

हाम्रो स्थान कहाँ ?

Where is our space ?

**Revisiting The Past Year And
A Declaration Of Commitments**

GEFONT: May Day Declaration 2012

General Federation of Nepalese Trade Unions
(GEFONT)

May 1st 2012

**Revisiting The Past Year And
A Declaration Of Commitments**

1. The Great Journey of Glorious May Day struggle for a prosperous life with equality, dignity and rights has successfully completed its 126 years. The official and formal tradition of May Day celebration has also completed 123 years. Meanwhile, the human society has gone through many ups and downs, happiness and grief and smiles and tears. The demands for 8-hour work, 8-hour rest and 8-hour entertainment voiced by May Day struggle have been addressed partially worldwide. However even today, the prosperous life with equality, dignity and rights is still a far cry.
2. The lives of Nepali working masses are full of hardships and sufferings. We are still passing through a long phase of transition and political instability where even the social and economic scenario is swinging under instability and

uncertainty. The peace process has obviously crossed a major milestone but not completed yet. The process of writing new constitution is surrounded by the clouds of disagreement and the people and workers are not sure about its timely release in spite of the final deadline approaching very fast. If we look behind from the 2011 May Day, indeed the past year was full of high endeavours to conclude the peace process and to erase the obstacles in the drafting of New Constitution. In spite of obstructions in the economy and labour market in the past year, we continued our mission. The more the obstacles came on the way, the more we worked harder for the meaningful journey with all the enthusiasm.

3. Our journey from celebration of May Day 2011 started with the long-term slogan of ‘Social Security for All.’ After hoisting the flag of ITUC on top of the world – Mt. Everest – attracting attention of the working people to adverse effects of climate change, we participated in the Asia-Pacific Regional Conference of the ITUC, where we got elected in the Regional General Council. We were also elected as

the Deputy Member to ILO Governing Body from International Labour Conference, 2011.

4. We organized a joint national trade union programme on the strategy for ratification of ILO Core Convention No. 87. Similarly in cooperation with ILO, we hosted an Asian Regional strategic programme for ratification/implementation of ILO Core Conventions.
5. In spite of the historical collective agreement signed on March 24, 2011, obstacles were created in implementation of increased wage. We have spent a lot of time in nationwide campaign to enforce it and to pressurise the government for the purpose. Labour administration and the government proved non-sensitive even in the issue of wages of the workers. Insensitiveness of the government on the important issue of wages makes it clear among the workers that the character of the state is still pro-capitalist. However, we worked on both faces of wage campaign – clarifying & making aware the workers and pressurizing both the Government and the employers. The decision of raising the current wages by additional NRs. 1600 in the wages of every

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worker was misinterpreted by some of the employers claiming that the wages is to be raised up to NRs. 6200 only to those who are not getting 6200. This dishonesty of many of the employers hurdled the implementation of the decision. Finally after 6 months of continued campaign and pressure, we were successful to compel the Government and the employers for implementation.

6. We have initiated a major change in organizing strategy. Team mobilization from central union council level started last year has been given a new speed. These teams created new waves of mobilization and mass-education in the grassroots covering membership drive with new recruitment and renewal, dues collection, wages and social security in addition to political/ideological & labour market issues such as constitution, peace and rights. The month of *Chaitra* (mid March to mid April), as the last month of Nepali calendar is decided to be the campaign month of recruitment, renewal and dues settlement.
7. Our special concern in the past year was in establishing the Labour Inspection System. A

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national gathering of plant level union presidents from the enterprises with more than 100 workers was organized and training on labour inspection campaign has been conducted. With this campaign, it has now been initiated as a system to receive quarterly labour inspection reports regularly from each of the enterprises in the Central Office.

8. With the spirit of One Union – One Voice, the Second National Trade Union Conference has been organized jointly. Similarly, 11 joint affiliates councils of various sectors has been created in JTUCC and 25 joint district councils of JTUCC member have been established with a view to promote mutual cooperation and workers unity. A liaison office of the SAR-TUC has also been established in Kathmandu.

9. This year significant achievements have been witnessed in labour disputes. We have been successful in solving some of the complicated and chronic cases. The biggest agreement till date has been marked with a compensation of NRs. 160 Million for 86 workers at Himal Power Limited. With our involvement, labour dispute has been

resolved in a win-win situation in Unilever Nepal Limited which was portrayed in mass media as a negative example against trade unions.

10. We have sadly witnessed many unfair labour practices, which are definitely unsuitable act of an employer. Those incidences are- inhumane activities like ousting the workers out of work without any cause, employers' disappearance by locking out the factory, imposing conditions on the workers, non-payment of wages for long 18 months etc. Examples are Casino sector due to no policy status of the state and solution waiting Janakpur Cigarette Factory and Bhrikuti Pulp & Paper industry.

11. In spite of one-sided publicity against workers and trade unions and blaming for all the labour market problems and economic stagnation, truth proved to be different and something else. For instance if we review statistics in only one industrial area of Sunsari-Morang corridor, workers were blamed for the disclosure of the industry but the Parliamentary committee has made it clear after the investigation that it happened because of the employer's fault.

Looking at the statistics of last 15 months more than NRs 20 billion has been invested by the Big Business Houses in the *Sunsari* Industrial Corridor. It also makes the statements like ‘industries are being closed because of the workers, there is no investment’ a big lie.

12. According to a Tax Cost Survey conducted by the International Finance Corporation, three main reasons for the slow economic activity in Nepal are political instability, increasing load shedding and lack of enough capital. The research also reveals that most of the employers make defaults like marking less income and more expenditure and opening the bank accounts in the name of the person instead of the firm’s name to evade the taxes. Looking at a small size of sample of the news published in the media within a period of just one year, a long list of defaults by the employers can be witnessed:

- The monitoring by concerned authority of the government covering 165 firms shows – Millions of Rupees as VAT raised from Consumers is not deposited; smuggling, fake bills in import, business

without registration, illegal operation of Casinos are some of the examples to evade tax and liabilities towards state revenues; Forty-five companies have been found using fake VAT bills. Can we consider these activities as investment friendly and pro-development?

- Petrol pumps have gone into strike when state instructed that they should not sale petrol in price more than fixed by the Nepal Oil Corporation. The activity of closing one's business and coming to the street by employers themselves; how it can be termed as investment friendly and favourable to growth? 48-hours ultimatum by employers' organization to the state against workers and threat of handing over the key to the government surprised even the trade union world that what type of business culture is being promoted!
- According to the record of nepalbandh.com, FNCCI districts & transport entrepreneurs' associations have closed transportation and business for 21 days during the latest 16 months. The 2-4 hours partial strikes by them are not included, these are numerous. In comparison, strikes from workers side cover in total 6 days. The strikes by other political/social groups during the same period are 57 days in total. Thus facts reveal – Actors of Strikes in Nepal are not the trade unions, the major actors are others.

- A total of 16 % traders have mixed non edible things in food items, 48% have cheated consumers in weight and the traders are selling goods to consumers in a price 30 times higher than import price, which is illegal.
 - The company promoters by raising share money from people who fled away have cheated more than 10 billion Rs. And 41 companies are rejected from the list of Nepal Stock Exchange. There are 2597 cases filed against Blacklisted Bank defaulters. It is also known to the public that a single business man in the name of different firms have taken loan equal to Rs. 3 billions and not repaid to the banks.
 - Cooking Gas traders have been found engaged in irregular activities on weight, price, seal, and safety cheating millions of money on taxes and within 10 months 6 ordinary people have lost life because of gas-cylinder.
13. The essence of all these facts is that some of the ill-intentioned employers' practices are extremely unfair; contrary, their blame-game against workers has been continued till to date. These behaviours are neither labour-relation friendly; nor it is suitable to the dignity of any business class individual.

14. The demarcation of what are agreeable points and what are disagreements should be made public now. Sometimes thinking 'tiger-lamb relation' and sometimes 'nail and flesh' type thoughts about the relation are just hollow words. It should be clear where our interests coincide and where we should debate\dialogue and negotiate. During the AGM of FNCCI what the FNCCI president delivered in his speech, could be responded in our words as follows:
- We support his appeal to political parties for peace process completion and issue of constitution. GEFONT demands that political parties should think over it, constitution should be adopted immediately in compromise if not in consensus.
 - He has requested to finalise all labour legislations within few months. We want to clear it that unions have finalised the common position. We emphasize employers to come with their common position. If there are disagreements, let us finalise it in the parliamentary discussion on bill. Let us complete the process within this month.
 - He has appealed 'wages and benefits should be linked with productivity. High wage rate, sound work environment and higher rate of return should be our common objective.' We are ready to go on

the policy of 'high wage- high productivity'. Let us erase the dream of higher economic growth rate on the ground of poverty wage. Let us discipline the employers who do not provide even minimum facilities determined by laws. In order to resolve the problems of labour market, let us conduct CBA election at a time nationwide. Let us declare a cut-off date from the initial month of Fiscal year and address the objection of employers about 'always demand- always problems'. We do not accept style of differing in commitment and behaviour and alert all not to use provocative phrases like *No work- No Pay* or *Hire-and- Fire*.

- 'Once negotiate, let implement it, I request government to implement the policies and agreements'- he has opined. We agree. Let us explore ways if government does not implement. Let us implement Labour Inspection System. Let us unite against those who do not implement agreements and violate the provisions of law. Let us develop bilateral mechanisms as units for registration of grievances of both sides. Let us accept the *rules of the games* and do not violate them if convenient.
- If we go this way, we will agree without any conditions to join hands for rapid economic growth by rescuing Nepal from a vicious circle of low economic growth rate.

15. Economic progress is not possible without increased investment and employment opportunity. However, it is erroneous on the part of state and employers to perceive basic human and labour rights as hurdles in the progress of investment and employment opportunity. Trade union movement has prepared draft concept note demanding government of Nepal to organize an Employment Summit for more job creation through tripartite participation. We have requested National Investment Board to initiate towards the same. Our prior challenge is to boost up employment opportunity and decent work.

16. “Social Protection for all” is the burning issue. After three years of struggle, our movement is successful in establishing social security tax as base for social security. In agreement with employers, consent has been reached to provide 20% in the social security fund. Based on this agreement a clause on social protection law has been finalised. However, it is major responsibility of state and trade unions fully implementing social security law and benefiting contributors by the various schemes. Our demand - State should contribute equally as of employers in this fund; is yet to be addressed. To complement

social security schemes with general social protection system and build an integrated worker-friendly 'welfare structure' of our society is a huge challenge.

17. Our movement was focused to- ensure workers' rights as fundamental human rights, secure 10% representation in all states' elected bodies, provision of National Labour Commission for swift and effective justice and social welfare programs in the new constitution. We are in the final stage to achieve result of our efforts. Therefore, we call upon entire work force, for vigilance and lobbying to institutionalise it.
18. Change in the contemporary system of collective bargaining is the need of present time. Enterprise level Collective Bargaining mechanism has been proved insufficient. Therefore, through broad discussion our movement will be active to develop Industry-based National Collective Bargaining system; and to develop legal mechanisms in this regard. We will end existing confusion on right-based and interest-based demand in our collective bargaining process; we will put pressure to the State

for granting lawful benefits automatically without collective bargaining. Our movement won't be confused again and CBA will be focused on the interest-based issues only.

19. Besides Ministry of Labour, various other ministries are also making decisions which affect workers life. They do not feel the need to consult on these decisions with trade unions. Ministry of Industry, Commerce and Supplies, Ministry of Agriculture and Cooperatives, Ministry of Law and Justice, Ministry of Finance have taken decisions which have adverse effects on workers rights and welfare. Therefore, government should include all Ministries in the existing system of Labour Ministry to facilitate dialogue between trade unions and all concerned Ministries regarding decisions which can have direct or indirect impact on labour rights, welfare and benefits.
20. There is no doubt that foreign employment is inevitability rather than opportunity for Nepali workers. And, remittances sent by these workers make up a huge part of GDP in Nepal's economy. However, policy-makers calculate the remittance

and without hesitation ignore the hardships, suffering, threats to life and inhuman treatments that Nepali migrants are subjected to in foreign lands. Our union is involved to establish a Helpline in Malaysia through joint effort to ensure migrant workers' rights and welfare. GEFONT and trade union centres in Kuwait and Bahrain have reached at MoU for cooperation in the issues of long term importance. Similarly, to expand our network, we have proposed to work in association with the international team of Non Residential Nepalis for migrant workers' rights and welfare. GEFONT will further conduct programmes to ensure basic labour rights and for security that citizens are entitled to. And, we will better organise our existing campaigns for safe foreign employment in several destination countries.

21. To face these challenges of the movement and to accomplish our goal, we need representation from working class in the Representative Bodies of the state. Therefore **in** this May Day, we have put forward the demand of 10% representation from working class in every elected body. Through Joint Trade Union Coordination Centre, our national

centre has submitted memorandum of demand to the leaders of all political parties. Workers should have representation in elected bodies of peoples' representative structures - from federal legislature-parliament to provincial legislative body and in the local government in the restructured FDR of Nepal in days to come. This provision will enable us to shape state policies, programmes and budget in favour of working class and minimize pro-capital character of state. Along with this, our movement has demanded state to guarantee participation of working class in all those forums which include counterparts of trade unions - the employers' organisations.

22. We will appropriate our role according to the changing context on contemporary international issues like gender equality, green jobs and climate change. As in preceding years, we will follow the principle of “class *plus* three” balance (Class + Gender, Caste/ethnicity and geographical region). We will cross effectively every challenge in labour market, politics and society; and continue our work for political and socio-economic system through social welfare. We will concentrate to mobilise

labour force in coming years as well to fulfil our vision- 'dignified, prosperous and creative life of working class'.

23. To sum up, our programme, activities, campaign and actions especially on following issues for forthcoming year are:

- 10% workers' representation in every Representative Bodies of the state
- Ratification of ILO Convention No. 87 to guarantee Freedom of Association
- Social Security to all through Social Security Fund
- Launching up of Labour Inspection System
- National Labour Commission for effective and prompt justice to workers
- Formulation & Revision of labour laws for labour market reform.
- Employment summit for more job creation strategy.

24. We look forward to cooperation from all Nepali workers from within and outside of Nepal, International community, political parties of Nepal, and employers in these activities. On the occasion of May Day 2012, let us wish every success to all

Nepali workers within and outside the country! We extend best wishes to all workers and trade unions across the globe for a continued solidarity in achieving positive transformation in the life of working people.

Long live May Day!

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