

Trade Unions and Productivity in Nepal

Trade unions, as a major part of the mainstream of social movement, have to play a vital role in socio-economic development. Because of the fact that trade union movements represent a majority segment of the society, socio-economic development has a very close association with trade union organizations. Therefore, National federations and confederations of trade unions have to work independently or jointly on various issues of social concern. A number of issues at a first glance may not seem related to trade unions, but if we go into depth, the socio-economic issues cannot be dissociated from trade unions. For example, the issue of trafficking of women or of HIV-Aids or the environmental issues do not have any direct resemblance with trade unions and one may feel why a trade unionist should bother about the issues. But these issues, too, have closer links with working masses. Therefore, the issues associated with development strategies and socio-economic development must be taken into high consideration by trade unions. Their role as one of social partners is of high significance.

The major issues of union activities can be basically categorised as the following:

- Extension of legal framework conducive to working masses- formulation, revision and amendment to labour laws. Effective implementation of laws and regulations.
- Intensive efforts to secure job from new economic policies informalising and casualising work.
- Massive unionisation of formal as well as informal sectors of work.
- Widening the coverage and effective enforcement of minimum wages.
- Sound wage structures
- Fair working conditions

- Minimisation of unfair labour practices, particularly in relation to women workers, child workers and bonded labour
- Intensification of workers education programmes
- Efforts to establish and extend a sound social security system compatible with Nepalese economy.

Labour management relations: existing situation in Nepal

A concrete industrial relations policy, supportive of national industries, is an urgent need. Labour management relations cannot always be based on legal tactics; good understanding is a prime factor. Balanced and stand-based industrial relations maintain an adequate distance from both the extremes of 'always conflict' and 'always negotiations'. Maintenance of an industrial relation in harmony with the development of tripartism is desirable in our realities where industrial democracy is not yet developed.

In the Nepalese context, real processes of developing industrial relations started just after the restoration of multiparty parliamentary system in 1990. In the beginning of the 90s, confrontation dominated the scene as there were no suitable labour legislations at that time. In 1992 the Labour Act was enacted and in 1993 the Trade Union Act came into force. Then, gradually, the process of harmonization started. In this connection, the role ILO, FES and organizations like NPEDC also helped develop a situation in which conflicts and confrontations started to transform to tolerance and harmony. But still, most of the employers have been acting in a conservative manner, those who have emerged from a feudalistic culture. They have not been smart enough to catch up with the modern capitalistic and entrepreneurial norms. Therefore, there are problems of sound industrial relations in enterprise levels (and not that much in high levels or national levels). They consider minimum wages fixed by the tripartite minimum wage board as the maximum wage and the implementation of the wages at the workplace level is always difficult whenever the minimum wages are revised. Similarly working conditions are poor; OSH has been denied. Social security and fringe benefits are almost negligible.

With regards to productivity, investment from employers for higher productivity is very little. In order to minimize labour costs, they avoid even the essential costs of on-the-job training and technological adjustment training. They always blame the workers for low productivity and do not care about inefficiencies and unproductive expenditures of the management. Instead, they argue for an absolute hire and fire policy.

All these factors have adversely affected the industrial relations system of our country.

In relation to productivity, employers have tried to link even minimum wages with productivity. But we view minimum wages as payment for eight-hour work; they have no link with productivity. Fair wages and incentives can be linked directly with productivity and efficiency of the workers. Minimum wages are the minimum to live and work if one is engaged in or appointed for an eight-hour work. This is, thus, an important point of debate, because in an unsuccessful effort to link minimum wages with productivity, they have now been trying to argue against the system of fixing minimum wages. Industrial relations have thus also been an obstacle from the point of view of productivity. In recent years, however, gradual improvements are slowly coming up.

Productivity movement in Nepal: Role of Social Partners

In Nepal, the productivity situation is very poor. In agriculture, both land and labour productivity are so low that per hectare yields in major and minor crops have remained almost stagnant at a very low level. In industrial and service sectors, technological ineffectiveness combined with less efficient managerial and labour issues have caused productivity to remain at a considerably low level.

From the very beginning, Nepal has shown keen interests in productivity issues and joined APO in the 60s. Nepal developed the Industrial Service Centre (ISC) and Economic Services Centre (ESEC) for productivity promotion. But general awareness on productivity could not become widespread. Only after 1993, the Nepali government formed the National Productivity Council and started efforts to make productivity a national agenda and the National Productivity and Economic Development Center came into existence as the secretariat of National Productivity Council. Now, the activities for productivity improvements have been intensified and a separate productivity policy has also been formed.

If we view the role of the government and the employers and trade unions in the productivity movement, the major responsibility rests on the government and on employers, who reap profits. The government with its National Productivity Council's Policy 1996 has initiated the following activities:

- Productivity awareness programs
- Consultancy services
- Productivity award
- Researches and strategic plans
- Seminars and interaction programs on productivity related issues

As a giant employer, the government has a crucial role to drive the productivity movement by pulling employers to support it. The activities of the employers are not that appreciable although FNCCI has recently been activated to productivity concerns.

Generally, trade unions do not take much care about productivity. Workers' understanding of the concept of productivity and its significance is also very limited in countries like ours. Since incentives are very little to the workers from the side of government and employers and wages are not tied up with inflation, the workers should always struggle with the hand-to-mouth problem. The social security system is very limited and fringe benefits are almost non-existent. The evaluation of efficiency in terms of money and real terms has not been systematic enough to provide incentives to the workers. Through the workers education program and skills and technological training, GEFONT has always promoted the productivity movement among the working masses.

Conclusion

In conclusion, the following should be done in relation to the productivity drive in Nepal:

- a. Attitudinal change of employers
- b. Skill-oriented and technological adjustment training
- c. intensification of workers' education program
- d. Sound minimum wages and social security network
- e. Transparent system of productivity and benefit sharing
- f. Productivity awareness as well as rewarding system

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