inclusion of informal workers, part-time workers, freelancers, domestic workers, and women in discussions about the world-of-work. This inclusion is necessary to open up new perspectives for change.

In striving for gender equality, strategies for change must encompass the implementation of gender quotas, the facilitation of leadership positions for women, and fostering of inclusive organisational cultures. Additionally, concerted efforts are required to establish sustainable support structures safeguarding migrant labour, particularly female workers, and to advocate for the integration of gender-responsive policies in trade union governance at all levels. The pursuit of gender equality within trade unions demands a holistic approach, encompassing structural reforms, resource allocation, and a steadfast commitment to upholding the rights and welfare of women workers in both formal and informal sectors. There are certain barriers and challenges to gender equality in trade unions. Since, unpaid care work and multiple burdens shared by women are not usually put into account while thinking of their involvement in the union work. The unions need to build an inclusive organizational culture wherein the voices are appreciated. In order to reach an actuality of gender equality within the trade union, it is essential to conduct a gender audit, stakeholder consultations, form a gender action plan, ensure implementation and provide proper monitoring and evaluation<sup>3</sup>. Plagued by patriarchy and male dominance in the union, a structural change is essential which can only come into account through repeated practice and prioritization of the issues by the union leaders.

## Rise of anti-democratic movements and autocratic regimes

The state of democracy around the world is also tied to trade union rights. These rights are at great risk due to the rise of populism (Triangle, 2024). The trade union movement is the world's largest social movement and forms the foundation of a healthy democratic system. The Democracy Index 2023 by the Economist Intelligence Unit<sup>4</sup> shows that there has been a decreasing influence of democracy. It states that out of 167 countries, only 14.4 per cent operate as full democracies, 29.9 per cent are classified as flawed democracies, 20.4 per cent are the hybrid regimes and 35.3 per cent are authoritarian regimes.

The rise of authoritarianism poses a greater risk to trade union movements. This decline in democratic influence has been largely attributed to the COVID-19 pandemic, which led to the curtailment of freedoms around the globe. In the context of Nepal, where hybrid regimes have been in operation, the country ranks 98th, and scores poorly on political culture. Trade unions are essential for addressing the gaps in political culture, promoting social justice and establishing sustainable practices.

Furthermore, the rise of populism, xenophobia, nationalism, and the recent resurgence of neoliberal populism pose significant threats to society. These developments also challenge the ability of trade unions to organize effectively.

#### **Digitalization and Artificial Intelligence (AI)**

The COVID-19 pandemic also brought significant changes to the world of work. With offices being shut down, new work model ideas such as remote work emerged, making hybrid work prominent a prominent means of operating the economy during a crisis. These trends, established during the pandemic, have since become the norm, leading to the rise of the gig economy, which is characterized by short-term contracts and freelance work. This shift challenges the traditional labour market structures that trade unions have historically fought for. Workers in the gig economy often lack job security, benefits and

<sup>&</sup>lt;sup>3</sup> A detailed analysis of transformative practices and strategies for gender responsive policies can be elucidated in the handbook publication "Transformative Strategies Towards Gender Equality in Trade Unions": https://library.fes.de/pdf-files/bueros/nepal/19249. pdf.

<sup>&</sup>lt;sup>4</sup> https://www.eiu.com/n/campaigns/democracy-index-2023/#mktoForm\_anchor.

collective bargaining power. These issues pose a challenge to the trade union movement. Women, who disproportionately occupy gig and precarious jobs, face even greater vulnerabilities. They are often concentrated in sectors such as care work, retail, and hospitality-industries heavily affected by the pandemic and characterized by low wages and limited rights. The lack of access to benefits like health insurance, paid leave, and retirement savings further exacerbates gender inequalities. Additionally, digitalization and AI present threats to jobs as the future increasingly leans toward a human-less work ecosystem. These technological advancements have transformed the way work is performed and enhanced means of surveillance and control in the workplace.

#### Labour vs Capital

The tension between labour and capital is a longstanding issue that continues to pose challenges for the trade union movement. In the current global economic climate, this tension is becoming increasingly pronounced. Trade unions in Nepal play a strong role in bridging the gap between labour and capital, trying to bring more workers on board (Bhatta, 2011). Modern growth based on productivity and diffusion of knowledge has not shielded us from the perils of capitalism. Despite social transitions, the deep structures of capital have not significantly reduced the macroeconomic importance of capital relative to labour' (Piketty, 2014). These statements can be further elucidated from the following facts:

 Income inequality is a growing concern worldwide. Despite increases in productivity, workers often do not see a corresponding rise in wages. This disparity contributes to the concentration of wealth in the hands of a few, exacerbating social and economic inequalities.

- The rights of workers are often under threat in the pursuit of higher profits. Workers face exploitation and trade unions play a crucial role in safeguarding their rights by advocating for fair wages, safe working conditions and the right to collective bargaining.
- Globalization has led to increased competition and the offshoring of jobs, exerting downward pressure on wages and working conditions. To counter this, trade unions must advocate for the adoption of international labour standards and engage in cross-border solidarity actions.

#### **Climate Change**

The global rise in temperature and ongoing changes in the climate will significantly affect the world of work in the future. Nepal, a mountainous country, is particularly vulnerable to disasters induced by climate change, which are likely to impact infrastructure. Thus, considerable caution must be adopted in the workplace. Climate Change poses a substantial threat to the operational safety and health of the workers<sup>5</sup>. The working conditions of outdoor workers should also be the concern for trade unions. Ensuring the safety of workers amidst climate disasters and natural calamities is essential for the future ahead of us. Van Hooste and Van den Broek (2023) provide a framework to describe the effects of climate change on workers and workplaces:

- a. Increased ambient temperatures
- b. Air quality: indoor & outdoor pollution
- c. Ultraviolet radiation exposure
- d. Extreme weather events and natural disasters
- e. Climate-sensitive vector-borne diseases and other related hazards

<sup>5</sup> https://www.weforum.org/agenda/2023/10/climate-crisis-impacting-jobs-workforce/.

#### Gender Based Violence at the Workplace

The ITUC specifies that gender-based violence (GBV) at work, whether occurring at the actual place of work or on the way to and from work, can take many forms, including physical abuse (assault, attempted murder and murder), sexual violence, sexual harassment, verbal and sexist abuse, bullying, coercion, psychological abuse, intimidation and threats of violence, economic and financial abuse; and stalking<sup>6</sup>. In workplaces, embedded systems of patriarchy and capitalism often prevent women from fighting against GBV. These challenges encompass multifaceted issues such as the burden of care work, entrenched gender biases stemming from societal practices, and the pervasive lack of capacity, skills, and confidence that hinder women's ascent to leadership roles within trade unions.

Furthermore, the under-prioritization of women's issues within trade union activities, coupled with a lack of broader acceptance of gender equality policies, exacerbates the gender disparities prevalent in labour settings. Reflection on the extent to which women's issues are prioritised highlights the need for potential revisions to ensure inclusive representation, particularly of women, at the forefront of economic leadership. Moreover, the emergence of new economic paradigms, marked by a transition from manufacturing to technology-driven service economies, presents both opportunities and barriers to achieving gender equality. Trade unions should create safe spaces for women and ensure that these practices are implemented in workplaces.

<sup>6</sup> Stop Gender Based Violence at work: https://www.ituc-csi.org/IMG/pdf/stop\_gender\_based\_violence\_at\_work\_en\_final.pdf.

# Instruments at the Global Level: Power Resource Approach Perspective

The Power Resource Approach (PRA) emphasizes the collective mobilisation of power resources as a means for the workforce to safeguard and advance its interests. This theoretical framework defines power not merely as a tool to dictate rules but primarily as the capacity to act within the constraints and opportunities presented by social relations. Power, in this sense, is seen as interwoven within social relations, making it a powerful mechanism to drive transformative changes in societal structures. The basic premise of PRA is rooted in the idea that the workforce can successfully defend its interests through the collective mobilization of power resources. Power is thus perceived as the power to do something rather than as the power to determine the rules of the game. The approach seeks to analyze the spaces of action available to trade unions and workers under given circumstances (Schmalz and Dörre, 2017), identifying ways to empower them to act effectively within these spaces.

In this context, trade unions are viewed as transformative actors capable of driving systemic change by strategically leveraging associational, structural, institutional, and societal power resources. These resources enable unions to respond to evolving challenges, disrupt exploitative practices, and strengthen their influence over labor market dynamics. To operationalize this approach effectively, unions must engage with foundational materials that help analyze their circumstances, set achievable goals, and foster collective action. These materials provide preparatory tools for broader organizational transformation, campaigning, collective bargaining, and advocacy efforts. By incorporating analysis, goal-setting, collective work strategies, and strategic planning into their operations, unions can maximize their impact and remain resilient in a rapidly changing global labour environment.<sup>7</sup>

#### **Power Resource Approach Toolkit**

#### 1. Analysis

A collective analysis of the union's situation forms the foundation for its strategic initiatives. This step allows unions to assess their strengths, weaknesses, opportunities, and threats (SWOT) while identifying actionable power resources. Tools such as Participatory Action Research (PAR) are instrumental in this process:

- Power Resource Mapping: A structured framework that uses guiding questions to help unions identify and discuss their associational, structural, institutional, and societal power resources. This facilitates a shared understanding of potential leverage points for collective action.
- Participatory Action Research (PAR): Engages worker-driven research teams to conduct one-on-one surveys and analyze results. PAR connects unions to workers' realities, especially those of underrepresented groups, such as women, youth, and informal workers, and fosters a sense of collective interest and action.
- SWOT Analysis: Organizes internal strengths and weaknesses alongside external opportunities and threats to create actionable insights for union operations.

<sup>7</sup> The current version of the PRA toolkit will be revised to integrate a gender perspective into the different tools.

#### 2. Setting Goals

PRA focuses on the importance of collectively setting clear, measurable, and realistic goals that address workers' daily problems while aligning with broader visions for societal change. Key tools include:

- Problems to Goals: A method of translating worker and union challenges into actionable goals. These goals are designed to be specific, measurable, and grounded in the immediate needs of workers while ensuring alignment with long-term visions.
- Benchmarks: Setting measurable milestones for worker involvement, such as participation thresholds in organizing campaigns. This helps track progress and mobilization efforts.
- Mandates: Collective agreements developed to ensure union leaders operate within democratically decided frameworks, thereby fostering accountability and transparency.

#### 3. Working Collectively

Collective action lies at the heart of the PRA. It emphasizes inclusivity, participation, and shared responsibility, enabling unions to enhance their organizational power. Effective strategies include:

- Arbolitos (Communication Networks): Small communication networks where a single worker connects with 5–7 others. These networks foster grassroots mobilization and ensure messages are effectively disseminated.
- Committees: Task-specific groups within the union that handle decision-making and implementation for campaigns or work plans.
- Calendars and Commitments: Coordinated timelines and task allocation ensure accountability and systematic action across union members.
- Evaluations: Regular reviews that monitor progress, identify challenges, and adapt strategies to evolving situations.

#### 4. Strategic Planning

Strategic planning enables unions to define their long-term visions and prioritize areas for intervention. It may focus on specific initiatives, such as organizing informal workers, or broader organizational transformation. Key aspects include:

- Annual or Biannual Reviews: Institutionalising strategic planning processes to foster a culture of reflection and recalibration within unions.
- Targeted Toolkits: Resources tailored to specific challenges, such as addressing gender disparities, integrating informal workers, and combating discrimination.

#### Key Implications for Trade Union Policy and Action

Applying the core principles of the PRA, trade unions can focus on the following areas to strengthen their role in promoting equitable labour practices:

- Organisational Power: Enhancing membership bases, fostering solidarity, and improving internal governance to build collective strength.
- 2. Institutional Power: Leveraging legal and political frameworks to advocate for fair wages, workplace safety, and secure employment conditions.
- Societal Power: Building alliances with civil society organizations to expand influence and drive systemic change.
- Structural Power: Utilizing workers' strategic positions within industries to negotiate improvements and disrupt exploitative practices.
- 5. Adaptation and Innovation: Responding to shifts in labor markets by adopting digital organizing tools and fostering cross-border collaboration.

6. Actionable Spaces: Mapping and utilising the spaces of action where unions can exert influence. These spaces are critical for determining where and how unions can maximize their impact under prevailing circumstances.

The PRA provides trade unions with a dynamic framework for fostering resilience, innovation,

and collective empowerment. By focusing on power as a capacity for action, unions can transform their position within societal structures, promoting equitable labor practices and driving systemic change. Integrating the PRA's core materials into their operations allows unions to adapt to challenges, prioritise actionable goals, and ensure sustained advocacy for workers' rights in a globalized economy.

## Analysis and Interpretation

The analysis of the current status of the trade unions in Nepal will be presented in three sections:

- a. Political Impulses
- b. Changing World-of-Work and Positioning of Trade Unions
- c. Transforming Power Structures

#### **Political Impulses**

The learning of democracy involves" a complex process of political socialization utilizing different but reinforcing agents: family, school, religious institution, work place, community, and political system" (Entelis, 2014). Regardless of the agency involved, the content of the learning should encompass a basic understanding of democratic governance - human freedom and individual choices assessed through representative government and the rule of law. Organisational capacity building is essential for the trade unions to strengthen their capacities and adapt to the current political narrative. A principle of 10 per cent qualified representation provides a breakthrough for the participation of workers in collective bargaining. Given the dynamic nature of the labour market, trade unions should strive to include a diverse range of workers and expand their organisational base. For the benefit of labourers, a labour relations committee is essential. The relationship between labourers and management is crucial; effective communication between the two enhances workplace dynamics and improves productivity. Capitalism is built upon the exploitation of workers and this issue should be consistently addressed in ongoing debates. The labour relations committee will help trade unions maintain an understanding of labourers' positions and advocate for a safe working environment.

As one of the largest social movements globally, the labour movement also necessitates a Labour Council. This body plays a central role in spearheading initiatives aimed at advancing labour rights and welfare. Foremost among its responsibilities is the facilitation of legislation development, a process integral to enshrining labour protections and ensuring equitable labour practices. Additionally, conducting comprehensive labour audits holds the promise of illuminating areas that require intervention and reform. Through rigorous examination and analysis, these audits serve as a diagnostic tool, identifying systemic deficiencies and opportunities for improvement.

Strategic political alignments constitute a cornerstone in fostering labour rights and interests. Trade unions, as pivotal stakeholders, wield substantial influence in shaping policy trajectories and advocating for labour-centric agendas. At the heart of this endeavor lies the importance of positioning labour issues as a national agenda, thereby elevating their significance within the broader policy discourse. Concurrently, securing representation in decisionmaking bodies such as the Planning Commission, amplifies the voice of labour, providing a substantive platform for advocacy and influence. This strategic alignment with political significance underscores trade unions' adept navigation of the political landscape as they look to advance the cause of labour rights and welfare. The power held by trade unions is of utmost importance, particularly in changing their social image. The perception that trade unions are mere puppets of political parties must be dismantled and advocacy must be fostered. Knowledge sharing sessions and strategic training should be provided to trade union leaders.

The need to align smoothly with existing party structures highlights the importance of trade unions in navigating politics. Central to this endeavour is the establishment of a dedicated labour caucus within parliament, tasked with advocating for labour-centric policies and legislation. By consolidating their influence within the political arena, trade unions aspire to elevate the prominence of labour issues as integral components of the broader policy discourse. Moreover, transcending self-interest, trade unions seek to steer political discourse away from the pitfalls of neoliberal populism, towards a more substantive engagement with the concerns of the labour constituency.

## Changing World of Work and Positioning of Trade Unions

The global landscape and globalisation have opened up many new avenues for progress. These avenues, along with their benefits and drawbacks, are also reshaping the world of work. The traditional labour structure is experiencing a shift towards modern technologies, which sometimes threatens the nature of work through automation. Amidst this changing landscape, trade unions should reassess their current position. The Power Resource Approach, as previously discussed, can be a powerful tool in addressing the various challenges faced by trade unions across different sectors. In addition, an agenda -based approach, combined with the Power Resource Approach, will be crucial in strengthening collective bargaining and ensuring that hybrid, remote, and freelance workers are also included in the spectrum.

One of the most important roles of trade unions is collective bargaining and alliance building. The strength of a trade unions relies on its alliance; if they cannot represent the workers and their agenda effectively, trade unions must adapt their practices. In the past, trade unions pressured the government on various issues through physical demonstration. However, the changing landscape of communication, particularly through social media, presents new opportunities of agenda building and collective bargaining. In the cases of the gig economy and contractual work, there have been very few policy interventions. New, innovative policy ideas can help bring these workers into the fold.

The evolving landscape of the modern workplace necessitates a re-evaluation of benefit distribution mechanisms, transitioning towards an agendabased approach. In this framework, benefits are allocated, based on predefined criteria aligned with organizational goals and employee needs, fostering transparency, equity, and alignment with strategic objectives. By adopting an agenda-based distribution model, organisations can optimise resource allocation, enhance employee satisfaction, and drive organizational performance in a dynamic and competitive environment. The digital economy has brought forward novel challenges concerning insurance claims, particularly regarding fraudulent activities or cheating during transactions. Addressing these challenges requires robust regulatory frameworks, innovative technological solutions, and collaboration among stakeholders to ensure prompt and fair resolution of insurance claims in the digital sphere. Moreover, enhancing consumer awareness and education on digital transaction security can mitigate risks and promote trust in digital financial systems. Trade unions have a significant gap to fill and must evolve with the times. Implementing a policy of social security based on contribution at the local level holds promise for extending social protection to marginalised populations in Nepal. By leveraging community-based structures and resources, such a policy can ensure equitable access to social security benefits, including healthcare, education, and income support, for vulnerable groups. Moreover, by fostering solidarity and mutual

support within communities, this policy promotes social cohesion and resilience, contributing to inclusive and sustainable development at the grassroots level.

#### **Transforming Power Structures**

Transformation of power structures is vital for societal evolution, necessitating a nuanced understanding of existing dynamics and proactive strategies to address systemic inequalities. As societies evolve, so too must their governance structures and leadership paradigms. This evolution is particularly pronounced in the realm of political leadership, where generational shifts often herald new perspectives, priorities, and approaches to governance. However, such transitions are not without challenges, and careful consideration must be made for the empowerment of marginalised groups, the formalisation of representative bodies, and the promotion of inclusive leadership practices. Research should explore the impact of sectoral Collective Bargaining Agreements (CBAs) on labour rights and the extent to which they mitigate the adverse effects of outsourcing on job security and youth employment.

The recognition of the need for a generational shift in political leadership to rejuvenate governance structures and address contemporary challenges, is crucial. Climbing up the hierarchical ladder, the leadership position at the top remains fairly detached from the informal economy. The consideration of government as a working mind by Hegel requires us to situate ourselves in the state of mind of the realisation of power of a single individual towards enhancing governance. The younger generation with the advanced technologies, develop a different collective consciousness and expect that to be acknowledged by the ones in power. Inviting promising young individuals and giving them an opportunity would eventually build leadership and an inclusive culture ultimately promoting inclusive democratic practices.

The identification of limited opportunities and tokenisation in geopolitical discussions as barriers to the empowerment of youth and women, underscores the need for clear capacity-building initiatives. It is important to delineate the specific capacity-building needs of marginalised groups and the most effective strategies for addressing them. Efforts should focus on creating enabling environments that facilitate the meaningful participation of youth and women in decision-making processes, including political representation, economic empowerment, and social advocacy.

The formalisation of trade unions within governmental bodies, exemplified by the Joint Trade Union Coordination Centre (JTUCC), aims to enhance representation and advocacy for labour rights. However, it is important to understand the potential implications of such formalisation on government operations and labour-management relations. Additionally, considerations must be given to the mechanisms for embedding labour agendas within institutional constitutions, ensuring that labour representation remains robust and effective in influencing policy decisions.

### Conclusion

The intricate relationship between technology and labourers demands nuanced discussions and proactive measures to navigate the challenges and opportunities presented by technological advancements. Strategies to facilitate skills development, job retraining, and workforce reskilling are necessary to equip workers with the competencies needed to thrive in the digital age. Moreover, fostering dialogue between stakeholders, including policymakers, employers, and labour representatives, can facilitate informed decision-making and proactive adaptation to technological disruptions in the labour market.

The limited accessibility of information regarding labour issues and violations creates a need for the establishment of an information portal dedicated to addressing the dynamics of the labour market. Small changes, shocks and vulnerabilities to the labour market require cross-cutting research for timely responses to impending challenges. By aggregating relevant data, research findings, and resources, such a portal can serve as a valuable tool for policymakers, researchers, and stakeholders to gain insights into labourrelated challenges, trends, and opportunities. This initiative can foster transparency, facilitate evidence-based policy-making, and empower stakeholders to make informed decisions that advance labour rights and welfare.

Trade union coordination committees should prioritise strengthening their departments dedicated to addressing needs and concerns of migrant workers. Given the unique challenges faced by migrant workers, including exploitation, discrimination, and lack of access to essential services, it is imperative to implement support mechanisms and advocacy efforts. By allocating resources and expertise to address the issues of migrant workers, trade unions can effectively advocate for their rights and contribute to their protection and empowerment. Analogous to citizen charters, the establishment of a labour charter prominently displayed in public locations can serve as a tangible commitment to highlighting labour rights and welfare. This charter outlines the rights, entitlements, and responsibilities of workers and employers, fostering transparency, accountability, and adherence to labour standards. By raising awareness and promoting dialogue on relevant issues, a labour charter enhances public consciousness and encourages stakeholders to uphold labour rights as the fundamental principles of social justice and equitable development.

Policy interventions tailored to the unique characteristics of the gig economy are essential to safeguard the rights and welfare of workers operating in this sector. The gig economy should also be integrated into the national tax framework. Short-term contract workers often face lack of job security, benefits and collective bargaining power. Trade unions should raise the issues of the gig economy as a point for discoursebuilding in the long term to address imminent future challenges.

Service delivery businesses can enhance workplace safety, hygiene, and overall well-being. By aligning policy interventions with the evolving needs of the gig economy, governments can foster a conducive environment for sustainable growth and equitable opportunities for all workers. The globalisation of the economy also necessitates the modernisation of trade unions to effectively advocate for the rights and interests of workers in a rapidly changing environment. By embracing innovative strategies, leveraging digital platforms, and forging alliances with international labour organisations, modernised trade unions can amplify their voices and influence policy-making processes at the global level. This proactive approach enables trade unions to address emerging challenges, champion workers' rights, and contribute to the advancement of social justice on a global scale.

Focusing on the proportion of our population engaged in foreign labor markets, our advocacy must extend beyond domestic borders to promote the rights and welfare of migrant workers. Bilateral agreements between governments and trade unions offer a promising avenue for safeguarding these rights. Unfortunately, the focus now rests with the trade unions to realise their potential as they face a vibrant future. A steadfast commitment to collective bargaining, and the advancement of workers' rights, recognising them as an indispensable pillar of a truly equitable society, is what it will take to secure a safe future for all workers, everywhere.

## **References:**

- Bhatta, C. D. (2011). Creating a functional state: Redefining the labour–capital relationship in Nepal. In
  M. Serrano, E. Xhafa, & M. Fichter eds., Trade Unions and the Global Crisis: Labour's visions,
  Strategies and Responses: International Labour Office.
- Bhatta, C.D. (2024). Interface between power politics and governance: Virtues, institutions, and service delivery in Nepal. Paper prepared for the Senior Executive Development Programme, 18 January 2024, Nepal Staff College.
- Dahal, D. R. (2002). The Current Trade Union Situation in Nepal. Available at <u>https://library.fes.de/pdf-files/</u> <u>iez/01962.pdf</u>. Accessed on May 28 2024.
- Entelis, J. P. (2014). The authoritarian impulse vs. the democratic imperative: Political learning as a precondition for sustainable development in the Maghreb. Available at <u>https://pomeps.org/the-authoritarian-impulse-vs-the-democratic-imperative</u>. Accessed on May 28 2024.
- General Federation of Nepalese Trade Unions (2024). Nepali trade union movement: BRAVING THE CHALLENGES Available at <u>https://www.gefont.org/files/publication/66015dbc13df5.pdf.</u> Accessed on April 28 2024.
- International Labour Organization (2023). A new social contract: Achieving social justice in an era of accelerating change. International Journal of Labour Research, 12 (1-2). Available at <u>https://www.ilo.org/publications/new-social-contract-achieving-social-justice-era-accelerating-change-1.</u> Accessed on May 26 2024.
- Morris, R (2002). Trade Unions and Globalization A Caribbean Workers' Education Guide (pp. 7–12). Available at https://www.ilo.org/media/304471/download.
- Piketty, T (2014). Capital in the twenty-first century. Harvard University Press.
- Rimal, B. (n.d.). Trade Union Movement in Nepal: A Brief History. Available at <u>https://www.gefont.org/file/</u> uploads/65b35d094e10d.pdf Accessed on June 9 2024.
- Schmalz, Stefan/Dörre, Klaus (2017): The Power Resources Approach, Working Paper prepared for the FES Project »Trade Unions in Transformation«, Berlin: FES.
- Streeck, W. (2003). Trade Unions as Political Actors. In International Handbook of Trade Unions. John T. Addison and Claus Schnabel, eds. Available at <u>https://doi.org/10.4337/9781781009574.00014</u>. Accessed on June 9 2024.
- Triangle, L (2024). May Day 2024: There's no democracy without trade unions. Equal Times. Available at <a href="https://www.equaltimes.org/may-day-2024-there-s-no-democracy?lang=en">https://www.equaltimes.org/may-day-2024-there-s-no-democracy?lang=en</a>. Accessed on May 28 2024.

- Van Hooste, W., & Van den Broek, K (2023). Climate change: Impact on occupational safety and health (OSH). European Agency for Safety and Health at Work. Available at <u>https://oshwiki.osha.europa.</u> <u>eu/en/themes/climate-change-impact-occupational-safety-and-health-osh.</u> Accessed on May 29 2024.
- Wilson, Ismail, and others (2023). Women construction workers in Nepal: Collectivities under precarious conditions. In Gender, Work & Organization, Bettina Bastian, Natalia Vershinina, Bronwyn Wood, eds., vol. 31, No. 2. Available at <u>https://doi.org/10.1111/gwao.13078.</u> Accessed on June 7, 2024.

#### About the Author

**Swastik Pandey** is an independent researcher in Conflict, Peace, and Development Studies. His work focuses on policy analysis, data research, and public policy. He draws inspiration from Nepali principles and local community dynamics, aiming for authentic, context-driven discourse.

The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung.

#### Imprint

© 2024 Friedrich-Ebert-Stiftung Nepal Office Lalitpur Metropolitian City, Ward 2, Sanepa P. O. Box: 11840 Kathmandu, Nepal

Responsible: Natalia Figge | Resident Representative

https://nepal.fes.deFESNP

To order publication: info.nepal@fes.de

Commercial use of all media published by Friedrich-Ebert-Stiftung (FES) is not permitted without the written consent of the FES.

FES is the oldest of the German political foundations. The foundation is named after Friedrich Ebert, the first democratically elected president of Germany. FES is committed to the advancement of both socio-political and economic development in the spirit of social democracy, through civic education, research, and international cooperation.

In Nepal, since 1995, we have been closely working with our partners – from the trade union movement, academia, civil society, and political organizations – to support social justice and the consolidation of democracy.

ion is ent of ditical thers ditical on of

#### nepal.fes.de