

Editor Mukunda Kattel



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Debating TRANSFORMATION

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PUBLISHER'S NOTES

- What is the status of the outcome of 'change' now and what has the working class got from the change?
- When and how will the ongoing political transition end?
- What will be the post-transition scenario?

Causes are many, not just one. And Nepal's politics is getting anarchic and giving rise to numerous questions such as those above and below:

- What is the current character of Nepali society?
- Was the 2006 change revolution? Or was it something else?
- How does the change relate to, if it does, UML's People's Multi Party Democracy?

In general, Nepal's left movement has tried to resolve issues of exploitation, oppression and inequalities through the lens of class. But the movement faced a new wave of debates as soon as it entered the 21st century, a wave that does not fully tally with the class lens. Issues of gender-, ethnicity- and geography-based inequalities came to the fore with the force the left politics had never seen before. This throws up further questions as to how to analyze and explain these inequalities from the lens of labour-politics, and how to address interrelationships and differences between economic exploitation and social oppression.

The Fifth Congress of GEFONT, held five years ago, had concluded that "the true meaning of social transformation is to end inequalities in people's access to power, resources and opportunities." Transformation was considered to be the building of workers' power. Again, questions emerge:

- What are the forces of production? Who is the working class in Nepal?
- What does the 'building of workers' power' mean?
- Which class/group represents the workforce (forces of production) in Nepal?
- What are the obstacles to and opportunities for the development of the forces of production?

To find answers to these questions is also to develop ideas. And ideas do not develop putting a lid on imagination and escaping debates. Neither does the gathering of people who think alike. Development of ideas requires an intense debate and interaction among people who think differently. This publication is the result of such interaction that GEFONT organised among different people with different ideas.

A section of Nepali thinkers sees debates on ideas only as an imported activity. We also have a section that finds Nepal's politicians only engaged in power politics. This publication disproves both.

The General Federation of Nepalese Trade Unions (GEFONT) thanks Mukunda Kattel for editing and giving the publication the shape it is now. Thanks are also due to the writers and all others who have variously contributed to the process on which this publication is based.

It is expected that the publication would be a small example of how Nepal's intellectuals, who are eager for transformation, and politicians, who are responsible for transformation, are debating related questions and issues.

Happy New Year 2014!

National Executive Committee, GEFONT December 2013

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INTRODUCTION

Last year, in August 2012, the General Federation of Nepalese Trade Unions (GEFONT) celebrated the centenary of its flagship publication: *Shramik Khabar* (Workers' News). The celebration was not just usual fanfare. It was a sincere reflection of the ups and downs of Nepal's trade union movement since the publication of the first issue of *Shramik Khabar* in August 1990. In a way, the celebration was also the reflection on Nepal's journey into democratic politics, a journey dependent basically on the strength of trade unions, and the start of a new debate on some crucial issues underlying what has been Nepal's political catchword of the day: *transformation*.

Twenty three years have elapsed since the establishment of democracy in Nepal. If "a week in politics is a long period," as former British Prime Minister Harold Wilson is quoted as saying in early 1960s, the twentythree years that Nepal has spent to institutionalize democracy is a period sufficient enough to undergo a critical scrutiny. That was what GEFONT did as part of the celebration – engaging concerned scholars, politicians, journalists and trade union experts in the process of reflection. This collection draws on the reflection-outcome: the centenary issue of *Shramik Khabar*, which was originally published in Nepali with some 26 articles, some of them in the form of feature articles and some others as opinion pieces, and views and perspectives of related professionals and businesspersons.

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A few articles in the collection critique the movement from a historical perspective while others look at the movement's challenges and opportunities within broad issues of political economy.

SEQUENCE OF MATERIALS

All the materials included in this collection centre around Nepal's trade union movement whose history is of 66 years¹. A few articles in the collection critique the movement from a historical perspective while others look at the movement's challenges and opportunities within broad issues of political economy. Issues of class, caste, gender and ethnicity appear on and off in most of the articles. Similarly, how the trade union movement has contributed to Nepal's democratization and how certain political developments, such as the armed conflict that Nepal saw between 1996 and 2006, have influenced the trade union movement is a theme that runs through almost all materials. The collection also has a few opinion pieces, though not directly related to the trade union movement as such, but surely of concern to trade unions.

For ease of reference, the materials are sequenced in three sections. The first section specifically deals with trade union issues. The second section carries materials that approach trade union from 'class' and other related perspectives, and the third section includes two book-review-based references.

¹ Some commentators trace the origin of Nepal's trade union movement to the sixday labour demonstration of March 1947, which took place inside the jute mills in Biratnagar, a city close to Indo-Nepal border in the eastern part of Nepal. Others, such as Hari Sharma, whose contribution is part of this collection, speak of a different timeline.

The revolution, to use the author's terminology, contributed to the end of the 240-year old institution of monarchy and also the IO-year armed conflict.

AUTHORS AND CONTRIBUTIONS

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The first article, by **Bishnu Rimal**, comprehensively reviews the intricacy the Nepal's trade union movement had to face after what the author calls as the "rhododendron revolution" of April 2006. The revolution, to use the author's terminology, contributed to the end of the 240-year old institution of monarchy and also the 10-year armed conflict. But the days ahead were not as smooth as expected. The rhetoric of 'radical transformation,' with which the Communist Party of Nepal (Maoist) [CPN (Maoist)]² launched the armed conflict, continued to dominate the trade union movement, with unions affiliated to the CPN (Maoist) trying to prevail over others violently. Yet, the article stresses, GEFONT and some other trade unions committed to the principles of democracy continued to do all they could to help their radical colleagues transcend the violent rhetoric.

As Rimal sees, Nepal's trade union movement today is faced with two challenges: the first is to replace the existing enterprise-based union movement with the industry-based one; and, the second is to create an integrated voice of the working class unifying the many scattered unions. The role of the movement "is not just to ensure a pay hike of the workers in one or the other enterprise... [but] to uplift the entire working class, transform the political economy that derogates the working class and

² The Communist Party of Nepal (Maoist) [CPN (Maoist)] was renamed as the Unified Communist Party of Nepal (Maoist) [(UCPN (Maoist)] following its merger with another party in 2009. In July 2012, it split. The splinter group holds the original name – the Communist Party of Nepal (Maoist) – but uses a different style of acronym as (CPN - Maoist).

The international scenario is defined by the emergence of virtual workplace and working hours, and the decline in union membership due in large part to the diktats of neoliberal policies and Western financial crises.

create a condition in which the working class stands on par with middle and high classes." Rimal has a clear strategy to reach this end.

Hari Sharma's contribution, the second article in this collection, looks at challenges and opportunities of Nepal's trade union movement in a historical perspective. The movement's history, which he traces to the 1951 revolution against the ruling Rana oligarchy, was influenced by both the Indian freedom movement and the Chinese communist revolution. The movement overthrew the Rana oligarchy, but the successive regime did not remain friendly to the cause the unions fought the 1951 revolution for. Just a decade later, unions were banned, and had to wait for another 30 years, until 1990, when Nepal entered the era of democratic politics, to resume open unionization. Even the post-1990 order has not been challenge-free for trade unions. To Sharma, there remain 12 challenges for the trade union movement to tackle, which range from the challenge to expand union membership to initiate an inter-union dialogue to develop a joint programme.

In the third article, **Sharan KC** discusses the changing scenario of the international trade union movement and its effects on Nepal's trade unions. The international scenario is defined by the emergence of virtual workplace and working hours, and the decline in union membership due in large part to the diktats of neoliberal policies and Western financial crises. But KC does not think Nepali workers should worry about these alarming developments already now as trade union membership is in the increase in Nepal, despite many things being at odds, including the Maoist insurgency. What he thinks Nepal's trade unions should worry about is how to be more "pragmatic" and "innovative" in their focus and approach.

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With the end of the institution of monarchy, the remnant of feudalism, Nepal has already entered the phase of capitalism, Bhusal argues.

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In the fourth article, Professor Chaitanya Mishra concludes that as regards trade unions "social democracy is the most progressive system" at the current stage of Nepal's development. "In social democracy", he argues, "workers earn in two ways. Capitalists pay them a wage for the work they do. The state provides them with support and services in return for the votes they cast and for their citizenship in a democratic and equity-promoting state." Mishra's argument is based on two factors: (a) capitalism is rapidly developing in Nepal, which promotes capital generating workforce and individual achievements, and prizes creativity and industriousness over clan identity or pride; and (b) Nepal has a growing workforce that seeks to free itself from the confines of family property and earn a living from their own labour. Social democracy connects these two elements, and also institutionalizes "affirmative action" to address those who cannot fare well – or compete effectively - in the process. As such, in social democracy, no one loses or is left behind, Mishra underlines.

Dev Raj Dahal's "Changing Dynamics of Labour Classes and Politics," the last article in the first section, looks at how Nepal's workers have worked to fulfil workers' rights, including the right to social security, minimum wages and other career prospects in tune with life-politics, which has not often been friendly to them, and what challenge the workers face ahead. To Dahal, the challenge is to democratize politics in a given reality that Nepal's political parties have not been friendly to trade unions once they have been in power.

The first contribution in the second section is an attempt by **Ghanashyam Bhushal** to demystify what he calls "theoretical incompatibilities" that

> Gyawali's contribution has this undercurrent message: fighting oppression requires reasoned analysis of its root – and development of matching programmes – not the thrill of emotion.

Nepal's communist parties have been holding on to right from the founding of the Communist Party of Nepal in 1949. The incompatibilities relate to the "class analysis of Nepali society", which depends on the analysis "of the Chinese society" of the 1920s and 1930s. This way of analysis does not represent the actual character of Nepali society now, Bhusal argues, and emphasizes that the parties' programmes and priorities set according to this analysis are faulty.

On elaborate argumentation, Bhusal concludes that Nepali society is no more "semi-feudal and semi-colonial," as is argued to be, borrowing heavily from Mao's theoretical framework of "new democracy" developed some 90 years ago. With the end of the institution of monarchy, the remnant of feudalism, Nepal has already entered the phase of capitalism, Bhusal claims.

This argument of Bhusal may not be comforting for the ears attuned to conventional analysis, but his contribution is sure to invite a new debate among Nepal's left circles. In fact a subtle debate has already begun. Bhusal's colleague, **Shankar Pokhrel**, calls it a "hypothetical reductionism" to see Nepal already into capitalism although he agrees "the end of the Shah dynasty, which provided political leadership to feudalism, has opened up possibilities for development and expansion of capitalist production relations." But these possibilities will not turn out real, Pokhrel warns, as long as "socio-economic bases of feudalism" will not end and "capitalism does not develop under the leadership of proletariats" as envisioned by the programme of the People's Multi-Party Democracy propounded by late Madan Kumar Bhandari. Pokhrel's central claim is Nepal's socio-economic bases are still feudal. Nepal has a growing workforce that seeks to free itself from the confines of family property and earn a living from their own labour.

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Pradeep Gyawali's "Class, Party and Trade Union in a Changing Context" distances itself from what can be said as 'class fundamentalism' and audaciously argues that the classical lens of 'class' does not help accurately analyse – and explain – discriminations that take place on grounds of, among others, caste, language, culture and gender. Indifferent to these factors, the sheer 'class' focus is sure to lose a direction, which he warns trade unions to be aware of. Yet, Gyawali is not sympathetic to the recent surge of identity politics, which names a certain group as an oppressor and a certain one as the oppressed. To him, this way of name-calling does not help redress injustices, let alone ending oppression, which cuts across all groups and communities. Gyawali's contribution has this undercurrent message: fighting oppression requires reasoned analysis of its root – and development of matching programmes – not the thrill of emotion.

Umesh Upadhyaya attempts to redefine Nepal's production relations and class struggle in a historical perspective with the argument that "production relation is determined not only by economic activities and availability of means of production, but also, and more dominantly, by social practices, which build on interaction among people".

In the third section are two review-articles. **Rajan Bhattarai**'s book review introduces Guy Standing's new class – the precariat – to the political debate in Nepal. The precariat is a new class in the making as an offshoot of neo-liberal policies and the resultant institutional changes, a dangerous class in the making actually. **Mukunda Kattel**'s summary of Amartya Sen's "Identity and Violence" shows that a human person has multiple identities and any attempt to reduce them to a singular identity



... a human person has multiple identities and any attempt to reduce them to a singular identity is only an illusion.

is only an illusion. Kattel's summary urges everyone to "use the gift of reasoning to distinguish between right or wrong" and "not be blinded by imposed ideas and orthodoxies" as regards issues of identities.

Finally,

- The articles included in the collection were written during May-June 2012. There have been some important political developments since then. Notable of them is the November 2013 election to a new Constituent Assembly. But these developments have not rendered the analysis presented in the various articles obsolete. As such, the readers abreast of these developments should not worry that going through the collection is a waste of time.
- Where *lokatantra* appears in the collection it does so to mean the sum of 'inclusive' and 'substantive' democracy'. The term, in this sense, refers to a system which is expected to be more democratic than what 'democracy' is understood in common parlance.
- If some of the materials in this collection sparked some debates on some of the issues touched on, I would personally feel privileged.

Happy New Year 2014!

Mukunda Kattel Kathmandu



Issues of Trade Union

TRADE UNION MOVEMENT BEFORE AND AFTER THE "RHODODENDRON REVOLUTION"

- Bishnu Rimal

1. INTRODUCTION

Over 50 thousand Nepali people took to the streets daily for 19daysin April 2006. These were the people trapped between royal stratagems and a violent conflict. They wanted the movement to settle all pending issues that brought them to the trap, and free the future generation from the obligation to take to the streets again to fight any form of violence on any pretext. The sea of people in the streets was not a small surprise.

And, it happened as expected. Those in the armed conflict laid down their arms, and those advocating for the so-called constitutional monarchy and traditional form of multiparty democracy were ready to throw the monarchy in the garbage of history. The zeal of youth activists and the wisdom of elderly leaders directed the restored House of Representatives to suspend the monarchy. It was an unprecedented milestone in the political history of our country.

We named this people's movement a Rhododendron Revolution, and the emerging system of governance a *lokatantra*. We wanted *lokatantra* to be a system more inclusive, more encompassing and more representative than democracy. At a time when an old social order was crumbling away and a new one yet to emerge, *lokatantra* was expected to create momentum for structural transformation of Nepali society.

Then began a wave of change! Nepal was declared a secular state. The unitary system of governance changed, in principle, into a federal system and a Constituent Assembly (CA) was elected with representatives of all castes/ethnicities, genders, regions and communities. The CA carried a

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Still worse, the four-year investment in constitution writing went in vain when the CA was prematurely dissolved by the government led by the UCPN (Maoist).

mandate to declare Nepal a republic at its first sitting, and write a new constitution within two years thereby institutionalising the Federal Democratic Republic of Nepal. The new constitution was also needed to conclude political transition, take the peace process to a logical end address underlying causes and triggers of the armed conflict that raged on Nepal for a decade between 1996 and 2006. To ensure all this happens, the main political parties, particularly the CPN (UML), Nepali Congress and UCPN (Maoist), had agreed to the politics of consensus and collaboration.

These promises by the parties were enough to generate hope for the future among the people at large. But, sadly, with the dissolution of the CA in May 2012, the parties reverted to the old politics of division and deceit. Even the agreements reached at various times were not followed in earnest, and the pledges made before the people remained undelivered. Still worse, the four-year investment in constitution writing went in vain when the CA was prematurely dissolved by the government led by the UCPN (Maoist).

A year on after the dissolution of the CA, Nepali peoples find themselves at the crossroads of hope and despair, with the colour of hope fading each passing day and despair

2. TRADE UNIONS IN THE RHODODENDRON REVOLUTION

The month of April is the season of Rhododendron. The hills of Nepal, east to west, shine with this priceless flower. In 2006, this month of April recorded an extra milestone in the annals of Nepal's history. It brought the Trade unions were a major constituent of the revolution. They were from both 'formal' and 'informal' sectors of industries, services and agricultural works, and also from civil service...

sea of people in the streets of Nepal for 19 consecutive days to fight once and for all the institution of monarchy which kept the people divided, suppressed and marginalised for centuries, and obstructed the process of institutionalization of democracy. The people in the streets were from all walks of life, from all ages, from all social groups and professions that converged into an unprecedented people's movement – now known both as *Jana Andolanll*¹ and also as the Rhododendron Revolution.

Trade unions were a major constituent of the revolution. They were from both 'formal' and 'informal' sectors of industries, services and agricultural works, and also from civil service-, public-, joint- and privaterun enterprises. In terms of union practices, they were of three types: 'one party, one union', 'front union of various parties' and 'non-party professional group'. Some of these unions were just a 'political group of the labour sector,' still in existence as part of traditional practices.

Three national centres of trade unions – the General Federation of Nepalese Trade Unions (GEFONT), the Nepal Trade Union Congress (NTUC) and the Democratic Confederation of Nepalese Trade Unions (DECONT) – were operating under the 1992 Trade Union Act. Other professionals were mobilised through the network of PAPAD (Professional Alliance for Peace and Democracy) operating under a different legal arrangement.And, CONEP (Confederation of Nepalese Professionals) was operating under both categories.Besides these,there were some unions unified into the

¹ The April 2006 people's movement is also called *Jana Andolan* II as it is seen in succession to the 1990 people's movement (*Jana Andolan* I) that brought Nepal's absolute monarchy within constitutional limits and reduced many of the monarch's executive powers.



The trade unions joined the movement with a collective voice and force, a movement that catalysed epochmaking transformation.

'Front of *Loktantrik* Trade Unions'which acted more as 'political groups in the labour sector' than as a trade union. The All Nepal Federation of Trade Unions(ANTUF), borne in course of the Maoist "People's War," had a different identify.

In the run-up to the movement, GEFONT, NTUC, DECONT and CONEP organised a joint meeting with then seven parties at Hotel Radisson in Kathmandu². In the meeting, the union representatives put a collective condition that their participation in the movement would be subject to the parties' readiness to fight until *lokatantra* (just and inclusive democracy) is established, and commit to a full guarantee of trade union rights in the post-movement political order. The parties accepted the condition. The trade unions joined the movement with a collective voice and force, a movement that catalysed epoch-making transformation.

3. TRADE UNIONS IN THE RUN-UP TO THE CONSTITUENT ASSEMBLY ELECTIONS

On 11 May 2006, the restored House of Representatives adopted a resolution of public importance extending trade union rights to all those in the working class. The scope of the rights covered positions up to the Under-Secretary level in the civil service. With the new wave of change, debates and initiations also began towards the unification of unions. A week later, on 17 May, an interaction was organised to bring new actors in the process of 'one union,' which was already initiated by GEFONT and NTUC. In a Concept Paper entitled "Trade Union Movement

² The meeting was organized on 4th April 2006.



in Newly Established *Lokatantra*" the following picture was presented of the existing divisions within the union movement:

The current reality of Nepal's trade union movement is one of division. ... The existing trend of 'one party, one union' has kept the movement to a narrow confine. Some exemplary achievements made by trade unions have been overshadowed by party interests. The call for unity has, in fact, turned to a permanent line of division among workers. The efforts at organising a 'front' of unions have taken no shape as the workers representnarrow party interests and get enmeshed in non-issue conflicts once a discussion begins. In the name of occupational rights and interests, the focus goes more on leadership positions with the help of their parent parties than on substantive issues. Trade unions 'active' as political groups³have resisted going beyond a 'cosmetic organ' of the parties.

These trends and practices should be seriously reviewed if the trade union movement should be vibrant and effective. A single trade union organisation that is based on universal values and norms of *lokatantra* is the need of the day.

The aim of the would-be *lokatantrik* trade union, argued the Concept Paper, should be to form a single union, which should aggressively work to establish a just, equal, inclusive and productive society, one the entire workforce in the country can accept as its own. The Concept Paper also proposed that the single union would not be dominated by existing 'big'

³ These are groups that are not legally registered as trade unions but seek to participate in policy discussions as representatives of a certain political party.



Unless the parties develop a culture of collaboration, no significant change can be expected in inter-union relationship.

unions and 'small' organisations would also have a fair say in a decision making process.

To form a single union is to amalgamate all existing trade unions into one. It is a process of 'biological' fusion of unions as has happened in many countries in the world. The American Federation of Labour and Congress of Industrial Organizations (AFL–CIO) and the General Federation of Labourers in the Land of Israel (Histadrut) have been formed through this process. The Japanese Trade Union Confederation (RENGO), which commands special expertise in the fusion of unions, is the amalgamation of some 12 trade unions. It took some 40 years to complete the process of amalgamation.

Nepal's political parties are in an early stage in the development of the culture of cooperation and consensus. This party culture heavily influences the workings of the main trade unions. Unless the parties develop a culture of collaboration, no significant change can be expected in inter-union relationship.

Fusion is an emotional unity. Unless unions are emotionally prepared, no fusion, amalgamation or integration is possible. Since Nepal's trade unions are quite far from such an emotional unity, the Japanese experience of 'biological unity' is not an option for the time being. Hence, the following mechanism was tabled for discussion as the progression towards one union. It was almost the same mechanism as adopted by Nepal's teacher unions. The 'new' single union was proposed to be a classbased *lokatantrik* trade union centre that would staunchly advocate for inclusive and participatory democracy.

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A central level structure will be formed on the basis of the percentage of votes obtained by trade unions in their national elections. A union having the percentage of votes sufficient to send a representative to the central structure will qualify as a constituent of the single union. Similar process can be applied to constitute regional, district or local committees. Even in sectoral areas, sectoral organizations (industrial or professional federation) can be constituted with proportional representation.

Authentic unions⁴ elected at an enterprise level will be enterprise-level constituents of a single union. Other unions that fair second, third, and so on in the elections will be represented in the decision making process through 'labour relations committees' in which the unions will have a representation proportionate to their votes. The 'labour relations committees' will be treated as the 'labour parliament' and authentic union as the 'government' at the workplace level.

The 'new' single union was proposed to be a class-based *lokatantrik* trade union centre that would staunchly advocate for inclusive and participatory democracy.

The single union, "of the workers-by the workers-for the workers", will have its base on social justice and equitable social order. The union relations with political parties will be defined by the parties' work. The relationship will be one of 'good collaborator' defined by the principle of 'support to quality work, and opposition to faulty one'. It will be

⁴ Trade Union Act 1992 recognizes more than one union in an enterprise. To register a union requires at least 25 percent of workers to deposit their signatures. However, only elected unions, from among those recognized, are considered authentic to participate in collective bargaining agreement (CBA) processes.

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ANTUF, which began open unionism only after the Comprehensive Peace Accord, stood opposed to the concept and the process. In fact, ANTUF's policy then was to destroy GEFONT and exploit NTUC.

different from the existing relationship in which unions are seen as 'sister' or 'patronised' organisations of political parties, and also as the 'permanent opposition' to the parties in government. The new single union will support the good work of parties, oppose and warn the faulty one, and will not favour the party in power and disregard one in opposition. ...Members will however have a sovereign right to choose a party of their liking and cast their votes freely.

The proposal was both practical and relevant. But, except GEFONT, NTUC and then DECONT, other unions did not show any interest. CONEP seemed suspicious of the process as it did not participate in the beginning. ANTUF, which began open unionism only after the Comprehensive Peace Accord, stood opposed to the concept and the process. In fact, ANTUF's policy then was to destroy GEFONT and exploit NTUC.

The slogan of ANTUF's revolutionary polarisation was backed by 'political groups' in the trade union sector of 'non-UML-non-Congress' political parties. Came at a time when some unions were still embracing the policy of negation and self-protection, the campaign of a single union did not get the importance it deserved. Some three years elapsed in the continuum of 'conflict-debate-argument/counterargument-dialogue-discussion'. Still, efforts continued to find options for collaboration and consensus despite differences and shortcomings. Efforts were also made to develop a joint position vis-à-vis issues of common concerns. On a number of occasions, agreements, both written and oral, concluded not to use force against one another. However, these agreements were rarely obeyed.

...when ANTUF agreed to be part of the JTUCC, which then became a common forum of over 90 percent of the organised workforce in Nepal.

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Efforts Initiated to Form a Singe Trade Union				
24-26 September 2006	GEFONT and NTUC signed a Memorandum of Understanding to form a single union			
2 December 2006	GEFONT, NTUC, ANTUF and DECONT signed the Lahan Declaration pledging their support to establish peace			
7 August 2007	Presidentsof GEFONT, NTUC, ANTUF, DECONT, NTUF and ANTUC signed a 22-point labour agenda			
30 Nov – 1 Dec 2007	The Joint Trade Union Coordination Centre (JTUCC) was established as an outcome of the Joint Trade Union Workshop held this week			
26-27 October 2008	The JTUCC got formal recognition through the First National Trade Union Conference			
23 October 2011	The Second National Trade Union Conference adopted a code of conduct and an operation procedure of the JTUCC			

4. TRADE UNIONS AFTER CONSTITUENT ASSEMBLY ELECTION

After the Constituent Assembly (CA) elections, a sense of collaboration started to permeate the union movement. GEFONT and NTUC adopted a policy of bringing ANTUF into the mainstream of the union movement. ANTUF also accepted to collaborate with GEFONT and NTUC, containing its aggressive rhetoric and violent attack on competing unionists. The difficult journey of collaboration that started on 2 December 2006 arrived at an important point on 26 October 2008, when ANTUF agreed to be part of the JTUCC, which then became a common forum of over 90 percent of the organised workforce in Nepal.

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Changing party affiliations now and then, they created a number of dormant union structures, which seem active in paper but not in action.

However, the division and discord among political parties continued to affect the union movement one way or another. Following the fusion of the Unity Centre into the Maoist party, ANTUC fused into ANTUF. But the infighting that soon began within the Maoist party badly affected the ANTUF. Those affiliated to the erstwhile ANTUF and now supporting the CPN-Maoist⁵ following the split, forced the party leadership to dissolve ANTUF and constitute a Congress Organising Committee.

Similarly, some old union activists exploited the wave of division within Madhesh-centric parties. Changing party affiliations now and then, they created a number of dormant union structures, which seem active in paper but not in action. Taking advantage of the helpless labour administration, some of them even registered themselves as a federation. Neglected initially by main unions, these newly emerging trade unions made their presence felt by standing against the 24 March 2010 agreement between employers and unions about the revision of minimum wages as well as the share of the pay in the contributory social security fund. Some four months later, some of these unions came to join the JTUCC by way of the Third Labour and Employment Conference held on 9-11 July 2012.

Trade Union Federations Registered at the Department of Labour		
General Federation of Nepalese Trade Unions	GEFONT	
Nepal Trade Union Congress	NTUC	
All Nepal Federation of Trade Union	ANTUF	
Confederation of Nepalese Professionals	CoNEP	

⁵ CPN-Maoist was formed in June 2012 following the split in the UCPN (Maoist).

Conflict and competition aside, the trade union movement of the last six years has effectively succeeded in firming up its issues and demands.

Independent Democratic Confederation of Nepalese Trade	INDECONT			
Unions				
National Democratic Confederation of Nepalese Trade Unions	NDECONT			
Nepal Inclusive Trade Union Federation	INTUC			
Inclusive Democratic Federation of Nepalese Trade Unions	IDFONT			
National Democratic Confederation of Nepalese Trade Union –	NDECONT-I			
Independent				
National Democratic Federation of Nepalese Trade Unions	NDFONT			
Union Groups Affiliated to JTUCC but not Registered at the Department				
of Labour				
Nepal Trade Union Federation	NTUF			
Federation of Nepalese Progressive Trade Unions	FENEPT			

5. ISSUES AND ACHIEVEMENTS

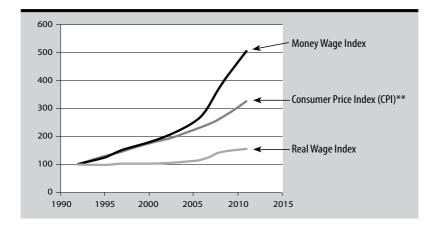
Conflict and competition aside, the trade union movement of the last six years has effectively succeeded in firming up its issues and demands. In terms of organisation, trade unions expanded unionism in the nontraditional sector. GEFONT expanded its influence among some 52 thousand health volunteers (mostly women) operating at VDC levels, employees of private hospitals and nursing homes, beauticians, homebased and domestic workers. ANTUF remained influential among security guards and outsourced workers. In this period, unionism also got a formal recognition in the civil service, and unions reached among teachers and non-teaching employees in private and boarding schools, private banking and financial institutions, airline service, mass

Debating TRANSFORMATION

Despite inter-union competition, all unions stood united to ensure that real wages do not fall below a certain base line.

communication and publication houses. While the membership of unions was on the decline in the world, it continued to increase in Nepal.

This period also saw the mobilisation of media to 'glorify labour' and enhance the social image of unions. GEFONT's weekly radio and television programme - "Labour and Creation" - is an example of its kind. Another example is the increased coverage of labour related materials by broadsheets, newspapers and radio and television.



In terms of pay hikes, the period saw the review of minimum wages two times. Despite inter-union competition, all unions stood united to ensure that real wages do not fall below a certain base line. The demand of 10 percent service tax, which hotel workers had been raising for the last 25 years, materialised in this period. The Labour and Employment Rights discussed in the conceptual draft prepared by the Thematic Committees of the dissolved CA were an outcome of this process.

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The issue of social security system, on discussion right from the start of the parliamentary system, found a logical end during the period. To address the pending 'what' and 'how' of the system, a contributionbased Social Security Fund has established, and a theoretical agreement reached to operate various schemes under the Fund with 11 per cent contribution from the workers and 20 per cent from the employers. The system began with 1 per cent tax levied on the payment of all salaried workers.

Also a policy agreement was reached to make labour relations more practical. A tri-partite process was initiated to reform, or enact as necessary, labour laws, by-laws and procedures. Efforts were made to reform Labour Act 1992 to ensure the inclusion of permanent, temporary, contract-based, seasonal, piece-rate and outsourced works in its scope. Labour flexibility was tied compulsorily to the question of the social security system, and the laws contrary to reformed labour laws – such as Kamaiya/child labour, transportation-bonus and foreign employment, to name a few – were nullified.

In another important policy decision of this period, the demands of workers were classified as 'rights-based' and 'interest-based'. The former would be addressed through a strong labour inspection system, and the latter through collective bargaining. In the four-year tenure of the CA, a joint concept was developed to enlist the demands of workers under four categories of 'rights', 'commission', 'representation' and 'protection'. The Labour and Employment Rights discussed in the conceptual draft prepared by the Thematic Committees of the dissolved CA were an outcome of this process. These are significant achievements although

> To regulate the mushrooming 'paper' unions in the fertile environment created by democracy, a "compulsory provision of 25 percent members of the workers in the enterprise" was introduced.

it could not be materialised to reform labour laws, establish a labour commission, develop and implement schemes under the Social Security Fund, and ensure 10 percent representation of workers in all organs of the state.

6. REVISITING TRADE UNION ACT 1992

GEFONT initiated a debate as to whether the union formation process prescribed in the existing trade union act is appropriate. The Fifth National Congress of GEFONT held in April 2009 made following assessment with regards to the issue:

The trade union act provided a framework for trade union formation and operation. It adopted a bottom-up procedure of union formation as practised in some of the democratic countries in the world. It adopted the policy of negating external engagement in collective bargaining at the local level and entrusted lower committees all necessary powers. To regulate the mushrooming 'paper' unions in the fertile environment created by democracy, a "compulsory provision of 25 percent members of the workers in the enterprise" was introduced. There was no ill intention in these policies and provisions. But their effects came in various colours and reflections.

The rule of the game, on a bottom-up scale, was that 25 percent members would constitute an enterprise-level union, 50 such unions would form one federation, and 10 federations would form one confederation. The policy aimed to regulate labour relations by enabling the workers to table demands before their managements and engage in collective bargaining with their representatives. There is no difference that there should be a single platform. But the discussion is not settled as to how much power the umbrella organisation should yield.

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Such unionism was neither industry-based nor unitary. To federalise in general is to give more power to local units compared to the centre. In legal terms, this created a situation in which those trying to learn about the movement had to take up all responsibilities and the experienced and informed were pushed away from executive roles.

Enterprise union activists had to spend most of their time doing paperwork for the Labour Office. They could not give time to train and educate union activists. Some good leaders became a target of the management, while bad leaders in some enterprises reduced the structure to a 'yellow union'. As a few office bearers had to be engaged in union activities in all enterprises, the relation between union leaders and members became less 'comradely' and more of a 'master and worker.'

As such, GEFONT started to advocate for the replacement of the trade union act with a new one or for its overhaul among its collaborators. In the package of reform of contemporary labour legislations were also issues related to the trade union act.

Then, what is the alternative? This question is under discussion among trade unions. All agree that there should be a common voice. But the existing confederations, federations and local unions are still in confusion as to the scope of their authority. There is no difference that there should be a single platform. But the discussion is not settled as to how much power the umbrella organisation should yield. There is agreement that labour agenda should be common. But confusion prevails as to whether collective bargaining at an enterprise level requires a 'collective bargaining team' or no.

Debating TRANSFORMATION

The role of the union movement is not just to ensure a pay hike of the workers in one or the other enterprise.

7. ONE MORE PROPOSAL: DESTINATION OF NEPALI TRADE UNION MOVEMENT

Nepal's trade union movement is faced with two challenges. The first is 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 unifying the many scattered unions.

The role of the union movement is not just to ensure a pay hike of the workers in one or the other enterprise. The role is to uplift the entire working class, transform the political economy that derogates the working class and create a condition in which the working class stands on par with the middle and high class. It is not possible without class unity, hence the slogan "the workers of the world unite."

But our experience suggests that enterprise-level unionism does not contribute to the unity of the working class. "All rights to lower units" is pleasant hearing. But in practice, it only contributed to the hated wish of "divide and rule" of the opposing class. The compulsion of the workers to deal with the conflicting situation of "more benefits here, and less benefits there" and the obligation to "protect the benefits available now and prepare for a movement for more" has prevented them from making a call for a national movement to ensure equal rights to all the workers. How should the trade union movement go about in the future? What approach should it adopt? As one looks at the future of the trade union movement, one has to confront these basic questions. And the answer to these questions is clear and straight. The future is such that the country goes federal, sectoral unions go central, federations of central unions operate on the basis of an ideology, and the federations constitute a The unions will have power to engage in collective bargaining with their own employers and industries they work for.

common confederation to represent the entire working class. To get to the vision requires the following step-by-step intervention:

1. Industry-Based Central Union: This union should replace the existing federation of unions and should engage only in policy work. It should be an integrated union with access down to enterprise-level processes. Currently, in organised industries, 50 enterprise level registered unions elect a central trade union in the system of 'organised membership'. The proposed Industry-based Union will distribute individual membership.

The unions will have power to engage in collective bargaining with their own employers and industries they work for. Union members will have an automatic right to form a branch union wherever they work. The central union will have the power to mobilise and consolidate its members and branches.

As in the existing practice, the proposed process will also have more than one union that will be based on ideological/political diversity, party affiliation or non-party values. How to give recognition of authenticity and to whom will be decided on the basis of the number of union members in the concerned enterprise or workplace.

 National-Level Federation: National-Level Federations will be constituted by central unions based on their ideological affinity. In other words, existing trade union centres, such as GEFONT, ANTUF or NTUC, will be such federations. Since they will operate as per the



The local or enterprise level unit will have more than one union as each industry-based central union will have their direct activities at the local level.

existing procedure, there will still be a situation of multi-federations, which will continue representing their own central industrial unions.

- 3. Local Unit at the Workplace: The workplace/enterprise will have a branch of industry-based central union or a local unit. There will also be representative/s (or shop-stewards) of national federations. The local or enterprise level unit will have more than one union as each industry-based central union will have their direct activities at the local level. There can be three alternatives as to which of them should be considered as authentic union for collective bargaining:
 - a. An authentic union elected at enterprise level can be recognised as an enterprise-level constituent of a single union and authorised to engage in collective bargaining. The participation of others second, third or rest unions can be ensured in decision-making processes through a 'labour relations committee' constituted on the basis of proportional representation of unions.
 - b. Authentic unions can also be identified for collective bargaining following verification of levy paying members of the union concerned, through a 'check-off' procedure. Such a unit/local branch of union/federation will replace existing enterprise-level unions.
 - c. Authentic unions can be elected at the enterprise level as per existing procedures. However, for collective bargaining, a 'bargaining panel or negotiating team' can be formed with proportional representation of all active unions based on their votes in elections.

Instead of the common 'majority-minority' procedure, its operation will be on the basis of 'consensus' among affiliated federations.

4. Only One Confederation at National Level: Only one confederation will be formed to represent the entire country. It will be a common organisation of all national federations with representations ensured on the basis of the number of levy-paying members of each federation.

The confederation will be a 'single union' representing multi-unions. Instead of the common 'majority-minority' procedure, its operation will be on the basis of 'consensus' among affiliated federations.

The confederation will be a counterpart of the apex body of employers 'organisation but will represent the interest of the opposite class. The nation will recognize it as the nucleus of trade unions. It will be well-placed to represent Nepali trade unions also in international forums, such as the International Labour Organisation.

5. Labour Parliament: A new structures, such as a labour parliament, should also be created to set national labour agendas. Such a parliament should be at all three levels, namely in the centre, zone and district. After the restructuring of the state, the labour parliament should also be restructured. In the centre, representation should be ensured proportional to the total number of workers in all trades and industries. Similar procedure can be followed in the zonal level as well, but the representatives should be from the trade and industry at the same level. In the district level, it would be prudent, from the stand point of democratic representation, to form a large body with presidentsof all local units of all federations.

Some trade unions in our country still lack the capacity to assess a proposal based on its merit.

In the labour parliament and confederation, the workers can send their representatives through industry-based central unions.

It is through this process and procedure that we can correct the byproduct of the 1992 Trade Union Act, and also form a mechanism that brings together 'multi-unions' and creates 'unity based on diversity' of the working class.

8. UNSETTLED ISSUES

The proposal above may still not be final one. Some trade unions in our country still lack the capacity to assess a proposal based on its merit. They rather look at things on the basis of immediate gains or losses and take decisions accordingly. There are some policy issues that need to be settled. In brief, they can be stated as below:

1. What Model of 'Union Movement' and 'How' to Launch Class Struggle?

A world-wide debate is ongoing as to what should be the model of union movement. Those in debate divide the union movement into 'service model' and 'organising model.'

Service model union is like a life insurance company, in which union executives do the daily work through 'expert/officials.' The role of leaders is limited to staff coordination and administration and collection of reporting through committees. Like a regular life insurance premium, members should pay a prescribed due to realise expected services. The service model trade union is not 'of' members, it is 'for' individuals.

The service model trade union is not 'of' members, it is 'for' individuals.

In the organising model, union members operate the movement voluntarily. They pay union-dues and also participate in union building processes. Each member feels the ownership of the union, and participates in organising, training and mobilising processes. The organising model builds on the principle that a trade union cannot be 'for' individuals. It should however be 'of' its members and should expand its membership for consolidation of power. Central to the organising model is to maintain a live dialogue among members.

Our union movement is somewhere in between these two models. Apparently, it looks to be of organising model, but the role of some union leaders seems to be one of the executives of the service model, in which the leaders individually rush to 'negotiation' or pass days loitering in labour offices.

Whatever the model, the key is to what labour relations to maintain and how. Some people see 'labour relations' or 'industrial relations' only as 'production relations' and not also as the study of 'employment relation'. These people also mistake the 'bargaining process' of labour relations for the technique of 'class struggle'. Nepal's communist movement has an erroneous tendency to see trade unions only as the organisation of casual labourers or daily-wage workers and 'labour action' as 'class struggle' to transform production relations. In this tendency, spontaneous/wildcat strikes and unruly activities are taken to be the highest standard of revolutionary zeal. It is this tendency that has made Nepal's union actions more destructively aggressive and violent.



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Some people see 'labour relations' or 'industrial relations' only as 'production relations' and not also as the study of 'employment relation'.

MAJOR THREE TRADE UNION CENTERS: A Brief Comparison				
Sector/Coverage	GEFONT	NTUC	ANTUF	
Public Sector	Still to reach	Mostly covered	Still to reach	
Private Sector	 Mostly covered with focus on operational level 	 Covered with focus on clerical and some operational levels 	 Mostly covered with focus on atypical level 	
Informal Sector	 Focused with high importance 	 Just trying to reach, with a loose focus 	 Covered but yet to make concrete impact 	
Organising Priority	 Set by the National Centre with support from concerned affiliates 	 Set by affiliate unions in consultation, in some cases, with the National Centre 	• Set mostly together with party and its state council in consultation with concerned unions	
Campaign Planning	 Done by affiliates with guidance from National Centre's concerned department GUF policies are also considered 	 By affiliate unions, in close consultation with GUFs National Centre has no major role to play 	 With National Centre's active involvement Does not exist such mechanism yet 	

Social dialogue is an appropriate tool to settle labour disputes. And, collective bargaining is part of such dialogue.

Resource Allocation	 Trained human resources Necessary financial resources 	 Thinly oriented human resources No allocation of specific budget, but compensated by unions and the centre 	 Trained and strongly oriented human resources
Materials	 Materials developed for organisers and campaigners 	 Not very strong in organizing materials 	 Focused on manpower and money-power, and not on material power
Model of Organising	 Strategic organizing 	 Spontaneous organizing 	 Mix of party guidance and spontaneity
Use of Organizing Techniques	 Membership service and activism 	 Membership service and links with party structures 	 Guided by party's political action and mobilisation (AHA)

2. Bargaining: Why and How?

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Social dialogue is an appropriate tool to settle labour disputes. And, collective bargaining is part of such dialogue. In general, there are four trends in bargaining.

• **Negation of the opposite relation**: Employers, in this understanding, are bourgeois capitalists, like a tiger, and the

As Professor Mishra holds, the focus of redistribution should be worker-centric, they should get wages from the employer for their work and protection from the state for their votes.

workers are a helpless goat. Without the negation of the former, the latter's emancipation is not possible.

- **Coexistence relation:** In this relation, the employers and the workers are seen as two inseparable but opposing poles of magnet. To remain together, each should listen to, understand and negotiate with the other.
- **Co-determination relation**: This relation holds that relative cooperation is a must between capital investors and labour investors in any production process. A nail protects flesh, but the nail cannot exist without flesh.
- Exploit-the-other relation: Under this bargaining process, workers' leaders are exploited to gain personal benefits. Workers are highly charged and mobilised, but the issues and demands of workers are suppressed or denied on employers' instruction by manipulating the leaders.

As analysed by Sociology Professor Chaitanya Mishra, Nepal is now in a stage of adopting an order that neither kills capitalism nor benefits the working class. The need of the day is to change this order to initiate a new process for consumption, investment and redistribution. As Professor Mishra holds, the focus of redistribution should be worker-centric, which should ensure a two-way benefit to the workers: they should get wages from the employer for their work and protection from the state for their votes. This enhances the workers' ownership of the state and transforms them into citizens.

In an individual's context, the issue of equality relates to their economic, social and political rights and opportunities on a par with others.

People on the basis of per capita income (in %)						
Year (BS)	Low Class (Poor)	Middle Class (Mid-income Group)	High Class (Rich)			
1977	12.8	28.2	59.2			
1996	15.3	49.7	34.9			
2004	14.2	48.1	37.7			
2011	11.9	48.5	39.5			

Source: Related publications of the Nepal Rastra Bank and the Central Bureau of Statistics

The challenge before Nepal's trade union movement is to reach a common conclusion as to how best to protect the workers, and enable them to participate in the process of production, reinvestment and redistribution, a process which in fact is the class struggle as rightly argued by Professor Mishra.

3. What Kind of Equality?

Nepal's political class has embraced 'equality' in three ways: as 'unequal equality', 'absolute equality' and 'relative equality'.

Equality is an end of unequal relationships vis-à-vis income, property, power and opportunities. In an individual's context, the issue of equality relates to their economic, social and political rights and opportunities on a par with others. In a party's context, equality relates to its policy in relation to distribution and redistribution of national income. The parties that advocate for a free market economy are the proponents of 'unequal equality'. In a free market economy, the powerful impose their

Policy dualism is the root cause of social inequality in Nepal. The State does not command people's trust as it speaks often of 'absolute equality' but resorts to 'unequal equality' in practice.

economic-political hegemony on the weak. In such an economy, the rich got richer and the poor turn poorer.

The advocates of 'absolute equality' sell heavenly dreams to the people with the slogan of "all are equal, and all get equally." This slogan stands opposed to the Marxist concept of "from each according to their ability, to each according their needs," and introduces a practice of "let's divide equally what is available now." It is a practice that ultimately distributes only poverty, not equality.

The advocates of 'relative equality' stand opposed to equal distribution of poverty. For them, the issue is not 'how much rich one can be,' but 'how to spend what amount of income and property of the rich for the benefit of the poor.' In other words, the proponents of 'relative equality,' support the policy of enriching the poor and one that aims to elevate the low-class people to a high-class status.

Policy dualism is the root cause of social inequality in Nepal. The State does not command people's trust as it speaks often of 'absolute equality' but resorts to 'unequal equality' in practice. Studies of the National Bank and Central Bureau of Statistics show that, barring the period of 1996, the main beneficiaries of per capita national income have often been the middle-class (50%) and high-class (10%). The statistics of 2011 shows a further decline of the poor in the share of national income from what it was (12.8%) in 1977.

Ours is a post-peasant society now. It is a society in transition. As the University of Amsterdam Professor Breman says, our social development

Social oppression is an issue that should be tackled with the seriousness it deserves, but is not one 'equal to' or 'above' class.

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does not follow the process of 19th and 20th century Europe. A huge group of workers has moved away from agriculture, but has not been an industrial labour force yet. Neither has it been able to protect itself in a permanent employment of this or that sector of economy. Professor Mishra finds a huge workforce of industrious youths in Nepal, a workforce of more educated, expert and movable youths than ever before. It is the workforce that wishes to earn a living on their own through a trade of their free choice.

To effectively address these equality/inequality questions and conundrums, GEFONT has developed the principle of 'Class+3.' The principle stresses the importance of class struggle to end economic exploitation, while arguing that the 'class' element should be aware of and responsive to the three principal components of social oppression in Nepal, which are gender, caste/ethnicity and geography. Social oppression is an issue that should be tackled with the seriousness it deserves, but is **not** one 'equal to' or 'above' class.

The trade union movement of the day cannot operate on the basis of 'revolutionary rhetoric' or an 'understanding with the management.' For the movement to be effective and sustainable, there should be theoretical/policy clarity on what kind of society to be formed and what mechanism it requires to establish the hoped-for society. The trade union movement of the day cannot be directed by a dogmatist call of 'ideological purity.' Nor does this call can protect the unruly behaviour motivated by an 'economic/physical' offer or greed.

Debating TRANSFORMATION

The trade union movement of the day cannot operate on the basis of 'revolutionary rhetoric' or an 'understanding with the management.'

An inclusive trade union movement, which is the need of the day, can be created by bringing together the entire workforce in the sector of industries, services, agriculture, construction and other labour sectors of the formal-informal economy. The movement should also coordinate the self-employed and wage workers, whether regular or casual. The inclusive union so formed should be able to influence a political direction of the country.

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CHALLENGES AND OPPORTUNITIES OF NEPALI TRADE UNION MOVEMENT

- Hari Sharma

It is necessary to be aware of Nepal's 70-year trade union movement to unpack its current challenges and opportunities.

Nepal's labour movement traces its origin to the 1951 revolution that ended the Rana regime in Nepal. The movement was at once influenced by the Indian freedom movement and the Chinese communist revolution. Nepal's economic development of the day had also influenced the nature of the movement, especially in terms of people's awareness raising and mobilisation.

The trade unions and the leadership of the day, although limited in quantitative terms, laid a foundation for qualitative leap forward in development of political consciousness and social and political transformation of Nepal.

Between 1950s and 1960s, Nepal's politics became a laboratory for various political experiments. As politics remained instable and fluid, trade unions and its movements for rights did not produce tangible results. After the first parliamentary elections held in 1959, the environment became somewhat favourable. The industrial policy of the first elected government tried to address the labour sector. However, the coup of democracy by King Mahendra two years later stopped all these processes afoot.

Nepali people could not enjoy their democracy freedoms for some 30 years after the royal coup of 1961. These were difficult days. The right to organisation, expression and publication was banned. But the people did not lose hope, and continued fighting for these basic rights during those days of Panchayat autocracy. Through various movements, the people kept organising themselves. So did the workers in their sector.

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... when open politics was banned, the focus of the trade union movement was on informing the people at large of the voices and programmes of banned political parties through the trade unions and related avenues.

The 1990 people's movement established multiparty system and confined the absolute monarchy within a constitutional limitation. The constitution promulgated thereafter – the Constitution of Nepal, 1990 – guaranteed fundamental human rights and democratic freedoms. Nepali workers now got some breathing space, and the trade union movement took a new turn.

In the context of Nepal's democratic history, Nepali labour movement can be divided into four time-categories, with the first category being from 1947 to 1961; the second from 1961 to 1990; the third from 1990 to 2006; and the fourth from 2006 to date. In this write-up, current challenges and opportunities of the trade union movement have been discussed on the basis of the movement's post-1990 direction and achievements.

The programme and nature of the trade union movement is closely linked with the political ups and downs of Nepal. During the period when open politics was banned, the focus of the trade union movement was on informing the people at large of the voices and programmes of banned political parties through the trade unions and related avenues. In this sense, Nepal's trade union movement has been the partner of Nepal's journey into the democratic movement. The difference between party membership and union membership was not that significant. In fact, the labour movement saw its protection within the larger objective of the democratic movement.

After the 1990 political change, trade union organisations started to get unionised with their own independent identity. It is necessary to discuss the free space available nationally and internationally because present The 1990 change created such a political dynamism, and the following years have remained extremely important for the trade union movement to get institutionalised and expanded.

day's challenge of the unions is connected with the opportunity and enabling environment created by the change.

Party competition is the lifeblood of multiparty democracy. It is through such competition that political parties represent the interest of the people and develop their public policies and programmes. In multiparty democracy, parties develop a broad network of social relations. Various groups and communities voice and represent their interests through the network, and shape the policies and programme of the parties. The 1990 change created such a political dynamism, and the following years have remained extremely important for the trade union movement to get institutionalised and expanded.

The period between 1990 and 2000 can be seen as the period of the development of legal and constitutional structures. The trade union act and labour act were legislated in the period, and polices adopted to make the labour movement free, democratic and dignified.

The political change and the resultant possibility of the expansion of the economic sector was the motivation behind the campaign. These years were equally challenging for the Nepali trade unions. They were in a campaign to expand their membership base while the world-wide trade union membership was on the decline.

The post-1990 expansion of industrial and service sectors also contributed to the expansion of trade union organisation. In other countries, union membership was expanding to the service sector from industries. The traditional industrial sector was not easy to approach in terms of initiating

> Trade union movement is a moral, dignified and legal movement.... Maoist armed activities confused the Nepali trade union movement that was expanding peacefully.

organisation building. Since the nature of the service sector was similar to that of the informal sector, the service sector was challenging for the worldwide trade union movement. Hence, international trade unions were in a difficult situation, and we were in an organisation expansion campaign. Aware of the difficulties facing the Nepali labour movement and the possibilities inhere within it, the international trade union movement was also extending its support to the Nepali labour movement. The establishment of the office of the International Labour Organisation in Nepal is an example of its kind.

While trade unions were engaged in the management and expansion of their internal organisations, following necessary constitutional and legal arrangements, Nepal's Maoists launched violent activities, which affected this second phase of the trade union movement, a phase that can also be termed the phase of 'consolidation.'

Trade union movement is a moral, dignified and legal movement. It believes in structural transformation through a non-violent means. The Maoist armed activities confused the Nepali trade union movement that was expanding peacefully. On the basis of the politics of negation, the Maoists expanded their violent project negating the elected bodies and representatives both in the union sector and in local elected bodies.

Before the 2006 people's movement, the Maoists entered into a 12-point understanding, which ended the politics of negation and successfully concluded the people's movement. But the labour sector continued to suffer from the effects of extreme leftism. Democratic trade unions had to struggle to realise their right to trade union in their workplace as violent groups in union's cover started to appear with the help of muscle Employers were promised of the so-called industrial peace. In reality, however, both industrial peace and production suffered badly.

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and money. Employers were promised of the so-called industrial peace. In reality, however, both industrial peace and production suffered badly.

After the 2006 people's movement, the nation entered the arena of federal *lokatantrik* republic through the CA. The four years after the CA have been highly challenging for the union movement.

'Ethnic identity' has remained the base of CA processes and the politics after the CA. The agenda for the structure of federal and inclusive state started to build on ethnic issues overshadowing the 'class' base of the trade union movement. Some workers' representatives were elected to the CA constituted through a process of direct and proportional election. How to bring the workers' agenda to the CA became a main concern of trade unions. In this process, various trade unions, particularly GEFONT and NTUC which were for some time in a joint trade union campaign, initiated a joint trade union coordination centre. To ensure the constitutional guarantee of the rights and interest of the workers in the new constitution, trade unions organised various programmes, both jointly and independently. They established contacts with CA members and CA thematic committees and pushed their issues and agenda.

TRADE UNIONS AND POLITICAL, ECONOMIC AND SOCIAL TRANSITION

The analysis above leads to the following trade union challenges:

1. There has been no significant increase in trade union membership for some years now as the labour market has not expanded due to the obstruction of economic development.

> ... when the state is weak and its presence noneffective in many ways, trade union movements will not get expected support from the state that lacks both will and capacity.

- 2. The role of informal sector is expanding in the nation's economy. Informal sector is not easy in terms of union organisation.
- 3. The workers in the informal sector should be linked to social assistance and social protection provided by the state. In the current phase of transition, when the state is weak and its presence non-effective in many ways, trade union movements will not get expected support from the state that lacks both will and capacity.
- 4. Hundreds of youths are leaving country for foreign employment due to shrinking economic development and employment opportunities at home. As a result, the labour market has been a place of disorder and social displacement.
- 5. The discourse on sustainable development is under shadow, and the economy is increasingly depending on foreign employment and remittance. The remittance-based economy engages policy makers in ad-hoc thinking and planning as it addresses immediate needs. The possibilities of new economic development are placed aside. All this has resulted in consumer-based economic activities instead of investment in long term production for the country.
- 6. Political activities are confined to a narrow ethnic circle. The labour movement faces the challenge to free itself from the ethnic influence and stick to its class base.
- 7. Also challenging for unions is to settle how best to interlink with various social movements, such as those related to women, dalits, environment, janajatis (indigenous nationalities).

Another important aspect of an effective trade union movement is an inter-union dialogue and the development of a joint programme.

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- 8. Union movements also face challenges that relate to irregularities in free market activities, investment and also in the labour sector because of increasing corruption in the economic sector and unruly political activities (such as use of force).
- 9. How to ensure labour representation in policy making sectors.
- 10. What should be the mechanism for dialogue with political parties? How should unions related to parties?
- 11. Unions' dialogue and relation with international financial institutions also holds special importance. Such institutions play an important role in Nepal's economic development, and also exert pressure on the government of Nepal in relation to labour policies. In general, these institutions do not support the labour movement. As such, dialogues with these institutions remain important for the union movement.
- 12. Another important aspect of an effective trade union movement is an inter-union dialogue and the development of a joint programme. A high level of understanding is necessary among unions at the time when political polarisation has been so intense. They should build unity through specific programmes and understanding.

Mr Sharma is Director of the Alliance for Social Dialogue and Executive Committee Member of the Social Science Baha.

CHANGING SCENARIO OF NTERNATIONAL TRADE UNION MOVEMENT

- Sharan K.C

The number of organized trade union members in the world is estimated to be about 253 million from 518 national affiliates in over 153 countries. Of them, 78 million members are affiliated to the Word Federation of Trade Unions (WFTU) though 210 trade unions of 105 countries and the remaining 175 million are aligned with the International Federation of Trade Unions (IFTU) through 308 national affiliates in 153 countries. It has taken nearly 100 years to get to this stage, after the IFTU's establishment in July 1919 to respond to the need for international solidarity against the widespread exploitation of workers during the industrial revolution and in the post-World War I reconstruction period. Since this point, there have been tremendous changes in the structure of trade unions and methods of union development in reaction to the changing nature of work and workplaces. This article briefly outlines some of the main changes in relation to the trend of change in workplaces and global unionization of this period, and also attempts to understand its implications for the current trade union development.

CHANGE IN WORKPLACES

There has been a remarkable change in work and workplaces. It was normal to work for one organization for life under fixed hours (from 9am to 5pm). This is no longer the case. The changes workers have faced in this relation include (i) flexible working hours (working anytime around the clock) (ii) virtual jobs (as a result of technology, work can be done through outside the office using computers and mobile phones) (iii) multiple jobbing (in the USA, 5% of workers have more than 2 jobs and they are paid on an hourly basis) (iv) temporary, short term contracts Workplaces, which used to be owned by state/ governments, are being owned more and more by individual/s and shareholders who seek to maximize profits for themselves.

and (v) outsourcing. Workplaces, which used to be owned by state/ governments, are being owned more and more by individual/s and shareholders who seek to maximize profits for themselves. The net outcome has led to informalisation of workplaces and greater job insecurity. This process has been facilitated by the neoliberal economic agenda adopted by many governments, including many centre-left and left governments both in developed and developing economies.

Workers' participation has also changed, with more educated youths and women entering the workforce. The expectations of these workers are different from the generation of baby boomers. Kevin Wheeler, Founder and Chairman of the Future of Talent Institute, describes it as a generational mindset difference. Baby boomers (aged over 45) are generally traditional and are comfortable with being physically at work in an organization working an 8 hour or longer a day. Generation X (aged between 30 and 45) is also comfortable working in traditional ways, but they are more open to virtual work and look for flexibility for their family. Generation Y (aged under 30) does not want to work for hierarchical organizations, are flexible and look for virtual work, and are more likely to have multiple jobs. They are the hardest to recruit and retain in trade unions, but they are the future of the trade unions.

CHANGE IN UNION MEMBERSHIP

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A common universal trend across developed economies is the fall in trade union membership (with a few exceptions like in Belgium). The table below shows the trend:

Debating TRANSFORMATION

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A common universal trend across developed economies is the fall in trade union membership (with a few exceptions like in Belgium).

	1961/1970	1971-1980	1981-1990	1991-2000	Maximum value	Year of maximum value
Australia	45.6	46.2	44.3	32.4	47.9	1960
Belgium	40.6	50.8	50.6	53.1	58.1	2000
Denmark	61.3	69.1	76.8	76.6	79.5	1994
Germany	32.9	34.1	33.9	29.1	35.9	1991
Finland	40.0	64.5	70.2	77.2	79.6	1995
France	20.1	21.0	13.8	10.5	22.2	1969
Italy	28.0	46.9	43.0	38.7	50.5	1976
Japan	34.1	32.5	27.5	23.3	34.8	1964
Canada	27.0	31.8	32.8	31.8	33.7	1992
Netherlands	39.1	36.6	27.7	24.5	41.7	1960
Norway	51.5	52.1	55.5	54.8	56.4	1990
Austria	58.3	52.7	50.4	40.6	60.0	1960
Sweden	66.4	73.4	81.5	85.9	88.6	1998
Switzerland	33.5	31.1	27.9	23.2	37.0	1960
UK	40.9	47.6	40.8	32.5	50.1	1979
USA	26.9	22.9	18.2	14.8	29.4	1960
Average	40.4	44.6	43.4	40.6	46.0	1978

Lesch, Hagen. 2004. Trade Union Density in International Comparison. Online at www.cesifo-group.de/DocCIDL/forum4-04-special-lesch.pdf

The latest onslaught has been the collapse of two financial bubbles, first the stock market crash that began in 2000, and then the real estate debacle that commenced in 2007. The status of trade union membership has further eroded. At the end of 2007, the trade union density was as follows: Sweden 71%, Finland 70%, Denmark 69%, Belgium 54%, Italy 33%, Canada 29%, UK 28%, Germany 27%, Netherlands 20%, Australia 19%, USA 12% and France 8%.

During this period, there were strategic changes in the trade union movement, which led to a shift from the welfare and service model of trade unionism to the decent work agenda.

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There are a number of global and local factors, which contribute to this fall. The global trend is dictated by globalization, such as (i) organisation and technological changes (eg a dramatic fall in the number of jobs where union membership is traditionally high, particularly in the manufacturing sector, due to the introduction of technology); (ii) influence of current international competition; (iii) replacement of public property by private property, which often results in the reduction in workers; (iv) increase in small companies where the work force is small and often difficult to organize; (v) a fall in traditional full-time employment and increase in part-time jobs, temporary and contractual workers where workers are not attached to only one workplace; (vi) hostile legislation (eg the laws introduced by conservative governments, which make unionization quite difficult resulting in the reduction in union membership, as in the USA and the UK during the Regan and Thatcher periods in early 1980s); (vii) huge unemployment (as in the period of the global financial crisis); (viii) armed conflict and the war on terror (eg in the post-September 2001 period, when successive governments have used the war on terror as a pretext to suppress union activities and harass union leaders).

During this period, there were strategic changes in the trade union movement, which led to a shift from the welfare and service model of trade unionism to the decent work agenda. There are different models of industrial relationships emerging from: (a) the **Continental European System** where the government plays an important role in legislating the core of employee rights (eg France, Germany, The Netherlands, Italy and so on), (b) the **Anglo-Saxon System** where governments' legislative role is limited and employees and employers negotiate on a workplace by workplace basis, and where CBAs are not a priority (eg Britain, Ireland

Internationally, the workplace is changing rapidly in terms of the type of workers and their expectations. Work is becoming informal, with no fixed working time, place and identity of the employer.

and the former British colonies in Asia and Africa), and (c) the **Nordic system** where the government plays a limited role and the rest is settled through collective bargaining.

Similarly the concept of workplace relationship has also changed from the unitary system, where the workplace is considered a "happy family" with rules and regulations determined by the head of the family (ie the employer), to the pluralistic system, where employees and employer believe in the possibility of negotiations and rules and regulations are developed through CBAs. There is yet another system of relationship – the Radical system - where the relationship between employees and employers is viewed through the lens of the class struggle between the oppressed and the oppressor.

Internationally, the workplace is changing rapidly in terms of the type of workers and their expectations. Work is becoming informal, with no fixed working time, place and identity of the employer. Organising, a fundamental tool of trade union development, is also becoming a challenge.

Regardless of the changes in workplaces, what has not changed, however, is the exploitation of workers in terms of their rights and conditions. To address this scenario requires constant research, study and monitoring and the capacity to predict future trends in labour relationships among trade unions. Unless trade unions build their capacity and play a proactive role in developing progressive strategies, including strategies for legislation/policy advocacy relevant to changing workplaces, the workplace condition of trade union members will not better.

Nepal is not untouched of global financial crises. Its export sectors suffered as a consequence of declining demands.

WHAT IT MEANS FOR NEPAL

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While there has been an international decline in trade union membership, it is a pleasant surprise to see the opposite trend in the developing world. The case in point is the success of Nepal to increase trade union membership, despite many things being at odds, including the civil war, which this country faced for a decade. The success is largely due to the courage of trade unions to take a pragmatic and innovative move even in the time of difficulty.

Nepal is not untouched of global financial crises. Its export sectors suffered as a consequence of declining demands. The opening up of the country's economy to foreign investors has also created challenges to organize workplaces as some foreign employers expect Nepali workers to comply with the workplace norms of their countries (eg banning unions). The growing informalization of Nepal's economy, with the government taking the charge in some areas, will also pose difficult challenges for trade unions. As one of the leading national trade union centres, the General Federation of Nepalese Trade Unions (GEFONT) is ideally placed to respond to these challenges. Its contributions and achievements to the development of trade unions and improving the status of workers are remarkable. It should continue to fight to overcome the remaining challenges, including enhancing its own knowledge base through more reflective learning and leadership dynamism.

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SOCIAL DEMOCRACY: THE MOST PROGRESSIVE SYSTEM

- Chaitanya Mishra

During last 60 years, we have established and jettisoned *lokatantra* time and again. Following the dissolution of the Constituent Assembly on May 27, 2012, *lokatantra* has again reached a critical point. If we fail to attend to the underlying issues carefully, we may risk losing it. Let's hope this does not happen, but the symptoms do not paint a hopeful picture.

When we speak of the future of our *lokatantra*, we should, first, answer this question: Why has *loktantra* suffered lapses time and again? We should then unpack the issues involved and address them in all seriousness they deserve. Only then could be able to consolidate the foundations of *lokatantra* and give it a sustainable direction.

I do not know of all factors that sustain *lokatantra*. Some factors may be known to us but may remain well beyond our control to act upon. The relationship with our neighbours and our position in the global system may not allow us to do all we may wish. But there are certain things within our control. We should start from there and move ahead. As the first important step towards institutionalization of *lokatantra*, we should focus on social democracy, particularly on its central tenet, which is the policy of affirmative action (also known as positive discrimination).

Let's start the discussion with what social democracy is and how it gets enriched with the policy of affirmative action.

In a social democracy, three parties – the elected government, the capitalist class, and labour unions – remain tightly connected both through the courses of contradiction as well as cooperation. The government facilitates negotiation between the capitalists and workers

In a social democracy, workers earn in two ways. Capitalists pay them a wage for the work they do. The state provides them with support and services in return for the votes they cast...

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and smooths the way for consumption, reinvestment, and redistribution. Redistribution is mainly directed to workers.

In a social democracy, workers earn in two ways. Capitalists pay them a wage for the work they do. The state provides them with support and services in return for the votes they cast and for their citizenship in a democratic and equity-promoting state. This two-way interaction enhances the workers' ownership of social democratic capitalism as well as a social-democratic state. Workers in such a state acquire bona fide citizenship and make sure that the state protects their interests within an overall system of capitalist growth. This, in fact, is the crux of social democracy: The workers pursue their interests in reference both to capitalists and the state.

In Nepal now, revolutionary Maoists view social democracy as a regressive regime. They view social democracy as an obstruction on the path to socialism. This view, however, is misleading because it is based on an invalid and ahistorical understanding of class struggle.

This is not to suggest, however, that social democracy is an appropriate political philosophy for all phases of world and Nepalese history. In the present context, however, it is the most appropriate means to expedite class struggle in Nepal. It creates an environment in which workers benefit without destroying capitalism. Indeed, it creates an environment in which, for a historically definite period, capitalist development and workers' interests can be mutually pursued together. This is even more so because Nepal lies between India and China, which will become the powerhouses of world capitalism within the next 2-5 decades. Given



No 'new democracy' can be implemented in Nepal.But weaning might take too long a time. And there might be much turmoil in the interim.

his historical-structural condition, it would surely be wiser to exploit capitalism to the benefit of the unemployed and the workers as much as possible. As such, in the present world order, class struggle has to be pursued within the limits of social democracy. Social democracy also strengthens the state as both capitalists and workers own it in the hope that the state protects their respective interests.

No 'new democracy' can be implemented in Nepal. We have seen this in the changing ideology of the Maoists, who appear to be weaning themselves out of it now. But weaning might take too long a time. And there might be much turmoil in the interim.

WHY SOCIAL DEMOCRACY IN NEPAL

Nepal has large and growing number of youth who wish to become engaged in gainful employment and self-reliant. These youths may not necessarily work the farmland available to them as family assets. Even if they do, they wish also to engage in other professions. They do not intend to limit themselves to the family property. They wish to earn out of their own labour and wish to taking up something different from, or in addition to, what has been bestowed upon by the ancestors. This is one reason why members of a household are found to engage in a variety of jobs. To leave home in order to work abroad is part of this engagement.

Capitalism is developing rapidly. With this development, gains and recognitions available to one by birth are rapidly weakening. Capitalism does not support a system – or a practice – that inaugurates a king's son

Nepal now has more healthy, educated, skilled and mobile workforce than ever before.

as a new king, a village head's son as a new village head, or an individual as his father's son. It rather supports the capitalist class, working class, and emphasizes individual achievement and prizes creativity and industriousness over clan identity or pride.

Capitalist production, as any other production, comprises of physical and social aspects. Physical resources alone do not produce commodities. Production requires capitalists and workers—as also sets of workers and sets of capitalists—to become linked together in a particular kind of social relationship.

Workers are needed to operate capitalism, and Nepal is now developing a work force suitable to the capitalist system. Nepal now has more healthy, educated, skilled and mobile workforce than ever before. In terms of the workforce, Nepal would appear now to be in a situation similar to China was in 1978 and India in 1990.

In a capitalist system, immobile workers are less valuable than mobile ones. Those who do not leave their village will generally be left behind. Capitalism requires workers to be ready and able to compete for jobs wherever they are available. We have such a body of youth now, relatively skilled and mobile, ready to undo traditional social relations and operate capitalist social relations. Currently, Nepali youths are working within capitalist relations in India, Saudi Arabia, Malaysia, Qatar, and many other countries. There is no doubt such a relationship can also be institutionalized here. The challenge is for the government, political parties and capitalists to develop physical infrastructures and appropriate laws and collective bargaining procedures which serve

> Socialism must be seen as a worthy but distant objective which can be reached only after fulfilling several other intermediate objectives, which can take several generations.

the interests of both the workers and the capitalists, which can make capitalism-friendly social relations to thrive.

Nepal is in a situation in which it has a sizable body of adequately prepared youth needed to kick start capitalist growth under capitalismfriendly social relations who, however, lack the necessary physical and financial means of production to do so.

Now, progressive forces are in political and legislative majority in Nepal. This provides an appropriate opportunity to mobilise both capitalist and working classes in parallel. The Maoists could potentially provide political leadership to the development of social democracy. But they cannot do so unless they completely stop their ideological preference for new democracy and their political preference for one-party state which together have often translated, in practice, into an extremely centralized and rent-gobbling party. The swearing in, by the Maoist and other 'communist' and other 'left' parties in favour of 'socialism' will not do because this historical phase cannot be utilized in order to pursue socialism. Socialism must be seen as a worthy but distant objective which can be reached only after fulfilling several other intermediate objectives, which can take several generations. The slogan of 'Socialism now!' reflects both an illiteracy of the historical process as also of an irresponsible politics of pandering. As communist party ideologues would say, this could only be construed either as extreme-left adventurism or petty bourgeois impatience!

The slogan of 'Socialism now!' does not support social democracy, and is counterproductive for Nepal now. As long as the communist and left

Economic development in China and India also presents an opportunity for Nepal to increase its production and reinvest and redistribute it.

parties continue to advocate for Leninism, Stalinism or Maoism, they shall not be able to take a social democratic and progressive step forward and may remain entangled in historically inappropriate political-economic frameworks.

Economic development in China and India also presents an opportunity for Nepal to increase its production and reinvest and redistribute it. We could sell goods and services in the growing markets in India and China. Many more workers from Nepal could go work in these neighbouring countries as well. Nepal could also invite tourists from these countries and create jobs at home.

Prosperity cannot be achieved by residing among the poor. Prosperous neighbours are needed for a country to move to the path of prosperity. Rapid development of China and India is, thus, beneficial to both the workers and capitalists of Nepal. The prosperity of China and India creates a golden opportunity to enrich ourselves and also to move towards social democracy.

AFFIRMATIVE ACTION

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Most of us have a highly inadequate understanding of affirmative action. It is seen merely as a tool to aid those historically marginalised and discriminated. That is an important objective in its own right and affirmative action should be utilized to pursue such an objective. However, affirmative action is much more than that. It is also a process to support those who cannot fare well in capitalism which, despite opening a large



Some hold that the policy of affirmative action will be relevant only for a limited time and may not be necessary when 'everyone becomes equal'.

window of opportunity for many, also systemically produces 'losers' who, therefore, need systemic support and protection, some of which has to come through policies of affirmative action or positive discrimination.

Some hold that the policy of affirmative action will be relevant only for a limited time and may not be necessary when 'everyone becomes equal'. This is a wrong understanding. Capitalism systemically keeps producing both successes and failures. The principal point is to produce much more success than failure. Even supposing that this becomes a reality, some will, inevitably, fail. The failure of 'some' is, in fact, a failure of capitalism as such, notwithstanding the fact that failure attaches to one group at one time and another group at another. Who fails is not precisely known in advance, although there are sometimes powerful indications to that effect. What is known with full certainty, however, is that some will, inevitably, fail.

Those who do fail need a mechanism to protect them. Victims of gender, caste and ethnic discrimination also require protection, not the least because their relative failure has a lot to do with capitalism as well. As such, and within capitalism, social democracy and affirmative action must become a permanent policy mandate and practice. Affirmative action is an antidote, as it were, to the side effects of capitalism.

But, then, the challenge is to identify and reach the group who has really 'lost' or failed to gain. Illustratively, a policy of affirmative action is being voiced in relation to all women. I do not think every woman needs affirmative action. Similarly, not all members of all ethnic groups need such support. Affirmative action should include specific categories Affirmative action keeps empowering successive generations. Affirmative action can help youths to become educated and trained. It helps them in case they cannot get a job.

of women and specific categories of members of ethnic groups within its ambit. But affirmative action should address every failing individual and help the individual to fare well in capitalism. As such, affirmative action should be a permanent feature of social democracy. It is a permanent policy instrument, although its beneficiaries' are fluid.

Affirmative action keeps empowering successive generations. Affirmative action can help youths to become educated and trained. It helps them in case they cannot get a job. It also helps their parents should they fail to get gainful employment and to feed and care for their children. The areas of support can range from health, education, employment to other socio-economic necessities. However, it is not only in the 'economic' sectors that affirmative action can help. It may help in political empowerment also.

This policy develops new generations of empowered people in a successively. It does not let people remain below the poverty line for long as it pulls them up through support systems and empowering measures. It also enhances ownership and reduces frustration, alienation and resultant violence. It 'buys' peace.

WHAT IS THE POINT OF DEPARTURE?

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Where should affirmative action begin? We tend, generally, to see its need in the sectors of education and work. Important though these sectors are, affirmative action should, however, begin from food security.

It is, primarily, a result of households and individuals not being able to procure two meals a day, which is a minimum requirement for sound physical and mental growth and development.

Food, health services and medicine are central to human life. The shortage of food results in the deficiency in calorie, protein and vitamin that are needed for a healthy life. In Nepal, some 40 per cent children are stunted and underweight. In the Karnali region, the percent age goes much higher than 50. It is, primarily, a result of households and individuals not being able to procure two meals a day, which is a minimum requirement for sound physical and mental growth and development. A child deprived of food is stunted both physically and mentally. It is wrong, politically and morally, to keep people deprived of food and other basic services.

I recall a remark by one of our former prime ministers in relation to a specific set of special services and benefits to former VIPs. He emphasised the importance of such services and benefit to VIPs on the basis that 'other countries' engaged in such a practice as well. But then the guestion should be asked whether 'other countries' also engaged in the practice of adequately feeding children! Nepal now has forty percent of its children stunted, and one of our prime ministers stresses the need for special benefits to VIPs! What should be his priorities: to serve those privileged or to work for those unable to eat two meals a day? He and others like him should start to think about social democracy and affirmative action by trying to answer this question. The problem of access to food can begin to be resolved within a couple of years if the question finds an honest and responsible answer. While there would have to be various components of a program to food security, access to employment would certainly be foundational. Facilitating access to employment, once again, would have various components—including a very large scale 'food-for-work' program, but private sector, i.e. 'capitalist'

The problem of access to food can begin to be resolved within a couple of years if the question finds an honest and responsible answer.

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employment would be foundational. The radical left view that 'the state should feed its people,' in the sense of provisioning for food grains, etc., except fin the case of the infirm, can be nothing but a nonsense.

Some hold that a policy of affirmative action weakens the capacity and will to compete. This is wrong if seen in a long term perspective. The policy widens the base of competition and enables many more empowered and capable people to compete. For the time being, the policy is surely a setback for the youths already able to compete. But, in the long run, it increases the number of those who can compete, a condition which will benefit the nation in the long run.

The policies, rules and plans we develop do not always benefit all. Sometimes, these instruments may also bring about negative consequences. The policy of affirmative action plays an important role to compensate for and minimise such unintended risks. For example, if we had surveyed the literacy rate of various caste and ethnic groups in 1950, the literacy rate of Bahuns would have been a maximum of five percent and that of other groups between one percent and two percent. The difference between Bahuns and other groups, then, was about three percent to four percent. But the educational policy that was followed enlarged the gap so much that the future of the groups seemed irreconcilable. However, with other changes, a gap started to narrow down beginning the mid 1980s. Nonetheless, the gap is likely to remain fairly wide for the foreseeable future, particularly at the high school level and beyond. Had affirmative-action policies been implemented much sooner, the gap would, at the very least, have been much narrower.

> It is, primarily, a result of households and individuals not being able to procure two meals a day, which is a minimum requirement for sound physical and mental growth and development.

Some countries have a law governing affirmative action, which the central government implements. In our case, to have a law would be useful, but the central government should not take all responsibilities. Local governments should be charged and become more responsible as they are 'closer' to the grassroots and are relatively easily accessible. In addition, affirmative action needs can be effectively ascertained and continually monitored only with the help of the local government. Provincial and central governments will also have some role to play, including on matters related to budgeting. But the implementation of policy will have to become the task of local governments. Among others, local governments can begin by implementing food security, primary health and basic education programmes. They can later administer all social services, which may flow from diverse sources, to the grassroots. Only then can the policy of affirmative action be flexible and transparent, be responsive to the needs of the 'targeted' citizens, households and communities, and become instrumental in institutionalising the lokatantric system of government.

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CHANGING DYNAMICS OF LABOUR CLASSES AND POLITICS

- Dev Raj Dahal

Labour and politics have a strong correlation. The former represents a vital life process and the latter an instrument of collective action. The ownership of private property, relation of production and its entire cycle is decided by political decisions.

Labour's relations with vital life processes and workers' ties with politics and the state are undergoing substantive changes in recent days, changes that are also reflected in labour reforms. Democratic politics helps to expand the scope of labour, work and public sphere, and brings policy questions among the workers for debate, refinement and endorsement. The policies so developed remain under social control of workers. In contrast, undemocratic politics promotes divide and rule, and institutionalises a command and control system that does not address the problems of multi-classes of workers (namely, white, blue, green, informal, self-employed and dispossessed).

Collective action of all those affected by economy is necessary to become both effective and legitimate, and overcome alienation. In this sense, class-based politics is not sufficient for the workers for their collective emancipation from the "condition of life." Education about constitutional and human rights and labour relations are equally essential for them to transform their identities from labour to citizens. Four factors are necessary to develop such collective action: reflective consciousness of human conditions, responsiveness, subsidiarity and participation of the affected.

The decline in working class politics has led to the class restructuring in all liberal democratic states, particularly in those states with increased

As long as workers' alienation from their products is not overcome, and their liberation is not ensured from fear and dearth of basic needs, it is not possible to establish a just society.

professionalism, de-politicization and multi-classes where blue-collar workers are smaller than others.

Protracted political transition of Nepal has made Nepalese economy weak causing crisis in reformist politics. Its economic growth of three percent barely balances out population growth of about two percent. Its weak tax base contributes only 12 percent to GDP. Pervasive corruption and tax evasion have made the social security system, which is the bedrock of sustainable development, which is based on the principle of solidarity and social partnership, feeble even in the organized sectors. As a result, labour related institutions in Nepal are poorly institutionalized. One can see the widespread evasion of labour laws. Labour Courts are under-resourced. They lack capacity to efficiently function, inspect and enforce laws and policies, such as one on collective bargaining.

UNIONS' SHIFTING STRATEGIES

Since politics is a decision making system, unions' access to this system is central to the creation of an egalitarian society, a society that can be established through social dialogue between 'capital' and 'labour.' Such dialogue should produce policies addressing issues related to workers' organization, production and distribution. As long as workers' alienation from their products is not overcome, and their liberation is not ensured from fear and dearth of basic needs, it is not possible to establish a just society.

Following sections discuss whether Nepal's trade unions have an environment conducive to social dialogue, and what nature of coalitions they maintain with various institutions of society in the process of dialogue.

The workers' movements carried a voice for equitable progress and innovation, which was not the priority of parties.

SUBORDINATION TO PARTY POLITICS

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The first phase of union politics in Nepal can be characterized by their subordination to party politics. This is a general trend in South Asia. In the first phase of democratization in the 1950s, democracy movements of parties, trade unions and civil society groups in Nepal were coordinated. Political parties developed agenda, prioritized negotiable demands and tabled those before the state, and mobilized unions, party cadres and civil society (along professional and class lines) to get those demands addressed. The collective engagement of these actors was the result of the fear of curtailment of their constitutional rights and human rights, and also the prospect of a better future. This process established a constitutional democracy in the country, but the tendency of political leadership to treat workers as their subordinates weakened the workers' role and image, and also limited their reach and influence in decision-making. Consequently, the process of establishing economic democracy remained weak in Nepal as party movements often ended in a new power equation while workers' movements aspired to greater restructuring of capital and greater share in social transformation. The workers' movements carried a voice for equitable progress and innovation, which was not the priority of parties.

PATRON-CLIENT MODEL

The relationship between political parties and trade union can also be defined by a patron-client model, as in Egypt and Senegal, where unions are seen as a welfare-recipient group of the state and a fraternal organization of parties. In the second phase of democratization of the 1990s, political leadership of Nepal was interested in the democratization

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The joint undertakings of trade unions and civil society revitalized the life of political parties and pushed them towards more democratization and more egalitarianism.

of politics. But the interest of trade unions was more comprehensive: they also wanted the democratization of economy, society and international relations. They wanted their proportional representation in political processes, including elections and policy making. During this period, the legalization of unions and cooperation among various unions increased. But the focus of political leadership was different. They focused on privatization of public institutions. As a result, in this period, agricultural subsidy was cut and 30 state industries were privatized, which cumulatively generated a livelihood crisis for the weaker sections of society, a crisis that also gave birth to the Maoist "People's War" and the counter-insurgency operation by the state, which not only added to the economic crises but also forced the migration of youth workers to the Gulf region to avoid insecurity, which in turn badly affected economic growth and caused the crisis of livelihood of 3.5 million people.

COLLABORATIVE ACTION

The third phase of democratization, begun in April 2006, created ground for inter-movement solidarity of unions, parties and civil society. These players displayed a transformative potential as they defined alternative visions, goals, issues and strategies, and established horizontal networks of organizations to augment joint activities against the regime. The joint undertakings of trade unions and civil society revitalized the life of political parties and pushed them towards more democratization and more egalitarianism.

The international solidarity of unions also increased through social forums and social movements. This new trend in union politics emphasized

But political party leaders fear to see trade unions exercising a total freedom, which may, in their eyes, compromise with party discipline.

democracy, inclusion of informal sectors, youth and women, dignity of work, job-creation, workers control of policies, participation and empowerment. The gradual diminishing of the conventional division of politics into the right and the left also helped the trade unions build solidarity for collective action with catch-all parties.

RELATIVE AUTONOMY FROM PARTY POLITICS

In the fourth phase, trade unions are found to struggle for autonomy from party politics while linking themselves to global civil society actors for collective action. Like in South Africa, unions of Nepal in the fourth phase sought collaboration with political parties, developed inter-union frameworks, such as the Joint Trade Union Coordination Committee (JTUCC), and struggled for spaces in various committees of parties, including representation in the Constituent Assembly.

This new phase can be characterized by some form of "autonomy" of unions from party politics. But political party leaders fear to see trade unions exercising a total freedom, which may, in their eyes, compromise with party discipline. On the contrary, trade union leaders argue that certain level of autonomy is indispensable for "cooperative action" with other unions.

The sustained union movement will likely to democratize internal party politics and the state if the social energy they have unleashed does not die down due to their division, fragmentation and re-subordination. It will also help democratize union structures and make them inclusive of youths, women and workers in the informal sector. That the vision

> Nepalese trade unions may also draw lessons from new trends developing in international union politics.

of cooperation among unions is transcending its partisan character is a salutary effort.

ALIGNMENT WITH CIVIL SOCIETY, NGOS AND HUMAN RIGHTS ORGANIZATIONS

Building solidarities among social actors across shared issues is as important as union building. Many NGOs in Nepal are working in the field of domestic work and migrant work. Human rights organizations work for the freedom of bonded labourers, child labourers and against human trafficking. They also work for the empowerment of women and marginalized groups. Trade unions should collaborate with these organisations. Nepalese trade unions may also draw lessons from new trends developing in international union politics. For example, in Ghana unions withdrew from party politics and began collaboration with civil society; in Nigeria and Zimbabwe unions became a barometer of "opposition politics" and struggled to make governments accountable for the demands of workers for social justice.

STRATEGIC OBJECTIVES AND OPTIONS FOR NEPALESE TRADE UNIONS

Labour movements are cooperating sufficiently to uphold shared interests and advance economic goals of welfare politics, such as employment and social security, respect for trade union rights, dignity of work and organisational safety.

Trade union politics confronts the hegemony of capital, both national and international, where public interests are subordinated to the logic of market-integrated society, logic that transforms a welfare state into a If trade unions become successful to enlarge their political constituencies they will have greater capacity, voice and visibility in the policy domain.

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subsidiary state against the spirit of social democracy. Yet, trade union movement is closely related to political parties whose development or decay depends on the performance of political parties and the nature of a political regime.

Trade unions also forge coalitions with women and dalit movements that cut across party politics. These movements reject existing stereotypes and seek to construct a protected space for them to build a collective identity. The coalition between trade unions and women's movements is comparatively successful, but the one with dalits requires further development.

Political parties in Nepal would have become stronger had they given priority to expand industrial and economic development and, as a result, establish a legitimate space for the institutionalization of trade unions' role in development. The governments often saw union demands negatively, took the side of capital and postponed the pluralist sense of justice. But, the "free collective bargaining process" of the trade unions, their system of representation in economic decision-making¹ and their social dialogue with the state and employers are better institutionalised. If trade unions become successful to enlarge their political constituencies by integrating with other social organizations and workers in the agriculture sector, they will have greater capacity, voice and visibility in the policy domain. History has examples of subordinated groups having elevated to higher stages of development and coalition consolidations.

¹ Trade unions actively participated in the formulation of poverty reduction strategy paper (PRSP) and Millennium Development Goals (MDGs), the policy papers whose goals have become a key development strategy for the Nepalese government.



Low wage earners and workers in the agricultural and informal sectors require union's support to get organized as part of the labour market.

CONCLUSION

Social movements of Nepalese workers are both historic and strong. Nepalese trade unions have, while adapting themselves to the changing dimension of politics, society and the state, worked to fulfil workers' rights, including the right to social security, minimum wages and other career prospects in tune with life-politics. A particular challenge facing the unions is to democratize politics – so that it is capable of addressing the subjective and objective needs of workers - and move the country towards post-conflict peace building. Low wage earners and workers in the agricultural and informal sectors require union's support to get organized as part of the labour market. The central level federations of unions have to organize concrete programs to address these needs and requirements, including programmes for economic development, including the development of green jobs, workers cooperatives and micro-credits.

Engagement of workers in productive labour processes and policies is critical to their liberty, equality and dignified life. Social movements should be able to ensure such engagement. Only then can social movements elevate the workers' standards of life and establish them as the carries of modernity.

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Trade Union from 'Class' and Other Perspectives

DISCUSSION ON THE PROGRAMMES OF NEPAL'S COMMUNIST MOVEMENT¹

- Ghanashyam Bhusal

According to Marxism, humans change a situation in light of consciousness which they derive from their interaction with the situation on hand. The changed situation adds to their consciousness in a new way, which then triggers another cycle of change. Put differently, humans change the situation before them. And, with the new consciousness arising from the changed situation, they further develop themselves and their societies. In the Marxist philosophy, this process of change is known as dialectics.

Revolution is the programme of a revolutionary party and a revolutionary theory is the guide to the party. A revolutionary theory at one point of time could not remain revolutionary for another point unless it undergoes internal development and transformation constantly. Absent an up-todate revolutionary theory, a political party cannot tackle political issues of long term relevance and cannot keep its house in order as it lacks theoretical direction and commitment. In such a situation, the party remains a house internally divided with two categories of followers. One of them will be the lot that hold onto obsolete dogmatic theories with no relevance to the crisis at hand. They are there just for the sake of theory. Another lot remain in the party in the hope that a privilege (a berth in the cabinet, for example) can one day be purchased with the help of a seasonal theory they hold onto. The main task of this lot is to explore a certain privilege and find some theoretical cover to justify why the privilege should not be missed.

¹ Analyses and ideas in this essay draw largely on my books "Nepal's Political Economy: Reproduction of Crises and Direction of Transformation", "Today's Marxism and Nepali Revolution" and also on the "Supplementary Proposal" tabled at the Eighth Congress of the CPN (UML) held in February 2009 on behalf of a group of UML members.

> If the identification of the main contradiction was right, why didn't the CPN (UML) conduct any activity against them?

In this write-up, an effort has been made to analyse main theoretical problems faced by Nepal's communist parties in relation to their programmes. On analysis of the problems, some potential solutions are also offered as food for thought.

PROBLEMS

In its Eighth Congress, held in 2009, CPN (UML) had categorically stated that its class and political contradiction would be with "feudal, regressive and status-quoist forces." But in the last four years since the Congress, not a single activity has been implemented against these 'feudal' forces. If the identification of the main contradiction was right, why didn't the CPN (UML) conduct any activity against them? If it is right not to initiate anything against these forces, then the diagnosis of the contradiction itself was wrong. The party now is facing these issues and questions and none have found matching answers. More surprising, the CPN (UML) has for long adopted the People's Multiparty Democracy (PMD) as a theory of revolution, but has yet to define what in fact the theory means. The report adopted by the Eighth Congress explains the programmes of the PMD in 23 points under the "Basic Principles of People's Multiparty Democracy." And, on the basis of the explanation, the PMD is claimed to be the party's "guiding principle." But the report does not define what in fact the PMD is, nor does the Party.

The CPN (Maoist) had launched the "People's War" to conclude "new democratic revolution" through the capture of state power. It had named Maoism as the main theory to guide the revolution. In 2006, the

Why? Was the "People's War" right – or wrong – which was launched to establish "new democracy?" The Party now is failing to satisfactorily answer such questions.

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Maoist party concluded that the "People's War" had reached the stage of "strategic counter attack" passing already through the stage of "strategic defence" and "strategic balance". According to the Party's claim, some 80 percent territory of Nepal was under the influence of the "new regime." What it meant was the CPN (Maoist) was then very close to a point to smash what they called the "old regime" and establish their "new regime." However, just a few years down the road, the same Party descended to a point to dissolve the "People's War", hand over the "people's army" and their weapons, form a government in alliance with Madheshi political parties that champion identity politics, and face a split. Yet, it keeps claiming Maoism as its guiding principle despite its abandonment of the "People's War" right – or wrong – which was launched to establish "new democracy?" The Party now is failing to satisfactorily answer such questions.

The CPN (Maoist), formed last year after the split with the UCPN (Maoist), claims to conclude the "new democratic revolution" in Nepal on the base of the dissolved "People's War" using the theory of Maoism – developed by Gonjalo and the Revolutionary International Movement (RIM) drawing on dogmas of the Chinese Cultural Revolution – as its theoretical guide. The Party was formed alleging Prachanda and Baburam Bhattarai, the main leader and ideologue of the UCPN (Maoist), of deceiving "revolution", adopting "reformism, rightist opportunism...", and giving in to "economic and cultural way of life of a privileged class." This claim is problematic in itself and raises a number questions at once, which the CPN (Maoist) is failing to answer: Whether the ills pointed to were the consequence of the theory adopted by the Maoist (before its split) or

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The numerous splits that Nepal's communist parties have undergone have never been on grounds of theoretical issues.

these ills corrupted the theory? How does the CPN (Maoist) guarantee that it would not repeat these faults as the Party is formed without seriously analysing the ills?

These are only a few representative cases of theoretical incompatibilities that the three representative parties are enmeshed in. Almost all communist parties share these discomfort. They also concur in the characterisation and class analysis of Nepali society, which they do on the basis of the account of the Chinese society done by Mao in 1920s and 1930s. The programmes and priorities of the parties are set accordingly. In fact, Nepal's communist movement is highly influenced by the Chinese revolution. The influence continues in the same depth and breadth as it was in 1949, when the Communist Party of Nepal was formed. The latest case in point has been the CPN (Maoist) formed (or reformed) in July 2012, which defines the character of Nepali society as "semi-feudal and semi-colonial," borrowing heavily from Mao's theoretical framework of "new democracy".

Nepal's communist parties have never discussed and debated issues around the character of *society* and *class*, which form the bedrock of programmes of a revolution. They rarely discuss theoretical issues and develop programmes accordingly. Petty issues have concerned them mostly, not substantive ones. The numerous splits that Nepal's communist parties have undergone have never been on grounds of theoretical issues.

A revolutionary programme cannot be designed without a reasoned analysis of what stage of development a society has arrived at. Such The parties and their leaders do not present objective facts to show how feudalism has remained influential. They think feudalism is influential, and keep repeating that it does.

analysis is practically non-existent in the case of Nepal. Since 1949, Nepal's communist parties have characterised Nepali society as "semifeudal and semi-colonial." But they have yet to bother to explain what "feudalism" and "colonialism" exactly mean in Nepal's case. The parties and their leaders do not present objective facts to show how feudalism has remained influential. They think feudalism is influential, and keep repeating that it does. They see the hold of feudalism in the number of rural communities (which are numerically more than urban communities), in a few families holding large tracts of land, in the labour-dominant means of production, in the workforce migrating for employment, in the vestiges of racial discrimination, and in the inequality existing between women and men.

The parties equate capitalism with urbanisation, small landholding, capital-dominant means of production, employment generation, eradication of racial discrimination and equality between women and men. Some of them, with scant knowledge of political economy of the time of Lenin and Mao, look at Nepali society anachronistically from the eyes of Lenin and Mao. Others debate Marxism even without a basic knowledge of the socio-economic bases of Marxist political economy. Nepal's political parties are, in essence, unaware of the character of modern capitalism.

In 1987, Sociologist Chaitanya Mishra wrote an essay on "Development and Underdevelopment: A Preliminary Sociological Perspective." Based on deep analysis of historical facts, the essay discusses how Nepali society has come under the grip of world capitalism over the years. In his 1993 write-up, entitled "What's the Class Character of Nepali State,"

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The communist leaders present in the discussion emphasized the need for a serious study on the character of Nepali society, but no party seems to take heed of the suggestion yet.

Shyam Shrestha initiated an important discussion that a state dependent on non-agricultural sectors for basic sources of income cannot be feudal. In 1998, in a workshop organised by Teshro Dhar (third stream), this author introduced a debate, through a paper entitled "Directions of the Present Communist Movement," that the labour invested in subsistence production and commodity production does not fall within feudalism. Nepal's agricultural economy, he argued, was either subsistenceoriented or somehow linked to the market, and, as such, it took on the basic character of comprador capitalism. The paper, on this basis, argued that Nepal was no more a "semi-feudal and semi-colonial" society. In the mean time, in 2003, the Mulyankan (evaluation) monthly published a write-up basing on issues and ideas raised by Professor Chaitanya Mishra and commentaries on those issues by various communist leaders and intellectuals. In the main theme of the write-up, Nepali society was claimed to have entered into capitalism, as claimed by the main speaker, Professor Mishra. The communist leaders present in the discussion emphasized the need for a serious study on the character of Nepali society, but no party seems to take heed of the suggestion yet.

Among other initiatives towards redefining the character of Nepali society are two books by the author, articles and commentaries by Professor Mishra and a few other writers/critiques, and the Complementary Proposal tabled by the author at the 2009 Congress of the CPN (UML). The Proposal, tabled on behalf of a group of party members, claimed that (a) Nepali society was already capitalist, with the nature of capital being comprador, (b) capitalist political revolution was already over in Nepal, and, therefore (c) a communist party should now concentrate its energy on development of national capital in order to create a base for In capitalism, wage labour relations determine all social relations whereas it is unpaid labour that determines other social relations in feudalism.

socialism. The Proposal could not influence the programme of the Party and the leaders, who continue to dance to Pushpala's tune developed 63 years ago.

CAPITALISM: THE CHARACTER OF NEPALI SOCIETY

In the social production of their existence, men inevitably enter into definite relations, which are independent of their will ... are appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness.²

This conclusion by Marx is the main basis for the Marxist system of social analysis. As such, the "relations of production" define the character of a particular society because the totality of the "relations of production" of the society in question constitutes its economic structure – or base. Put differently, the totality of the relations of production is the identification of a society's social structure or its (real) base.

Labour relations separate capitalism from feudalism. In capitalism, wage labour relations determine all social relations whereas it is unpaid labour that determines other social relations in feudalism.

Feudalism appeared in many forms and features in different societies in different times. But in the case of land relations, it maintains a universal

² Marx 1859 (page 181)

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Lenin, Mao and many other political economists and sociologists also argue that feudalism is a socio-economic system built on the exploitation of agricultural labour.

character, in which land remains fully under the control of feudal lord, and serfs (farmers) are forced legally enslaved to the land In "The German Ideology", Marx and Engels discuss land-based wage slavery as the main form of property in feudalism. Similarly, in different sections of "Capital", Marx attributes feudalism to a relation in which a serf is dependent on a feudal lord because of the labour tied to landed-property. Lenin, Mao and many other political economists and sociologists also argue that feudalism is a socio-economic system built on the exploitation of agricultural labour.

To understand the state of feudalism in Nepal, labour relations of Nepali society should be analyzed using the theoretical framework of "the totality of the relations of production" and "the labour tied to landed property." Seen in this light, no community is found to exist in Nepal where 'serfs' personally depend on feudal 'lords'. Around the time of Sugauli Treaty, Nepali society came in contact with global capitalism and entered the process of capitalist development itself with Chandra Shamsher's abolition of slavery. Then on, it has been part of numerous political movements, social awareness campaigns and legal reforms. These are central processes of capitalism.

In terms of production, Nepal has either subsistence or commodity production. Neither of them relates to feudalism as there is no exploitation of unpaid labour, and commodity production is antithesis of feudalism. Five forms of labour are said to exist in Nepali society³: domestic labour, wage labour, *parma* (exchange of labour), dependent

³ Mishra, Chaitanya as quoted in Bhusal 2002 (pages 100-102)

After the 1951 revolution and particularly after the enactment of laws dealing with economic and social issues in the changed context, Nepal began its journey to capitalism.

labour and tenancy labour. Of these categories, only dependent labour falls under feudal relations. Domestic labour involves the labour for production for self consumption. *Parma* is also a form of domestic labour. Tenancy labour is not based on farmers' personal dependence on landowners. It, rather, to a significant extent, guarantees tenants' or cultivators' freedom through a set of rights and protections. So it is only the dependent labour that has the remnants of feudal relations, in which workers are forced to work without a wage. But this form of labour does not have a social existence in contemporary Nepal.

As Pushpalal has said, Nepal in early 1950s was in a confluence of feudalism and capitalism, moving towards capitalism but basically under influence of feudalism. As such, Nepal then was semi-feudal. After the 1951 revolution and particularly after the enactment of laws dealing with economic and social issues in the changed context, Nepal began its journey to capitalism. By 1963, Nepal's economic base was basically capitalist, with its basic social character remaining no longer semi-feudal.

MAIN FEATURES OF CAPITALISM

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Those who worked as brokers for feudalism were called "comprador capitalists" in China. Soon, the words entered the lexicon of economics and sociology. After the end of colonial feudalism, the capital that did not generate employment was called "comprador capitalism." Political economist Samir Amin says the following about comprador capitalism:

For a bourgeoisie to constitute itself as a dominant national force capable of developing the forces of production with the minimum of

Capital becomes comprador when it does not connect agriculture to industry or create employment as expected, but continues exploiting the working class.

autonomy, it must be capable of controlling national reproduction of the labour force (hence agriculture-industry relations), technology, the markets and circuits for collecting capitals, etc. If it does not succeed, it is compradorized and therefore incapable of fulfilling the historical role expected of it.⁴

Capital becomes comprador when it does not connect agriculture to industry or create employment as expected, but continues exploiting the working class. In other negative features, comprador capitalism does not free the labour entangled in traditional agriculture. Nor does it contribute to the development of productive forces. Such capital is mainly used to purchase, internally, raw labour and materials, amass unproductive property and sell commodities of other countries. It thus acts as a tool to promote foreign industries and block national industriousness. The character of existing economic life of Nepali society is comprador. It is evident from the nature of capital, the situation of agricultural development and the population dependent on agriculture, labour relations, the condition of trade and industry, and the condition of the totality of the development of productive forces. Nepal's capital does not link agriculture with industriousness. Nor does it create employment in the agricultural sector. Resultantly, Nepali youth force is migrating for foreign employment.

In productive or industrial capitalism, a worker sells his labour to a capitalist, who buys raw materials for his industry from another capitalist. For example, a capitalist with a flour mill buys wheat from a capitalist

⁴ Amin 1990 (page 115)

However, in comprador capitalism, a market/trader buys raw agricultural product from a worker and sells them consumer goods. Here, workers do not directly sell their labour force. Their labour is sold as goods.

landlord. A worker works in the land of the landlord and also in the mill. The landlord and the mill owner should augment their production to earn more profit. To enhance production, they should also enhance their investment in equipment and agriculture. This gradually leads to agricultural industrialization. In productive or industrial capitalism, profit and labour productivity, thus, increase in parallel in a form of extended reproduction.

However, in comprador capitalism, a market/trader buys raw agricultural product from a worker and sells them consumer goods. Here, workers do not directly sell their labour force. Their labour is sold as goods. As the worker is both the 'producer' and the 'investor,' the investment in primary production becomes negligible. So becomes the rate of profit. The worker cheaply sells their labour to traders and buys consumer goods at a price. They make no savings and, resultantly, no investment and no development of productive forces. This results in a situation in which there is some production but the producer does not have savings and is unable to invest to enhance production. It is the state of simple reproduction.

Simple reproduction is the main feature of Nepal's agricultural production, a feature defined by a kind of productive stagnation in which no production increases despite hard labour, and workers continue to struggle to make their ends meet. It occurs in the lack of sufficient land and other means of production. It is also the result of decreasing productivity of land. At the root of all this is the comprador character of Nepal's economy. Those who see it "semi-feudal" are not well versed in the system of Marxist economic analysis. They claim so pointing to the

> They might have based their claim on Marx' statement that relations of production depend on the existing stage of development of the objective forces of production.

preponderance of subsistence farming in Nepal's agriculture, which in fact is the result of comprador capitalism and not of feudalism.

Some hold that means of production determine the character of society. They might have based their claim on Marx' statement that relations of production depend on the existing stage of development of the objective forces of production. But this is a fallacy, a wrong understanding of Marxist political economy. Tools (forces) of production do not determine a social character. Seen in a social lens, a production process encompasses a continuum from the use of a tool (for production) by a worker to the actual use of a product. For example, a farmer produces some wheat with the help of two workers, takes it to a flour mill five miles away on a bullock cart, and sells the flour to a trader five miles from the mill. From the money earned, wages are paid to workers and some consumer goods purchased. Here, all these relations - between the farmer and the workers, the farmer and the mill owner and the farmer and the trader - are capitalist. All these relations are formed because of a particular community that consumes the wheat, a community that can be another five miles away from the trader. As such, in the production process, the farmer's relation of production is connected to the wheatconsuming community 15 miles away from them. If the community had not developed or had some other thing to feed on, the farmer would not have hired the two workers and they would not have been connected to a wage relation. If the wheat-consuming community is the settlement of industrial workers, then the settlement of the wheat producing farmer 15 miles from them is one of capitalist economy and its production a part of industrial capitalism. A wheat growing farmer does not become a feudal lord just because s/he does not own a tractor. A production

If the wheat produced by Nepali farmers supports flour mills to run in India, then Indian capitalism is contributing to the capitalization of Nepal's agriculture.

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relation is not an interaction between a person and a tool. It is one between human beings. To argue otherwise is in direct contradiction to the basics of Marxism.

Let's discuss comprador capitalism based on the same example above. If the trader buys the wheat produced in all settlements within 10 miles, sells it in another country, invests the profit earned in money lending at exorbitant interest to earn more profit or buys goods produced in other countries and sells for profit, the trader is a comprador capitalist. If the profit is used to establish another flour mill, it then becomes productive capital. If the wheat produced by Nepali farmers supports flour mills to run in India, then Indian capitalism is contributing to the capitalization of Nepal's agriculture. If the profit gained from the sale of wheat in India results in the installation of flour mills in Nepal, the transaction turns into productive capital. If, on the other hand, the produce keeps going to India, the trader keeps earning a profit but does not invest in productive activities, and the fate of Nepali farmers does not improve, this process of production becomes comprador capitalism, with the production system taking on a reactionary character. The wheat producing process is capitalist but is prevented from being productive for our society. Nepali farmers have been generating employment and profit for Indian workers and the Indian mill owner. Put differently, the labour of Nepali farmers is contributing to the development of the forces of production in India. As such, the social relations of the wealth producing Nepali farmers are determined by the Nepali wheat trader and the Indian mill owner and workers. Here, the forces of production and relations of production of Nepal are shaped by the Indian forces of production. Nepali society

Since Nepal has greater number of villages than urban centres. They invoke this fact to claim that feudalism preponderates in Nepal. But the difference between a city and a village is not determined ...

has transformed from feudalism to capitalism but the character of the capitalism is comprador.

There also are analysts who see the predominance of feudalism in the number of rural communities. Since Nepal has greater number of villages than urban centres. They invoke this fact to claim that feudalism preponderates in Nepal. But the difference between a city and a village is not determined by a system of production. The difference lies in the area of production. In a general parlance, a village is an area of agricultural dominance. And, a city is an area where the sectors of industries, business and services are extended. When agricultural production is capitalist, the villages where such production takes place automatically become capitalist. As such, for an analysis of a social character, a village or a city does not make a difference. There also are claims that the trend of youths migrating for foreign employment relates to the feature of feudalism. Such claims originate from the lack of basic knowledge of feudalism itself. That Nepali youths are migrating for foreign employment is true. They are forced to migrate because of comprador capitalism and not because of feudalism.

CLASSES IN NEPALI SOCIETY

On its establishment in 1979, the Communist Party of Nepal (Marxist-Leninist) had analysed the class nature of Nepali society as comprising of the following classes: (a) landlords and comprador capitalists (b) rich farmers and middle or national capitalists (c) mid-income farmers and urban low capitalists (d) poor farmers and urban poor, and (e) Nepali society was identified as "semi-feudal and semi-colonial" without establishing objective benchmarks to define her feudal production relations.

agricultural workers and proletariats. Other communist parties have also followed this pattern of analysis, which in fact is based on Mao's analysis of Chinese society done in 1926 and 1933.

Nepali society was identified as "semi-feudal and semi-colonial" without establishing objective benchmarks to define her feudal production relations. As a result, the terms used by communist parties – such as "proletariat", "working class", "labourer", "farmer", "poor famer" – turned to be a vague jargon, and, their "liberation" even vaguer.

According to Marx:

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The owners merely of labour-power, owners of capital, and landowners, whose respective sources of income are wages, profit and ground-rent, in other words, wage-labourers, capitalists and landowners, constitute then three big classes of modern society based upon the capitalist mode of production⁵

Following this analysis of Marx, it is the income source that determines classes. And the source of income is determined by ownership: ownership of one's labour and ownership of capital and land. Seen in this perspective, the 'middle class' – one between the capitalists and the workers – in Nepal has two sources of income: profit and labour. The people in this class also work as labourers and also exploit the labour of others. In this light, Nepali society seems to have three main classes, namely capitalist class, middle class and working class. But the peculiarity of Nepali society demands more nuanced analysis. First, to name all profit earning people as capitalists and keep them in a class overshadows the

⁵ Marx 1971 (page 885)

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Similarly, unlike in Europe, the term 'labourer' or 'proletariat' does not represent all the working class people in the existing context of our social development.

character of comprador capitalism. In times of Marx, capitalism was thought basically to be industrial. But, in a society like ours capitalism has developed with a comprador character. Here, creative capitalism plays a progressive role and comprador capitalism a reactionary one. As such, a capitalist class should be separated as comprador capitalist and national capitalist. Similarly, unlike in Europe, the term 'labourer' or 'proletariat' does not represent all the working class people in the existing context of our social development. We can lump together proletariats (who do not own the means of production) and the marginalised workers with ownership of some means of production, whose condition of life is worse than that of the proletariats. These two categories can make the working class. But this way of classification excludes a large mass of people socially marginalised by comprador capitalism. So a more appropriate way, which would address this difficulty, would be to categorise them separately as 'working class' and 'marginal working class' people.

Analysed in this context, following five principal classes are found in Nepali society.

1. Comprador Capitalist Class

As discussed above, comprador capitalism does not link agriculture with creativity. It does not directly engage in production. It supports foreign capital that blocks the production process at home. Business houses importing various consumer goods and agents engaged in weapon smuggling, land transaction and construction make an enormous profit. Hydro-power agents of foreign companies and the brokers engaged in imports for public institutions also make enormous profits. There is yet another category of fortune makers: people earning As such, the class of comprador capitalists is a politicaleconomic alliance of big businesspeople, commissiondependent *nokarshaha* (bureaucrat), commission-earning political leaders and their henchmen.

riches overnights and engaged in various transactions remaining in high positions of political parties or being in close touch with them. Apparently, these people are not in any substantive productive business. But their income is unnaturally high and lifestyle extravagant. As such, the class of comprador capitalists is a political-economic alliance of big businesspeople, commission-dependent *nokarshaha* (bureaucrat), commission-earning political leaders and their henchmen. It is the income and its source that brings these people together and keeps them influential in all times under all political and governance systems. This class always stands opposed to genuine social transformation because of its class interest, and, as such, is the main obstacle to revolutionary transformation.

2. National Capitalist Class

The national capitalist class owns the capital that enhances internal productivity, contributes to regeneration of internal employment and links subsistence-oriented agricultural labour with the organised sector to engage them in a capital generation process. This class, thus, becomes a medium for developing underdeveloped productive forces. Comparatively small and big industrialists belong to this class, which can even be further classified as 'big', 'middle' or 'small ' on the basis of the sector of business/industry, its size and level of income. But such classification is not imperative for revolution because both small and big capitalists share the same interest due to their main contradiction with imperialist and comprador capitalists. Currently, this class is not organised and cannot be organised on its own. It will be organised only when revolutionary forces consolidate themselves and engage them in the development of national capital. Put differently, the national

The middle class sells their labour and also purchases the labour of others. In terms of the amount of income, the class can be further divided as 'high middle' and 'low middle.'

capitalist class becomes organised as soon as comprador capitalism starts to get cornered and marginalised.

3. Middle Class

What distinguishes this class from the 'National Capitalist Class' is the source of income, which is the mix of labour and profit. The middle class sells their labour and also purchases the labour of others. In terms of the amount of income, the class can be further divided as 'high middle' and 'low middle.'

In the 'high middle class' fall those who own land sufficient to feed their family members and make some savings, those with business and industry and those with two or more sources of income, such as some land and a job. Those with one good source of income, substantial bank balance and capacity to invest money in other sectors also belong to this class. Good earners such as doctors, noted lawyers with assistants, consultant engineers, chiefs of national and international nongovernmental organisations, high ranking government officers, editors of big newspapers, owners of mid-range private schools, managers of bank and other enterprises, and, owners of mid-range industries and businesses also belong to this class. The people in this class support every process of social change if the outcome does not adversely affect their status. Since this class of people keep a close relation with the lower class, the government and the high class compete to maintain a good rapport with this class paying due honour and privileges as necessary. In terms of political character, this class of people display vacillating character. Now, they support progressive forces, now they even back

And what sets it apart from the Marginal Working Class is the amount of income which is just enough to maintain their family, including education for children.

reactionary ones. The choice depends on what benefits to them and how.

Those who own and work some piece of land, technicians with a small workshop, small business owners, such as a tea stall or a vegetable shop, teachers and civil servants with some piece of land or a small shop belong to the 'low middle class'. Directly involved in productive processes, the people in this class are more revolutionary and less opportunist than the high middle class.

4. Working Class

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What distinguishes this class from the Middle Class is the source of income, which is their labour. And what sets it apart from the Marginal Working Class (discussed below) is the amount of income which is just enough to maintain their family, including education for children. These people are junior officers, school teachers, junior policemen and soldiers, working journalists, artists, lawyers, workers in the organised sector who operate automatic or semi-automatic machines and drivers. These are single-income category people with a permanent source of income.

They work full time to maintain livelihood, and bear an active and positive outlook towards social justice and transformation. Familiar with almost all difficult aspects of life and actively engaged in the process of economic production, the people in this class are always updated on evolving political events and their possible effects on their lives. They are easy organising and, as such, are the main driver of revolution.

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The proletariats in Nepal, who have no land and other profession but labour to make a living, are not 'free' like industrial proletariats.

5. Marginal Working Class

The people in this class are deprived of the means of production. They work for others for a wage on which their livelihood depends. They are proletariats. In Europe, when the term proletariat was coined, the workers were expelled from land and were brought in touch with industries where they had an opportunity to get organised with other workers. In a comprador capitalist society like ours, workers are not chased away (by industry) from land. They are rather pressed (by market) into remaining in the land so that they can be exploited to the fullest. The market exploits them in two ways: by not paying the wage they deserve and by not allowing them to enter the industrial sector after being uprooted from the land.

The proletariats in Nepal, who have no land and other profession but labour to make a living, are not 'free' like industrial proletariats. In Europe, it was machine or industry that created condition for proletariat organising and consciousness. In our production system, such a situation did not develop. We have a workforce dependent on their own labour for a living, but the prevailing production system makes their life uncertain. This category of workforce thus becomes marginal. It includes landless people, ploughmen, other agricultural wage-labourers, porters, domestic workers, rickshaw pullers, cart pushers, brick kiln workers, construction workers, temporary factory labourers, and helpers in the transport sector. A huge mass of rural people, firmly tied to subsistence agriculture but unable to eke out a living, also falls into this class. Socio-economic transformation basically takes place at the economic base. It is, as such, the transformation of production relations.

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CHANGES OF 2008: NEPAL'S CAPITALIST DEMOCRATIC REVOLUTION

We see social-economic transformation and political revolution as one and the same. A subtle analysis however differentiates them, and such differentiation in necessary.

A social structure is basically analysed at two levels: at the level of economic 'base' and at the level of legal and political 'super structure.' Socio-economic transformation basically takes place at the economic base. It is, as such, the transformation of production relations. Political transformation, however, occurs at the super structure level and it affects legal and political systems and arrangements. In a process of economic transformation, contradictions emerge between the old political system and the newly developed class. These contradictions soon take a political character. New social classes demand new systems of politics, but those benefiting from the old legal and political order want to main the old one. In this tug of war, new classes dismantle the political system of the old class, and introduce a new legal and political order. This process is called revolution. In other words, even in a new or developed production system, old classes might have control over political power, which new classes smash and bring about a change at the political level. Such a change is revolution. This way, political revolution replaces an old state by a new legal and political system, consolidates new relations of production and creates an environment for productive forces to develop.

It is in the nature of the ruling class to expand their interests and explore ways to nurturer them. In doing so, they trigger changes in the relations of production, which then triggers development in the

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The post-revolutionary outcome can even be to their advantage, and the rebellious faction can even prevail as a formidable force.

forces of production. In the midst of these changes, the ruling class may transform itself to a new class. For example, feudal landlords may transform themselves into a capitalist class. It is an easy process of social transformation, a process in which both social and political changes can go hand in hand without any obstruction and a huge political upheaval. On the other hand, the ruling class may also choose to resist its transformation. In this case, it should face an opposition arising from the changes and the resultant new relations of production, which give rise to a new form of contradiction. In such a situation, a huge force created by the pace of socio-economic development will open a door to kickstart a new political process of transformation. The process will have the force of an earthquake. As such, a revolution can, sometimes, appear in the form of a specific event and makes a leap forward. And, sometimes, it appears as a gradual political development.

If a new bourgeois class confronts head-on with feudal forces when feudalism in on the wane, the resultant revolution gives rise to a completely new class and produces colossal impacts on political as well as social sectors. Although infrequent, a faction of feudal forces is also found to side with an emerging progressive class due to an internal contradiction amongst the forces. Given their legacy of the past regime and the readiness to cooperate with an emerging order, the faction becomes crucial to the revolution against the feudal class. The post-revolutionary outcome can even be to their advantage, and the rebellious faction can even prevail as a formidable force. In a revolution thus concluded, the pace of revolutionary transformation will be slow. The feudal and bourgeois classes will still be on collaborative terms in The old feudal class cannot remain unchanged as it has also been a part of the revolution. It has to transform itself into a new bourgeois class.

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the exercise of political power, but their class base also keeps them in a contradictory relationship.

The old feudal class cannot remain unchanged as it has also been a part of the revolution. It has to transform itself into a new bourgeois class. It remains equidistant from a new bourgeois class and the old nobility, and maintains a hold on power. In such a situation, a liberal bourgeois class sees the power holding illiberal bourgeois as a feudal junk, which it does to justify itself as a more progressive force. Now emerges a long term contradiction between liberal and illiberal bourgeoisies. Failure to creatively manage and resolve the contradiction leads to a chaos, which the illiberal bourgeoisie may try to tap into to launch a counter revolution. After the 1789 bourgeois revolution in France, a series of counter revolutions were staged. This happened also in Britain, Russia and China. Such events keep recurring until new progressive classes consolidate themselves. Put differently, the chances of bourgeois political revolution do not end until new progressive classes emerge. The emergence of new class is, thus, the closure of the capitalist democratic political revolution.

To see Nepal's revolution in this theoretical framework suggests that the 1951 revolution ended the traditional feudal political system and introduced a capitalist political system. The Rana regime represented the traditional feudal class. The royal palace, also a faction of the class, sided with the revolution due to their internal contradictions. After the revolution, internal contradictions became intense within the newly emerged capitalist class while the feudal class narrowed down their internal differences and got united. In the ensuing contradiction as to

The palace, fully surrendered to the old feudal class and international influence, did not take the country towards industrial capitalism. The country was rather pushed towards comprador capitalism.

who should lead capitalism, the palace prevailed over the Nepali Congress party, which then represented the emerging capitalist class, sidelined the political achievements of the 1951 revolution and consolidated its position. Within a decade, while the new progressive class was still struggling to consolidate itself, the 1961 counter revolution occurred and the palace became dominant.

The palace, fully surrendered to the old feudal class and international influence, did not take the country towards industrial capitalism. The country was rather pushed towards comprador capitalism. This soon led to a new contradiction, now between the capitalist socio-economic system and the royal monopoly, which culminated into the 1990 revolution in whose success the representatives of the working class had a decisive role. After the revolution, they also participated in the government through communist parties which represented them. A few years later, a communist party even formed an elected government. However, the new system soon faced a crisis, which emerged in the name of the "People's War." The Maoist "People's War" was the result of the two developments that occurred in parallel. The first development was marked by the contradictions between the Nepali Congress party, which represented the liberal bourgeois class, and the communist parties; and, also between the illiberal bourgeois institution, the monarchy, and the liberal bourgeois class. The second was the clash between the Indian bourgeois state and Nepal's national interests.

The "People's War" was a bit of competition of a sort. The Maoists exploited any option available, and the Maoists were also heavily exploited. Taking advantage of the crisis, King Gyanendra, the leader Nepal's capitalist democratic revolution was jointly led by the working class and the capitalist class. This is a unique feature of Nepal's revolution.

of the illiberal bourgeois class, mounted an easy counterrevolution and pushed the tide of political progress back to the pre-1990 era. But it was not possible for the feudal monarchy to prevail as Nepal had already outpaced the level of socio-economic development on which the monarchy would thrive. Even the bourgeois class opposed the King's design. The Indian bourgeois state also supported the anti-monarchy movement as the instability that would result in the aftermath of the demise of the monarchy would be to India's advantage in many respects. A new revolution was concluded once again. The parliament reinstated after the revolution ended the political influence of the monarchy and the feudal monopoly over the state.

After the Soviet Revolution, a prominent voice emerged that the proletariat should lead even the capitalist revolution. It was argued that imperialism support feudalism and vice versa. Lenin and Mao held this view, which practically reflected in the democratic revolution in China and some other countries. But the recent events in South Korea, Thailand, Malaysia, Singapore and some Arabian countries suggest that the capitalist class can lead capitalist revolutions. The leaders of democratic revolutions in France, England and some Western European and Asian countries were the capitalist class. The revolutions in China, North Korea and some Eastern European countries were led by the working class. Nepal's capitalist democratic revolution was jointly led by the working class and the capitalist class. This is a unique feature of Nepal's revolution.

Currently, the Indian bourgeois state has expanded its influence on all spheres of Nepali life. As the UCPN (Maoist), Nepali Congress and CPN

Nepal's dependent capitalism developed over two hundred years is responsible for the persistence of grinding poverty, unequal development and existing discrimination in access to power and resources.

(UML) started to engage in a battle to hold control over the new state after the Constituent Assembly, the Indian state firmed up its influence more aggressively than ever before. Taking advantage of Nepal's social diversity and weak government, some western capitalist forces, in their bid to maintain their influence in Asian politics, also supported the voice for crafting provinces along racial lines. Finally, sensing that the Constituent Assembly would not deliver the constitution of its preference, the Indian bourgeois state caused its dissolution through the alliance of the Maoists and the so-called Madhesis.

Given Nepal's geo-politics, economic development in China and India and the contemporary tide of international politics, the future of Nepal's politics is likely to be in the tug of war between the forces who stand for its independent capitalist development and those who want to see the continuation of the history of external-dependence.

WHAT SHOULD BE THE PROGRAMME FOR REVOLUTIONARY TRANSFORMATION

Nepal's dependent capitalism developed over two hundred years is responsible for the persistence of grinding poverty, unequal development and existing discrimination in access to power and resources. It is this capitalism that maintains Nepal's unequal relations with India. These problems are sustained by the hegemony of comprador capitalism in Nepal's economy. As long as such hegemony remains, political crises keep recurring. In fact, comprador capitalism requires such crises to continue for its nourishment. In Nepal, political requirements have basically been fulfilled for new democratic or capitalist democratic or people's multi-party democratic revolution.

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The root of the problems discussed above is dependent capitalism or comprador capitalist political economy. The main solution to the problems is, therefore, the development of national or creative capital. It is a gigantic responsibility than cannot be fulfilled by a capitalist class and its representative party as the theory of capitalism does not define these problems. A liberal capitalist theory fails to comprehend Nepal's class, caste and social problems, and sees its cure in more integrated capitalism. Nor these historical problems can be understood by today's racist and regionalist forces that resist seeing these problems from a national lens. Extremists and opportunists do not see politics in the totality of society and history. They see politics through a narrow and cunning military lens, keeping it detached from its politico-economic underpinnings, and seek solutions to the problems concerned in an absolute control of state power. They divide revolutionary forces, stand in the way to social transformation and, ultimately, contribute to the status quo.

This gigantic responsibility of developing creative productive capital can be discharged only by Marxist communists and socialists because (a) there is no organised class of national capitalists, who could otherwise contribute to development of national capital, and (b) no base can be created for socialism without developing national capital.

In Nepal, political requirements have basically been fulfilled for new democratic or capitalist democratic or people's multi-party democratic revolution. Now, the revolutionaries should focus on fulfilling the remaining socio-economic requirements, which, in actual fact, are the requirements of capitalist democratic revolution, which can be fulfilled

Changing comprador capital into a process to generate taxes for social investment, create employment for unemployed workforce and free them from the clutches of poverty and humiliation is not a small revolution.

only with a socialist goal and direction. The development of capital does not guarantee socialism, but without the development of capital, it is certain, socialism is impossible. As such, in our revolution, there is no contradiction between the way to national capital and socialist goal. But we are also aware that there is no short-cut to socialism. We cannot be blind to the failure of the Soviet model of socialism nor can we pretend not to learn from the Chinese and other revolutions. We should also be conscious of our cultural and geographic diversity and the history of revolutions and counter revolutions. The revolutionary party will thus be one with (a) the goal of socialism, (b) commitment to replacing dependent capitalism with national capitalism, and, most importantly, (c) the programme for building a just and prosperous society.

An economistic question may be raised as to how a capital generating state can be socialist as capital generation requires labour exploitation. The answer to such question requires putting issues in perspective. Providing care and employment to the marginal working class living an uncertain life and to the productive workforce migrating for employment is a progressive step. So is the institutionalisation of a minimum wage for workers and creation of an environment in which they can freely organise for their development. Changing comprador capital into a process to generate taxes for social investment, create employment for unemployed workforce and free them from the clutches of poverty and humiliation is not a small revolution. When we emphasise creative capitalism, we are not advocating for programmes that freely develop private capital. It is the development of national capital through a planned and balanced exploitation of public, cooperative and private capital. A revolutionary party and the government under its influence A revolutionary party and the government under its influence creatively mediate between labour and capital and prevent the two from being antagonistic.

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creatively mediate between labour and capital and prevent the two from being antagonistic.

Capitalism, especially comprador capitalism, is the main character of Nepali society now. So the main contradiction a programme of revolution should resolve is the one with comprador capitalism as it is the main obstacle to the development of all productive forces. And the main problem the programme of revolution should solve is the one faced by the marginal working class. They should be lifted from the state of marginalisation, have a guaranteed access to livelihood, be supported to build their agency and capacity to freely participate in productive processes. This in fact is the first basic step towards revolutionary transformation. Then the focus should lay on expanding democratic rights and liberties and bringing all marginalised groups and categories in the mainstream of national processes. This task is important not only in terms of social justice but also to create a base for socialism. Alongside this also develops capitalist process and the unemployed and subsistence-based workforce, which is now participating in a productive process. All this happens as the policy of the state and in a planned way. Our way ahead is thus to organise people into movements, elect their representatives freely and fairly, force the existing state to enact laws and policies in favour of the people, gain majority in parliament, and form a government and introduce policies and programmes to develop national capital. This is how we move ahead to conclude the process of social transformation through people's movements, people elected parliament and parliament elected government.

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A section of the present middle class will be transformed into a capitalist class. The circle of comprador capitalists and extreme reactionaries will be narrowed markedly.

The state, cooperatives and private institutions should participate in productive investment. Local governments and public institutions should be encouraged to invest in the public sector, especially in education, health, local infrastructure, housing, micro hydro projects, tourism, forest and irrigation. This promotes public property and creates a socialist base for the future. A progressive tax system should be introduced in which all citizens pay a tax. This should be done through the policy of 'who earns, pays a tax.' It is the policy in which all participate and claim state services in return. This increases the proportion of public income and establishes that the life of national income is not the monopoly of capitalists but also the concern of the people at large. In the sector of education and health, a progressive service tax should be levied based on one's income. Through inclusive democracy, planned regional development, delegation of authority to local bodies, federalism based on Nepal's unique unity in diversity, and, political parties and bureaucracy free of commission and corruption, democratic rights will be expanded, regional and racial discrimination ended and a strong national unity of all people established. All policies of the state will be informed by the vision of sustainable development of national capital. This is how national independence and freedom will be protected and consolidated, linking it to everyday life of the people.

The conclusion of the above programme will transform the character of the state from comprador capitalism to national capitalism. A section of the present middle class will be transformed into a capitalist class. The circle of comprador capitalists and extreme reactionaries will be narrowed markedly. Others will transform into national capitalists. Today's poverty will be eliminated, and today's marginal workers and working As far as a revolutionary programme is concerned, to see less than these basics in a given situation, will be a short sight, and hope to achieve beyond them a daydream.

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class people will be organised as the majority of the working class. Even the root of discrimination against Dalits, ethnicities, women and those in marginalised areas will be uprooted. The problems of Nepal's dependent development will be solved and Nepal will establish an equality-based relation with India, China and other countries. Our programme will, thus, focus on developing and completing such national projects that aim to bring physical and cultural prosperity to a majority of the working class people. Central to the programme will be nationalisation of land, massive expansion of public property, establishment of the cooperative economy, and state guarantee of education and health. And these will be the main base for socialism. As far as a revolutionary programme is concerned, to see less than these basics in a given situation, will be a short sight, and hope to achieve beyond them a daydream.

CONDITION FOR REVOLUTIONARY TRANSFORMATION: DEVELOPMENT OF A REVOLUTIONARY PARTY

In modern politics, political parties become the vehicle for social transformation. If the programme of revolution in Nepal is to change the process of dependent capitalism, establish the process to develop national capital and then to lay the foundation for socialism, we need a party which is aware of the root of the problem, fully committed to its solution and has socialism at heart as its political goal. A revolutionary political party is the totality of theory and organisation, and policies and organisational structures to apply the theory. But the discussion above suggests that Nepal's communist parties are not theoretically aware of the programme, and their organisational structures are not appropriate

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Having no principle to stick to, party organisations and cadres have been a tool to serve personal interests of party leaders who, on their part, are dying for high positions of the state.

to implement the programme. Had they been aware, they would not have downplayed the importance of the 1951 revolution, would have adopted the policies to protect the achievements of the 1990 revolution, would not have been a cause to the demise of democracy achieved thereafter and would not have cast aside the socio-economic priorities of the recent democratic revolution.

Calling Nepali society as "semi-feudal and semi-colonial", the communist parties of Nepal have devised policies that keep political revolution in the centre. It is despite them being in power, one way or another, after 1990. Their analysis suggests that new democratic or people's multi-party democratic revolution will occur in future. To them, what is revolutionary now is, therefore, to try hard for a maximum share of power. Marred by this theoretical confusion, they just move around power. So do party organisations and cadres at all levels. Having no principle to stick to, party organisations and cadres have been a tool to serve personal interests of party leaders who, on their part, are dying for high positions of the state. As personal interests prevail over national priorities, party committees split into lobbies and factions. Politics becomes a tool to win a bid or help someone win it for certain commission, destroy forest and other resources for personal gains, support smugglers and the corrupt and misuse public property and funds. Communist parties are, thus, being subservient to comprador and dependent capitalism, which is bent on pushing Nepal into further chaos and crisis in various ways. This explains why Nepal's communist parties failed to give the nation a constitution despite them having 62 percent share in the dissolved Constituent Assembly. With this failure, the parties also failed to lead a historical process of institutionalising revolution and transformation of

When needed, the entire party and people should be mobilised to create pressure on the state to develop and implement pro-people policies and programmes.

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the socio-economic structure and organisation. Central to this failure is the parties' theoretical emptiness and personalized party structures.

As we speak of the programme of revolution, we speak of two things: a clear theoretical goal and an organisational structure and culture that empowers its members and mobilises them in actions (prioritized by the organisation) to achieve the goal. In terms of organisational structure for the programme of revolution, following should be the minimum.

- The central leadership of the party should have unflinching commitment to transforming the comprador capitalist process into a national capital development process. To that end, the leadership should take responsibility for developing and implementing specific plans and programmes. National plans for infrastructure development, employment generation, enhancement of national production, and just distribution of national income and services should be the responsibility of the central committee, including the responsibility to mobilise national and international support and cooperation in favour of these priorities. It should also prepare representatives for parliament and government, with necessary education and orientation, to implement these priorities. When needed, the entire party and people should be mobilised to create pressure on the state to develop and implement pro-people policies and programmes.
- Party leaders should be chosen, and responsibilities assigned, only on the basis of one's contribution to materialising these priorities. Only then will the party leadership be responsible for social



The party should be an organisation of industrious members who compulsorily pay a tax proportionate to their income.

transformation, and a culture institutionalised in which no one can be a leader just on the basis of vague speeches and internal lobbying and factionalism.

- Local party committees should establish (by the action) that the party's policy on production aims to free the country from dependence and the marginal working class from existing production relations, elevate the living standard of the working class, rid the people at large of social discrimination and establish a just and progressive society. To do so, the local committees should first be fully aware and convinced that this is how national capital develops and a base is created for the socialist future.
- Party committees and members at all levels should directly participate in development of cooperative and public capital and create environment to mobilise private capital. Each committee should have their plans for education, health, poverty alleviation, corruption eradication, environment protection, local capacity development, employment promotion, electrification and public security. A system should be developed to merit all members on the basis of their role in getting the plans implemented, and all members should be fully aware that social transformation is the responsibility of each of them.
- Except whole-timers, all party members should engage in a production process. The party should be an organisation of industrious members who compulsorily pay a tax proportionate to their income. The whole-timers should oversee and lead the implementation of the plans about production and distribution.

The party constitution should provide that every member contesting representation in any party convention should be theoretically aware of the party's programmes and goals.

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They should also be responsible for initiating reform (vis-à-vis production and re/distribution) as necessary in their working area. Once institutionalised, this system connects party members to a production process and protects them from corrupt practices.

- Those willing to contest committee positions should prepare a plan of action detailing what social transformation initiatives would be implemented in their tenure. The quality of the plan should determine their election.
- The party constitution should provide that every member contesting representation in any party convention should be theoretically aware of the party's programmes and goals. This is to ensure that the committee the convention would elect is fit, both ideologically and theoretically, to represent the party and execute its programmes.
- It should be mandatory that each party committee regularly discuss and debate party programmes and its preparations towards socialism. Each party member should regularly study to enhance their critical thinking ability. The party constitution should provide for at least one ideological mouthpiece, which each member should compulsorily subscribe to.

Only a party thus formed will be able to link Marxist principles with Nepali society. Such a party will represent all classes, castes and regions, and solve problems specific to these categories; establish ideological appeal over people of all classes and regions; mobilize public support in favour of the party in elections; guarantee free and fair elections; organize large demonstrations and assemblies as necessary; and, in a word,

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> Only a party thus formed will be able to link Marxist principles with Nepali society. Such a party will represent all classes, castes and regions, and solve problems ...

unifies the entire nation. A party thus organized and mobilized becomes revolutionary, establishes itself as a genuine leader of revolutionary social transformation and brings us and our society closer to the goal of socialism.

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NEPALI SOCIETY, THE WORKING CLASS AND NEPALI REVOLUTION

- Shankar Pokhrel

The Manifesto of the Communist Party opens with the sentence that "[t]he history of all hitherto existing society is the history of class struggle". And its conclusion suggests that class struggle has been central to the development of human society to-date and will remain so in the future as well. In the fight against capitalism, declares the Communist Manifesto, the working class (proletariats) will remain victorious, and the state of the oppressors will be replaced by one of the working class that will then lead the march onward to classless communism. It is through class struggle the human society has come to this stage of civilization leaving behind barbarism and backwardness.

The relevance of Marxism today is as high as ever if it is seen in terms of its contribution to the understanding of the development of human society. The failure of the Soviet model of socialism put the world communist movement on the defensive for some time. It is no more the case now. After the Wall Street debacle, the world of capitalism has not only seen the sea of protests, but also has lost the credence that capitalism is an answer to the problems and expectations of human society. It is high time for the Marxists of the day to engage in concrete actions – not just in explaining the world, to borrow Marx' advice – that transform the order of the world. They should take responsibility for creating a new world order.

NEPALI SOCIETY IN A THEORETICAL LENS

In Nepal's politics today, a new debate has begun on the character of Nepali society and the direction of Nepali revolution. Some argue that the direction of Nepali revolution should be changed as Nepal is already a capitalist society. Others claim that Nepali society is regressing in the name of identity politics.

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Class struggle and social revolutions depend on the social condition of the countries concerned.

Similarly, a few people liken the 2006 political transformation to a bourgeois revolution while a few others see it as a complete social revolution. In reality, what we have achieved is transformation-in-transition, a state in between a bourgeois revolution and a new social revolution. In such a situation, a reasoned debate should be in order in term of the analysis of the social character of Nepali society and the future of course of Nepali revolution.

The state of class struggle differs from one country to another as per the level of development of the forces of production and relations of production. Class struggle and social revolutions depend on the social condition of the countries concerned. It is due to the difference in the social status the proletariats of the capitalist-imperialist countries rise up directly against the state of the capitalist class. In semi-feudal and semi-colonial countries, the proletariats participate in the world revolution against imperialism through national independence and liberation movements.

In our country, we are fighting capitalist imperialism through the latter course. Capitalism is yet to develop here, and to open a front to fight this embryonic capitalism is to be ignorant of the principle of class struggle. To see national capitalism, which is just struggling to exist, as the main social force to fight is to fall victim to hypothetical reductionism.

The working class, on the frontline against capitalist imperialism, cannot gain a victory by blocking the process of production on which its class is based. No society can proceed in absence of the continuity of production. Development of capitalism is a must for the working class to be able to lead the process of social change, bring about changes in social relations and address basic human needs. Nepali society now is moving towards such capitalism through the new course of the People's Multiparty Democracy. Development of capitalism is a must for the working class to be able to lead the process of social change, bring about changes in social relations and address basic human needs.

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The recent political change, the one of 2006, is in favour of the process. But it may not pick up the required speed unless the change is institutionalized. No doubt, the proletariats would one day finish off the social relation that is based on exploitation and oppression. There can be a debate as to 'when' and 'how' of it, but its inevitability is beyond doubt.

It is through the exploitation of human labour and means of production in the production process that humans have progressed to the current stage from their primitive past. It is the continuity of production and its modernization that has elevated the humankind from its hunting and gathering days to that of today's civilized age. In course of the development of a production process, labour division started to emerge. With the rising demand of commodities, labour exploitation also began. Human society got divided into the contending class of masters and slaves, and the history of class struggle began. Now, struggling through the barbaric Middle Ages to the age of feudalism and capitalism, humankind has now arrived at the entrance to a socialist era.

Nepali society has traits of all these four ages. The Raute and Kusunda communities still live in jungles, like those in the Middle Ages. Kamaiya, Kamlahari and Haliya systems, which bear the remnants of slavery, were abolished just a few years ago through a legal decree. Feudalism and capitalism still exist variously in our social systems.

Production begins only after the application of labour and tools of labour to subjects of labour (nature and raw materials). Capitalism develops from the process of mercantilism of goods and services so produced. Mercantilism demands mass production, which triggers the process of organised

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The latest policy of privatization and liberalization adopted in our country has created the base for the rapidity of class struggle here.

industrialization. Without labour the instruments of labour do not operate. Labour is, therefore, central to production.

The means of labour and relations of labour produce the means of production. The means of production combines with skilled and experienced human resources (who act on the means of production) to produce the forces of production. The forces of production and production relations do not stand static, but keep changing through class struggle. Private ownership of the relations of production develops exploitative relations, whereas the public ownership develops cooperative labour relations. The latest policy of privatization and liberalization adopted in our country has created the base for the rapidity of class struggle here.

Each stage of historical development gives rise to a specific socio-economic structure, which is based on the existing mode of production and has its own base and superstructure. Over times, a socio-economic structure is replaced by another due to contradictions between productive forces and production relations. Nepal's traditional socio-economic structure is in the process of change. The base of feudalism has significantly weakened following the historical people's movement of 2006 and has been without political leadership after the establishment of republic. All this has expanded the possibility of the peaceful transformation of the character of Nepali society.

A society's character is not determined just by the size of a national income. The forces of production are a key determining factor. Capitalism promotes rapid urbanization. Of late, urbanization has been rapid in our country. But it is more due to the unequal distribution of physical benefits and opportunities than development in capitalist production relations. Still, some three fourths



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of Nepali people are in rural areas. Almost the same size is caught in the feudal production systems and relations of one kind or another.

In Nepal, capitalism's pace of development has been slower than the dissolution of feudal production relations. Nepal's capitalism has produced only negligible employments, thus forcing a huge rural workforce to go for foreign employment. The agricultural sector, already marred by the lack of labour force, has not undergone necessary modernization, and is not able to develop national capitalism. It has rather been a base of comprador capitalism, which is fast developing.

Development of production relations and human communities follow an interdependent course. It is in the process of social development humans have developed themselves from a small group of prehistoric cavemen (family/ clan/tribe/ethnic/group of nationalities) to a civilized nation of the day. In Europe, human communities evolved into nations (with specific national and cultural identity) before the development of the states (understood as structures of political authority. In Asian and African countries, the order was reverse: states were formed before human communities developed their self-conscious identity and culture. The European states are, thus, defined as nation-states, whereas the Asian and African states as state-nations. In our country, we followed the path of state formation before nations were crystallized. Ours is, thus, a common nation formed through the state. Pushpalal (who founded the Communist Party of Nepal) has pictured the process of our state formation (through unification under the leadership of Prithvinarayan Shah) as a progressive step dictated by the need of the day. But the historical reality is now being presented negatively. And, debates on ethnicities are introduced influenced by the theory of nation-states. It is as

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In our country, we followed the path of state formation before nations were crystallized. Ours is, thus, a common nation formed through the state.

absurd a debate as the expectation that humans evolve from the monkeys of Pashupati area today since at one point in the history of evolution human race evolved from the monkeys.

The labour-based caste system was introduced in Nepal during the time of feudalism. It was the Newar (Malla) kings of Kathmandu who first introduced the caste system. Madhesi and Khas-Arya communities (away from Kathmandu) were, however, influenced by the Indian caste division. These Khas-Arya, Mahesi and Newar communities are still influenced by the caste system in their social interactions. In communities other than these, particularly in ethnic communities, a centralized state developed before feudalism, which exploited all these groups in its favour in various ways: as its army, as bureaucrats, as slaves, as porters, as agricultural workers (as Haliyas, Kamaiyas, etc), as cattle herders, and, as skilled artisans. These communities do not have the caste system as such, but some form of hierarchy is reflected in this division (which in the long run converted into the caste-based labour relation).

After the start of the democratic movement, the state adopted the policy of controlling the cast-based division of labour and discriminatory practices. Yet, its influence continues to exist in society, with some communities still under the clutches of the caste-based labour relations, which are unlikely to end until the feudal society transforms into a capitalist one.

National groups are thus the product of slavery and feudal society, and will remain so until the establishment of a capitalist society. The ongoing efforts to search for national identities of ethnic groups and establish the politics of identity in Nepal suggest that our society is yet to transform into a capitalist stage.

In Nepal, a unified and common state was formed before the communities evolved into a nation

A nation is a fixed group of people interwoven by economic, regional, linguistic, cultural and psychological threads. It provides the base for a common national culture and national consciousness. In advanced societies, human communities evolved into a nation in the course of the development of capitalist relations. In Nepal, a unified and common state was formed before the communities evolved into a nation. Through the common state, a process then began to establish a common nation. In Nepal, there is no possibility for human communities to evolve into various nations. Instead, a unified and common nation will be formed by collective efforts of various national groups. For this, all groups and communities of diverse language, region and culture should develop the psychology of "our (common) Nepal" and "we (all) Nepalis". It is only through this process that Nepali nation can develop into an independent capitalist nation.

Marxism is an ideological weapon for the working class to lead the above process of social development. In Nepal's case, the ideological guide is People's Multiparty Democracy.

Capitalism is a socio-economic structure in which humans are exploited by humans as it is based on private ownership and control of the means of production. Those who control the means exploit those who work them. Yet, capitalism is more advanced than feudalism. After capitalism took the form of imperialism, it became regressive, and the proletariats of the third word had to shoulder the responsibility for capitalist revolution. In Nepal, the CPN (UML) has taken the responsibility and is in the process through the theory and programme of People's Multiparty Democracy. The success of the historic people's movement of 2006 has further widened the scope of the possibility of the logical conclusion of the revolution through a legitimate and peaceful means.



olitical influence of feudalism in Nepal can best be gazed at the way Madhesi political forces have presented themselves now.

Is Nepal already a Capitalist Society?

Some observers claim that Nepal is already transformed to a capitalist society. They point to the decreasing trend of agricultural sector's contribution to national economy to justify their claim.

National economy can be influenced by certain sectors. A few mega projects can make a difference. Bhutan's national economy is now dependent on hydro-projects and the contribution of the agricultural sector is negligible. To say, on such a basis, that Bhutan is already a capitalist society is like labeling the chief of the Rautes¹ as a representative of feudalism just because the chief is called a 'king'.

The character of a society is determined by the system and relations of production affecting a majority of the communities. Seen in this light, it is too early to conclude that our society has already gone capitalist. True, we are trying to push our society towards capitalism, and it will, we hope, reach that stage soon in the future.

Our society is in transition now. Feudalism is getting dissolved and capitalism is taking its space. Feudalism has already lost its political leadership: the monarchy. Yet, Nepali society is not fully dissociated with feudal production relations. Feudal influences still cut across production relations, and sociocultural systems and practices. Political influence of feudalism in Nepal can best be gazed at the way Madhesi political forces have presented themselves now. They claim that they are a new progressive force in Nepal, but consistently stand opposed to such capitalist reforms as land reform and fixing of land ceilings.

¹ A nomadic community in Nepal whose subsistence is based on hunting and gathering

The success of the historic people's movement of 2006 has further widened the scope of the possibility of the logical conclusion of the revolution through a legitimate and peaceful means.

The end of the Shah dynasty, which provided political leadership to feudalism, has opened up possibilities for development and expansion of capitalist production relations. But possibilities do not turn out real all on their own. Only planned efforts can shape possibilities into realities. In this context, People's Multiparty Democracy has proposed a three-phased policy. The first phase aims to dissolve the socio-economic bases of feudalism, the second aims to develop capitalism under the leadership of the proletariats and the third involves the transformation of capitalism into socialism. Only on concluding these stages can Nepali society move to the stage of socialist revolution from the stage of multiparty democratic revolution. A mere wish-list will, however, not change realities.

LABOUR AND LABOUR MOVEMENT

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With the development of human civilization, the state of the exploitation of labour has also developed. Mental labour has taken the place of physical labour. Yet, labour is mainly related to commodity production, production time and production skills. Initially, labour was linked to working time. It was to reduce the working time that the labour movement began. This is why the 'eight-hour day' movement, the main agenda of the May 1st movement.

Today, eight hours have been the official time limit of work, and the state is forced to protect it through law. But the capitalist class has also introduced new ways to exploit labour for more surplus value. In the past it used to take years for a person to be a millionaire, today it has been the matter of just one or two years. And, the real producers of the surplus value continue to live a miserable life. All this has happened due to the exploitation of intellectual labour. Unless we are able to analyze and expose the changing patterns of

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The essence of capitalist exploitation is the capitalist control of surplus value produced by the workers

labour exploitation, going far beyond the decrying of the inhuman form of labour exploitation, we cannot tackle the tentacles of poverty so deeply centralized in our society.

The essence of capitalist exploitation is the capitalist control of surplus value produced by the workers. The capitalist class tries to extract surplus value in three ways: by extending labour time, by reducing necessary labour time and by developing productivity within the given labour time. Productivity increases with the development of technology and labour skills. Of late, however, efforts are also made to gain surplus value through the process of management and marketization. With the development of digital technology, intellect-based industries have been earning a high profit. The investors of this category retain intellectual property rights to their product and gain additional benefits. Such rights are protected through the regime of law at international level. With this development, the possibility of the development of industrial capitalism in the third world has diminished, and the service industry is taking over its space. What all this indicates is the road to capitalism in Nepal will be different from the one trodden by the Europeans.

The Marxian statement that the proletariats do not have their own nation is also coming relevant. With the globalization of capital, the labour force is also going global. In response to the movements launched for employment protection, some countries have made laws blocking labour immigration itself, and, thus, encouraging the capitalist class to invest in the open market sector to extract as much surplus value as possible. This new drive to explore open market is resulting in the capital flight from countries where labour market is regulated. Both capital and labour are getting centralized in Capitalism tries to legitimize such centralization, and presents it as an invincible force. The centralized property, created by humans over civilization, has now become a challenge.

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certain areas. Korea, Singapore, Malaysia and the Gulf states are a case in point, where Nepali workers are also in a high number. In such a situation, the labour movement should also take on an international character. There is no other option.

In the process of class struggle, changes occur in production relations and social systems. Yet, unless the forces of production prevail over the state, a few individuals and families will continue to centralize the property. Capitalism tries to legitimize such centralization, and presents it as an invincible force. The centralized property, created by humans over civilization, has now become a challenge. Even aware and creative people have been helpless, and even the so-called modern and human societies continue to centralize the property to benefit a handful of people. The centralization of property will soon widen a gap between the poor and rich and fuel widespread frustration in society. The state would then be forced to fix property ceilings, levy additional tax on excess properties and redistribute them. In Europe, property redistribution went in parallel with the intensification of the communist movement. When the communist movement was on the defensive, the states and governments left the redistribution process and followed the course of liberalism. But the course they followed seems to have already reached the edge.

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CLASS, PARTY AND TRADE UNION IN A CHANGING CONTEXT

- Pradeep Gyawali

Seven years have elapsed since the 2006 people's movement, also known as the Rhododendron Revolution. However, the objectives of the movement have not been achieved and the gains made over the years yet to be institutionalized. The Constituent Assembly (CA) elected to write a new constitution collapsed prematurely due to the failure of political parties to creatively tackle diverse – and, in some cases, divisive – voices of identity, and to check political trickeries that would not at all match the spirit of the movement. This failure has not only dashed people's hopes but has also pushed the country into the brink of crises.

Does it mean that the colour of the Rhododendron Revolution has started to fade? It is well-timed to revisit the movement with this worrying question, which gnaws the minds of some keen observers, on the background. The revisit is also necessary to analyze the changes suggested by the movement and discuss the destiny of the class, party and trade union movement in the changed context.

1. CLASS AND MOVEMENT FOR SOCIAL IDENTITY

Identity has been a key issue in the current politics of Nepal. It has, in some respects, even overshadowed the issues of ideology and class. In lack of appropriate understanding, the issue of identity has created confusion in the movement as a whole.

Compared to Europe, the structure of Nepali society is quite different, complex and special. Nepali society involves both class-based and social oppressions that have both vertical and horizontal dimensions.

For a long time, Nepal's feudal state mechanisms adopted the hegemonic policy of 'one language', 'one dress', 'one culture' and 'one religion'.

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For some 5,000 years now, Nepali society has been the mixture of the people of Aryan, Mongoloid, Austroid and Dravidian races. Nepal was never a colony. The debate on "indigenous peoples vs. migrant/ newcomers", which basically relates to a colonial context, is, in this sense, irrelevant to Nepal. We are a multi-ethnical, multilingual, multicultural and multireligious society. These diversities are our social feature, and a social fabric that holds all us together. But it does not mean that our social structure only has positive and attractive features.

Historically, the caste system has become part of the Nepali society, specially among Khas-Aryan communities. In the resultant social hierarchies continues untouchability as a vicious curse subjecting an entire dalit community to inhuman oppression and exploitation. Specific to South Asia, this oppressive element cannot be explained in the normal definition of class struggle.

For a long time, Nepal's feudal state mechanisms adopted the hegemonic policy of 'one language', 'one dress', 'one culture' and 'one religion'. This policy not only shattered Nepal's identity of diversity, but also pushed some language and cultures to the verge of extinction. Many linguistic and cultural groups were not represented in state apparatuses. In the name of one religion, the Hindu religion got a state recognition, Nepali got state protection as a national language, and Aryan cultural practices, prevalent mostly in the hills, were projected to be the symbol of national culture. An identity of a particular group was elevated to a national one, while others were left to fall by the wayside. The groups benefiting from all this might not have realised the resultant pain of this 'oneness'. But for those who have fallen behind simply because of being unable to communicate in the language prescribed, nothing could be more

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Discriminations on grounds of caste, language, culture and gender are a challenging problem of our society, and, as such, an important agenda of our movement.

painful and damaging. Those from Madhes have often faced an insult just because of their colour of skin. When Nepali youths were killed in Iraq, Nepali Muslims saw the attack on Quran and Mosques. Many Madhesi colleagues had to undergo an inhuman treatment when a certain Indian artist was quoted by some as saying something negative about Nepal. These damning reactions are the product of the biased social structure and the resultant worldviews. The Karnali region had to endure a separate suffering, one of regional bias, as the state was heavily centralized.

Existing gender discrimination is also the by-product of the feudal structure. And, it occurs at all levels and on all fronts, right from the womb. Women are treated as a second class citizen, and discriminated against in terms of education, right to property, right to self-determination, and so on. They face violence step after step on a daily basis.

Discriminations on grounds of caste, language, culture and gender are a challenging problem of our society, and, as such, an important agenda of our movement. Indifferent to these factors, the movement cannot be effective and inclusive. A sole focus on class issues does not help us tackle these issues.

But what is the source of social oppression? What is an appropriate course of action? How do social oppression and identity movements relate to the class movement? Which one of them is primary and which one secondary? Which is central and which one peripheral? Which one is decisive and which one supplementary? As long as we are not clear about these vexing questions, the movement cannot get a right direction.

... not a single group can be identified as an 'oppressor' and another as the 'oppressed' in any serious social analysis or discussion of historicity in Nepal.

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The means of production and production relations provide the base on which state structures are crafted. The governance system, constitution/ laws, security and culture – the superstructures, in the Marxist terminology – are only the reflection of the economic base. The base of economy is determined by the means of production, which appear in the form of class. The classes are, thus, the backbone of society and state. Ethnic, gender and cultural groups are only subsidiary sub-classes.

UNDP's Nepal Development Report 2009 is perhaps the first document to survey the caste-based, ethnicity-based and regional political economy of Nepal. The conclusion of the document is that the 'Madhesi community, now in political discourse as an oppressive community, is not a monolithic entity. In Madhes are various caste-groups ranging from Kayasthas, Marwaris to Madhesi dalits and Muslims. The Kayasthas and Marwaris rank high in terms of human development indicators, while the Madhesi dalits and Muslims rank the lowest. Within the 'janajati' category are the Thakalis, with all its members above the poverty line, and Newars that top the list of prosperity. This category also has the Rautes, Kusundas and Chapang who still live a jungle life. In the midhill region, Bhraman-Chhetires seem to fare highly in economic and political terms, but the same group lives a measurable life in Karnali where the group is dominant. What all this leads to is the conclusion that not a single group can be identified as an 'oppressor' and another as the 'oppressed' in any serious social analysis or discussion of historicity in Nepal. To do so would be a factual mistake.

True, economic prosperity alone does not address the issues of Madhesi people (about new definition of Nepali nationality and inclusion),

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The main question of Nepali politics now is one of transformation from the feudal system to just, prosperous and lokantatrik society.

janajatis' concern for protection of their language and culture, Dalits' demand for the end of untouchability and women's call for equal treatment. The issue of identity thus holds a complex and special position in a social movement. Yet, it is not a primary one and certainly not independent of class concerns.

The main question of Nepali politics now is one of transformation from the feudal (also termed variously as semi-feudal, semi-capitalist or dependent-capitalist) system to just, prosperous and *lokantatrik* society. The structural transformation of the basic tenet of society is a must to create conditions for the end of discriminations. And such transformation is possible only when state's political-economy is transformed and socio-cultural policies are reformed. In lack of these transformations and reforms, no basic problems will be addressed even if single-identity provinces – to relate to ongoing debates – are formed. The supposed 'Madhes Province' or 'Janjati Province' does not give any justice to the people at large unless existing feudal land relations are ended through scientific land reform, unless marginalized communities are protected through policies based on social justice and mechanisms established and enforced for social security.

State restructuring remains a hollow talk silent on such crucial questions as whether the state would be neoliberal or social democratic; whether the direction would be capitalist or socialist; whether democracy would be based on principles of social justice and human rights or open market economy (hence, democracy for the powerful); whether land reform or protection of feudal land holdings; and, whether progressive taxation or limitless expansion of private property. Without dealing with such issues, An identity movement that contributes to state restructuring and complements to class struggle is doubtless a progressive movement.

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the shout of state restructuring would only redistribute the power from Singhdurbar (the office of the prime minister) to offices of a few highclass chief ministers and ministers. An analysis of the living condition of the Nagas in Nagaland, the Mizos in Mizoram and the Balochs in Baluchistan explains that identity holds no meaning unless the nature of the state is transformed. It is not the name but the nature of the state that does matter.

In the discourse of identity, numerous fallacies exist in terms of interrelationship among 'tribe', 'ethnicity', 'nationality' and 'nation'; difference between the 'end of racial oppression' and national liberation; and, about historical development of state building. One of such key fallacies is the defining of each ethnic group to a 'nation' and comparing their freedom movement with a national liberation movement. This tendency is adversely affecting Nepal's movement towards a strong and prosperous nation.

As such, the transformation of the 'character' of a state is central to state restructuring. The issue of identity is a secondary one. An identity movement that contributes to state restructuring and complements to class struggle is doubtless a progressive movement. However, independent of class issues and concerns, a regional movement triggers geographical division, ethnic movement fuels communal discord and 'feminist' movement gives rise to social anarchy. To advocate for identity in complete disregard of a nation's character will ultimately maintain the anti-people character of the nation. I wonder whether advocates of identity politics are aware of this aspect.

In fact, to try to confine one to a certain identity is to isolate them and contribute, ultimately, to social division. Single identity should, thus, not be overblown.

As Amartya Sen has said, a person holds multiple identities, which interrelate with each other and also keep changing. For example, Dr. Ram Varan Yadav is the President of Nepal by post, 'Yadav' by caste, 'Madhesi' by community, Maithili-speaking by language, democrat and nationalist by belief, male by gender, doctor by profession and adult by age. It is not possible to reduce him to one of these identities. In fact, to try to confine one to a certain identity is to isolate them and contribute, ultimately, to social division. Single identity should, thus, not be overblown.

Social discriminations take on many forms and their solutions should be sought where they occur. If the problem is related to poor representation in politics, the solution then calls for reform in the electoral system and the provision of special representation. If the issue relates to that of economic exploitation, redistribution of the means of production and special arrangement for economic development will be an answer. If the issues are those related to linguistic, cultural and religious discriminations, the solution would then be the reform of national laws and policies so that they become secular, multi-lingual and multicultural. To seek solution to all these problems in a 'single-identity state' is as nonsensical as applying to umbilicus the balm for headache. To put in a word, identity questions should be linked to class questions if they should make sense.

The working class is a decisive force for Nepal's social transformation. However, there is a crooked understanding of the working class at a certain circle of Nepal's political class. The circle labels intellectual workers as 'bourgeoisie', their contribution as 'opportunism', and glorifies The overarching movement also includes various class struggles, such as one between labourers and capitalists, and, agricultural workers and landlords.

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unconscious lumpenproletariat as 'supreme' and 'great'. Among others, this tendency has made our labour movement destructive.

Time has come for us to draw lessons from all this, and reorient the labour movement as a mix of both 'physical' and 'intellectual' labour. In a movement for transformation, peasants and small entrepreneurs become part of it, and national capitalists stand as supporters. The character of our movement is less 'class-based' and more 'mass-based'. both in terms of *participation* and *characteristics*. Ours is a special class struggle of the working class against the class protecting a discriminatory state. It is a peaceful struggle with massive participation of the people that takes on various forms: as a peaceful protest in the street creating pressure for social transformation; as an election campaign to ensure the victory of progressive forces and form a progressive government; as a series of lobby and advocacy for pro-people legislation, policies and budgets; and, as a protest against corruption, discrimination and wrong policies of the state. The overarching movement also includes various class struggles, such as one between labourers and capitalists, and, agricultural workers and landlords. Sometimes, these struggles appear as specific and different. However, at the current struggle of state transformation, all these are integrated into a strong mass movement.

The main direction of today's trade union is also linked to this agenda of social transformation. The trade union movement should focus on the establishment of peaceful, prosperous and socially just *lokatantra* by collaborating with *lokatantrik* and progressive political forces. How best to relate with political forces should depend on the parties' polices, programmes and issues. It should be a critical relationship, and not

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Unions should support a right course and policy while opposing and resisting a wrong one.

blind submission. Unions should support a right course and policy while opposing and resisting a wrong one.

If *lokatantra* could not be protected from political high-handedness, if constitution could not be promulgated and political stability ensured, if the peace process did not reach a logical conclusion and if the process of socio-economic transformation did not pick up a required pace, the dream of dignified labour-life and prosperous socialist society would be shattered. The right to collective bargaining, minimum wages and right to organisation, the gains achieved to-date, would also be lost.

How do existing political forces fare vis-à-vis the issues and concerns touched on above? What follows is a brief analytical response to this question.

POLITICAL PARTIES IN NEPAL: CHANGING DIMENSIONS

Revolutionaries, according to Lenin, should focus on two issues to achieve their goals. First, they should expand the circle of friends regardless of whether the friends are temporary, conditional or untrustworthy. Second, they should take advantage of internal contradictions – whatever small or temporary – of the opponents. To Lenin, those who do not understand these dynamics are unaware of even the basics of Marxism.

In Nepal, political parties started to emerge in the 1940s. It was the time of Nepali society transforming from the feudal production system to one of capitalist production. Just as capitalism gave birth to twin classes – the working class and capitalist class – politics also produced two The division, opportunism and deviation seen in the communist movement is the reflection of this class character.

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streams of democracy, namely the revolutionary stream and reformistcompromising stream. Representing these two classes and ideologies two political forces were born in Nepal – the Communist Party of Nepal and Nepali Congress Party. These are the only main parties in Nepal, and the remaining are just their by-products.

Unlike in Europe, no capitalist revolution occurred against feudalism in Nepal. Capitalism did not emerge from the grave of feudalism. But a certain form of dependent capitalist production system arose through the fusion of imperialist capitalism and feudalism. This is why Nepal's capitalist class is not progressive and agitating. It is because of this classcharacteristic, Nepali Congress could not go beyond a certain political reform and dissociate fully with feudalism. Instead, it compromised time and again with feudalism to the detriment of the working class. Neither was the working class here fully dissociated with feudal production relations. It was not the industrial proletariat who had the "world to win" and "nothing to lose but their chains", to see in Marx' definition. It was a mix of the 'peasant' and 'worker'. As such, the working class also could not always be agitating. The division, opportunism and deviation seen in the communist movement is the reflection of this class character. No political parties can be analyzed without analyzing this class base of them.

In fact, Nepal's political parties were based more on ideology than on class. Even today, no clear class division is seen among parties in structural terms. They differ largely in relation to certain issues. As such, it is not surprising to see a well off city dweller affiliated with a communist

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A communist party represents the working class. And the nature of the working class influences the character of the party.

party and a Dalit or landless peasant in a rural village affiliated to a bourgeois party.

Nepali Congress has some salient characteristic features. In its class base are big capitalists and liberal feudals. In terms of ideology, it is neoliberal. In terms of position, it is reformists and status-quoist. However, overtime, Nepali Congress had to rethink its position vis-à-vis the 1990 constitution, the constitutional monarchy and its interface with communists. It is the time that has compelled the Nepali Congress to accept the election of the Constituent Assembly, agree to Nepal's transformation to republic and collaborate with the communists. These are positive changes. Yet, Nepali Congress is still not well-placed to lead the country given its class character and its embracing of neo-liberal policies. And the best way to engage with Nepali Congress is one of *collaboration* for *lokatantra* and peace, and *opposition* to its status-quoits and subservient values and ideals for social transformation.

A communist party represents the working class. And the nature of the working class influences the character of the party. But as a reflection of working class's nature as non industrial or semi-industrial, different schools of ultra-left liquidationary and democratic trends have been emerged.

The Rayamajhi stream of the school of class dissolution and political surrender is very weak now. The school caused colossal damage to the movement in the 1960s and 1070s. In the 1970s, the dogmatist stream of the Mohanbikram Singh school was quite active. The present Maoist party is the offshoot of the school, which represents extreme leftist forces.

In general, extreme leftism degenerates into rightism. The Maoist extreme leftism is also degenerating into defeatist surrenderism.

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The CPN (UML) that progressed through the revolutionary school of the Pushpala stream now represents the radical democratic stream in the country. The communist movement today is in a sharp contest between this radical democratic stream and ultra-leftist-opportunist extreme. The bone of contention between these two streams relates to the following questions: What should be the guiding principle: Marxism or Maoism? What should be the means of transformation: the inevitability of violence or peaceful initiatives led by informed and enlightened people? What should be the form of governance: socialism with lokatrantrik values of freedom, periodic elections, pluralism and multiparty democracy or the 'dictatorship of the proletariat', which eventually leads to one-party hegemony? Who should the party represent: disciplined and progressive working class or 'lumpenproletariat'? How to gain economic prosperity: through just distribution of the means of production and protection of labour rights or capture of the property of the middle class? What should define international relations: nationalism based on balanced foreign relations that protect and promote national interest or blind nationalism or pseudo-nationalism? What should be the policy or engagement with other political forces: one of collaboration for effective management of transition and protection of achievements made to-date or one of negation?

In general, extreme leftism degenerates into rightism. The Maoist extreme leftism is also degenerating into defeatist surrenderism. Its advocacy for extreme nationalism/regionalism, collaboration with smugglers and black-marketeers, and submissiveness before foreign forces to gain and hold onto power will only defeat itself. Had it transformed itself, it could have contributed to the change process (and

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The Maoist party is divided now. One stream of them is shouting of a new war labelling the road to peace and lokatantra as 'self-surrenderism'.

there is still some faint hope). But its activities are like untamed floods sweeping away everything in their course. The Maoist party is divided now. One stream of them is shouting of a new war labelling the road to peace and *lokatantra* as 'self-surrenderism'. This force has been the cause of increasing violence, division and destruction in Nepali society now and the future political power balance of Nepal depends on the extent of its democratic transformation.

Of late, identity politics has been a feature of Nepal's politics. Madhesi Janaadhikar Forum (MJF), Tarai-Madhes Loktantrik Party (TMLP) and Sadvawana Party, among a few others, have emerged with a 'Madhesi' identity, and established themselves as the fourth political force. Similarly, Janamukti Party, Sanghiya Manch, Dalit Janajati Party, Sanghiya Limbuwan, Tharuhat and so on have been organised around ethnic identity. There also are some groups with geographical identity. However, most of these have yet to institutionalise as political parties in lack of a sound class base, ideological-political philosophy and organisational structure. The parties emerged on 'Madhesi' identity have split into over a dozen groups. The Sanghiya Manch is divided up into three or four, and the Churebhawar Party almost dissolved. Almost each of the groups in Tarai-Madhes has been a shield of feudal and landlord forces. These groups advocate for 'one Madhes-one Pradesh (province)' and 'dual nationality', the latter being close to the nation's division, stand opposed to land reform, advocate for external influence and block efforts aimed at social reform in Madhes. Their activities have been a pretext to sustain status quo under the cover of identity politics.

The parties in this stream aim to restore the monarchy and do away with federalism, secularism and the progress towards transformation.

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There also are parties that represent the feudal and reactionary stream, such as the *Rastriya Prajatantra* Party (Nepal). The parties in this stream aim to restore the monarchy and do away with federalism, secularism and the progress towards transformation. They do not have the strength to undo the achievements of the years, but a due caution is necessary to keep their extreme rightist belief and ideology in check.

It is imperative for trade unions to be informed of the parties' stance and ideology, their class nature and position on transformation, and decide how to engage with them and from what distance.

CHARACTERISTIC FEATURES OF MOVEMENT AND TRANSFORMATION

The 2006 people's movement was unique in terms of its size, effectiveness and impact. In Nepal's case, it was historic. To the world, it was amazing, as amazing as the rise of the people in Egypt last year. The 19-day movement not only ended the institution of monarchy, but also disproved the extreme-left Maoist conviction that change is not possible without violence. The movement opened the way for peaceful transformation of Nepali society.

However, we did not discuss in detail and depth the nature of the politicaleconomy of the movement and the changes it brought about. We did not analyze its strengths and limitations. Some leaders termed it as a 'peaceful revolution' and are still treating it as such. If it were a revolution, then what was its political character: capitalist, bourgeois-democratic or socialist? What was its objective: establishment of capitalist society, people's multi-party democracy, new democracy or socialism? What was

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... These were a lokatantrik revolutionary force (CPN, UML), liberal democratic (bourgeois reformist) force (Nepali Congress) and armed rebellious force (Maoists).

the political character of the participants of the movement and how much their strength and limitation and their aim and class base would influence the movement? Devoid of focused analyses vis-à-vis these questions, there still remains a confusion to understand the movement and the changes it effected.

From a Marxist standpoint, a revolution is defined in three ways. First, it is the replacement of one socio-economic structure by another. Second, it is the transfer of state power from one class to another. Third, it is the establishment of a new production relation in place of another. To avoid confusion as to the limitation of transformation, Marxists use 'revolution' with due care and caution. In this context, it is worth calling to mind Madan Bhandari's ideological debate with CP Mainali who defined the 1990 people's movement as 'a type of bourgeois democratic revolution'. To Madan Bhandari, the post-1990 order was just 'a multiparty system with limited democratic rights'.

There were three main forces to lead the 2006 people's movement. These were a *lokatantrik* revolutionary force (CPN, UML), liberal democratic (bourgeois reformist) force (Nepali Congress) and armed rebellious force (Maoists). Each force had its own aims, priorities and destinies. The aim of the Nepali Congress was to establish liberal democracy through the restoration of the dissolved House of Representatives. Political economic transformation of society, *lokatantra* with social justice and federal republic were not on its agenda. (It continued for some time to argue for constitutional/cultural monarchy or 'baby king' and resisted the inclusion of socio-economic rights in constitution.) Actually, all it wanted was the royal announcement of 24 April 2006 (reinstating the

These differences in aims and priorities, and differing class bases of the parties had an obvious impact on the character of the movement itself.

parliament which King Gyanendra had suspended in 2005). For the Maoists, the movement was an opportunity to impose its dictatorial agenda. To get to the goal, the Maoists first tried to drag lokatantrik forces into their violent struggle. When that failed, the Maoists chose to join the peaceful movement but did not honour the achievement of the 24 of April (2006). It called on the people to reject the achievement and revolt. When the people paid no heed to the call, the Maoists changed their tone - through three press statements in 24 hours - and joined the peace process that followed. The Maoists, however, continued to use the peace process as their tactical stratagem. When they could not exploit the Constituent Assembly to impose their agenda, they caused its dissolution amidst a hollow claim that the Constituent Assembly was their brainchild. For CPN (UML) the people's movement was the means to three aims: the end of monarchy, socio-economic transformation of the country and sustainable peace-building. These differences in aims and priorities, and differing class bases of the parties had an obvious impact on the character of the movement itself.

In a common parlance, a large scale movement can also be termed revolution if the latter is defined also as a journey towards a destiny. If the post-monarchy political transformation could be exploited to also lead to socio-economic transformation, we can then establish a transitional *lokatantra* which would, in essence, be higher in standard than traditional capitalist democracy. Such transitional *lokatantra* can then be expanded and transformed peacefully into people's multiparty democracy. However, to call a movement 'revolution' without the clarity of underlying issues involved, forgetting that one of the leaders of the movement was also a bourgeoisie, and incautious that the other extreme

Debating TRANSFORMATION

Worse still, the deepening division among parties is likely to pose threat to national security and independence.

leftist force might resist its inherent transformation and be opposed to the process ahead can be premature. CPN (UML) had to face some confusion, because of this premature analysis, as to how to interrelate with the forces of the people's movement and how to prioritise issues for an onward course. As such, the UML lost an opportunity to decisively lead the post-2006 process with a clear ideological direction.

Now the country is in an unprecedented crisis. The crisis is the result of the sudden dissolution of the Constituent Assembly without delivering a new constitution and setting up an alternative mechanism. On the surface, it just looks to be the end of a 'failed' institution. However it is a lot more. It is the end of the people's hope of the last six-decades to write a new constitution (through a constituent assembly, it is the end of the mechanism for constructive conflict handling and the beginning of a number of multi-dimensional problems. What course to follow to write a new constitution now remains a shot in the dark. The fate of the 12-point understanding hangs in the balance and, with it, the culture of consensus and collaboration that it initiated. Polarisation among parties is widening and the rule of law waning in the existing political void. Accountability is almost nonexistent. Opportunities for investment are shrinking and the economy is plunging to a new low. The four-year labour (towards new constitution) risks being dumped. Worse still, the deepening division among parties is likely to pose threat to national security and independence.

People are getting frustrated. The forces in the extreme left and right are getting mobilised and the government is getting illiberal and hegemonic. Internally, the country is going vulnerable to external Only a radical *lokatantrik* force can lead a process that protects the outcomes of a movement and *lokatantra* itself from rightist regression and extremeleftist extremism.

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influence. Now, Nepal is like a patient suffering from multiple organ dysfunction syndromes.

Both possibilities exist in the midst of uncertainties. Should the parties be able to reflect, learn from the experience, reorganise and move ahead with a new spirit, the possibilities of the country getting a progressive exit have not finished. Should the parties fail, the country would be a failed state and the playground of regional and global power centres. Internally, it risks falling victim to ethnic/regional extremism and, as a result, teetering on the brink of disintegration. Further, the achievements made to-date would be lost and the country would be under the seizure of dictatorship of some sorts.

Only a radical *lokatantrik* force can lead a process that protects the outcomes of a movement and *lokatantra* itself from rightist regression and extreme-leftist extremism. Only such force can fight the grand design of hegemony and state capture, protect national welfare from internal chaos and unexpected external influence, and write a progressive and *lokatantrik* constitution. How the parties – that fared well in the test of 2006 people's movement – would fare in the litmus test ahead would depend on their policies vis-à-vis these new issues and challenges. While searching for friendly forces, trade unions should see where the parties stand in relation to these issues and concerns, and decide whether, and how, to collaborate with them.

Mr Gyawali is Politburo Member of the Communist Party of Nepal (UML).

PRODUCTION RELATIONS AND CLASS STRUGGLE IN HISTORICAL PERSPECTIVE

- Umesh Upadhyaya

The character of production relations is determined not only by economic activities and availability of factors of production, but also, and more dominantly, by social practices, which in turn build on interaction among people. In Nepal, people interact only thinly because Nepal's communication and transport infrastructures are not properly developed.

Nepal's geography is a hindrance to infrastructural development. Some 83 per cent of its area is covered by difficult terrains of the hills and mountains, and only 17 per cent is in the plain belt of Tarai. The absence of long term vision and realistic development strategy has equally been responsible for this poor state of affairs. In spite of 50 years of development planning, Nepal's infrastructure has been in a pathetic condition. The armed conflict launched by the Maoists between 1996 and 2006 has further added to the already sorry situation. As a result of all this, Nepal has remained under the grip of status quo in a situation that can be called as development stagnation.

The nature of production relations affects class struggle both in its quality and magnitude. Currently, Nepal has the following forms of production relations:

- Slavery-based production relations
- Land-based feudal agrarian production relations
- Factory-based production relations
- Knowledge-based service sector production relations

Slavery-based production relations exist basically in the Kamaiya system (a system of bonded labour), which is now officially abolished, but still exists in remote rural areas in various forms. Similarly, worst form of child labour is rampant in domestic work as well as in unregistered

Nepal has remained under the grip of status quo in a situation that can be called as development stagnation.

micro enterprises with symptoms akin to slavery. Slaves based relation in smaller in degree, dominated are other forces of production relations.

In a frame of historical analysis, Nepal's production relations can be categorized into five phases, namely: ancient phase, medieval phase, pre-unification phase, unification phase and post-World War II phase.

Phase	Production Relation	Class and Struggle	Political Actors
Ancient Nepal	 Land as a major asset and factor of production Slavery-based land dependent production relation in the entire society Family pattern of production relation at local level 	 Aristocrat class Small and big traders Slaves and semi- slaves Peasants and craftsmen Self-dependent communities Weak class diversity, weak struggle, heavy suppression, cruel punishments Religion and politics - two major weapons of suppression 	Aristocrat class and palace, Military officers <u>Local level</u> Community elders Clan leaders
Medieval Nepal	 Increased economic activities and trade expansion; slow changes begins in ancient production relations Increase in the diversity of class with influence of Hindu caste divisions in ethnic communities as well Self employed poor peasantry 		
Pre- Unification Nepal	 Slavery-based land relation undergoing a process of change Tired of local wars, people in the mood to support a new system of rule Self employed poor peasantry 		

1. FIVE PHASES IN OBSERVATION

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Slavery-based production relations exist basically in the Kamaiya system (a system of bonded labour), which is now officially abolished, but still exists in remote rural areas in various forms.

Post- Unification Nepal	 End of slavery-based production relations and establishment of feudalism and landlordism Land sharing among ruling class and allied groups within feudalism Abolition of slavery Self employed poor peasantry 	 the yearning for community independence; Intensification of power struggles and conspiracies within the ruling feudal class Use of religion, politics and conspiracies as weapons of suppression 	Aristocrat class Palaces Community elders Clan leaders Britain (outsider)
Post-World War II Nepal	 Feudalism under threat of forces of change Emergence of a chain of struggles Beginning of organizational life in Nepali society Changes in production relations Beginning of the factory system-based industrial relations Self-employed poor peasantry 	 Establishments of peasant associations, trade unions and student organizations Formation of allies for class struggle, with increased middle class influence Struggle between the forces of pro- and anti- organizational efforts Defensive feudalism trying to create shields and organizational networks for its protection 	Aristocrat class and palace Political parties and other organi- zations India, china, Britain and USA as outside forces

A feudal society institutionalizes a culture of respecting non-working individuals and families. It humiliates working masses condemning their difficulty as their fate.

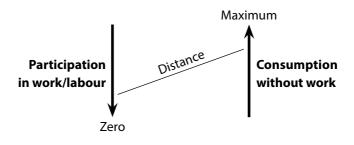
2. VISIBLE ASPECTS OF PRODUCTION RELATIONS IN RECENT DECADES

2.1. Land- and agro-based production relation with three basic characteristics: land ownership, slavery and debt-bondage, and cultural practices against working masses

Ownership on assets, basically land, is the major determinant of land based/agro based production relations. The ownership structure naturally creates exploitative labour relations where bondage and other forms of indirect slavery emerge and continue. Though issues of bondage have not been sufficiently researched, debt-bondage seems widespread.

A feudal society institutionalizes a culture of respecting non-working individuals and families. It humiliates working masses condemning their difficulty as their fate. The workers gradually submit to the imposed mentality of fate and accept their poverty as natural. They consume less, work more and serve the masters. The rich segment of society considers consumption as its natural rights without participation in labour.

The feudal production relation thus creates a **distance between work/ labour and consumption.**



Debating TRANSFORMATION

To avoid the livelihood burden of slaves and be relieved of the tension to control them, Nepali landlords found it more profitable to use free labour.

In feudal production relations, the larger the distance between participation in work/labour and consumption without work, the higher will be the pleasure, dignity and prestige. Consumption without work includes consumption of goods, services, power and privileges (including impunity). This distance can be increased only through imposition of orders and control on others who work. At an extreme of the distance remains aristocracy/sophistication.

In order to push aristocracy/sophistication point upwards, participation in work/labour has to be pushed towards zero. And to reduce participation in work/labour towards zero, the number of slaves and servants should be maximized. Only then will aristocracy/sophistication be at Maximum.

To keep feudalism alive in Nepal, it was necessary to coin the ideology of fate through which to justify injustices. The principle of rebirth had to be popularised accordingly so that the sufferers would accept their hardship as a result of the bad deeds in their previous birth.

To avoid the livelihood burden of slaves and be relieved of the tension to control them, Nepali landlords found it more profitable to use free labour. As such, they amalgamated slaves in a designated area where slaves remained free from landlords' direct control but were on call round the clock to provide free service to the masters.

In a feature of feudal production relations, workers are prevented from organizing. Or else, status quo cannot be maintained. This is the way where suppression of organizations becomes a defining feature of feudalism. Industrial working class and service/knowledgebased working class or intellectual working class are also not free from land-based and feudal mentality.

2.2. Capital/technology-based production relations mixed up with knowledge-based services

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In this category of production relations, the landlord class converts itself to a business class and starts to directly participate in economic activities. But, culturally, their mentality remains feudal still attuned to the old master-slave relationship.

As capital-technology-based production relation begins, political power/hegemony and economic control of feudalism goes on the sharp decline, but feudal culture and mentality still remains dominant. This is, thus, not a phase where production relations are on an equal footing between capital investors and labour investors. Industrial working class and service/knowledge-based working class or intellectual working class are also not free from land-based and feudal mentality. However, production relations in modern service/knowledge-based areas emerge a bit differently as they are based on technical skills

3. POLITICAL PARTIES IN CLASS STRUGGLE

In spite of being vocal in ideological-theoretical explanation, political parties have in reality a weak class vision and, hence, are unable to address the following objectives of class struggle:

- Struggle against suppressions within the existing regime
- Struggle for improvements in working conditions (economic/ financial and facility- related)
- Struggle with the long run goal of social transformation
- Struggle to replace the existing regime and power equation with a new regime

Debating TRANSFORMATION

Nepal's political parties have always ignored class issues both in practice and theory.

With the failure to address class issues, political parties are increasingly trapped into new social conflicts, and are forced to divert their attention away from what can be called "class+3" issues, which are a compact of issues related to gender, caste/ethnicity and region in our socio-political realities.

In Nepal's history, two political groups adopted class struggle in a violent manner. The first of such struggle occurred in the 1970s under the aegis of the All Nepal Communist Revolutionary Coordination Centre (Marxist-Leninist), which gradually evolved into Communist Party of Nepal (United Marxist-Leninist) (CPN, UML). The second was launched by the Communist Party of Nepal (Maoist) (CPN, Maoist) between 1996 and 2006. These groups are now established as a decisive force in Nepal's politics, but are struggling to find a right direction in absence of a theory to appropriately explain the situation at hand. The CPN (UML) has been quite creative and transformative right from the beginning, but the CPN (Maoist), which launched a decadelong armed struggle and now is a party to the ongoing peace process (that began in November 2006), seems to be in huge confusion as to what stance, policy and strategy to follow vis-à-vis issues of class, caste, economy and political direction as a whole. Other political parties do not even talk of class struggle. Even if they do, it is, at best, a lip service.

Nepal's political parties have always ignored class issues both in practice and theory. They have imitated the old class analysis of the Chinese New Democratic Revolution while being dependent politically on student groups mostly from middle class families. This confusion resulted in the continuous disregard for labour movements and class issue both in rural and urban areas. Workers and peasants have only been used to ensure crowds in the streets, but are not engaged in political processes.

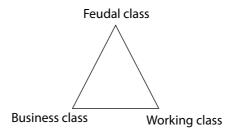
Even the CPN (Maoist), which boasts of being the party of the poor is actually not so in its structure and leadership.

In 1951, when the first generation of the multiparty system was introduced in Nepal, political parties were in an initial stage of development, dependent on young leaders from feudal and middle class families of both urban and rural origin, some of those educated in Indian cities of Benaras and Calcutta.

In early 1960s, King Mahendra banned the fledgling parties forcing them to rely on sentimental youths and students to implement their political programmes. This trend continued through 1990. After 1990, particularly after the people's movement that forced the absolute monarchy to remain within constitutional limits, parties started to operate openly expanding their bases and membership. Even then, urban middle class became dominant with the so-called intellectual groups becoming highly influential. Even the CPN (Maoist), which boasts of being the party of the poor is actually not so in its structure and leadership.

4. ACCESS AND INFLUENCE OF CLASSES IN NEPALI POLITICS

The following picture appears in terms of class structures in Nepal.



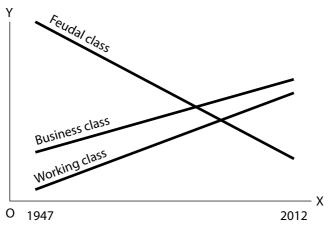


Nepal's rural class struggle has not been successful without influencing urban class struggle and, as such, has not taken an institutional shape on its own.

Rural class structure – dependent on feudal relation/land relation Urban class structure – dependent on traditional industrial relation Urban class structure – dependent on modern service/knowledge economy

Nepal's rural class struggle has not been successful without influencing urban class struggle and, as such, has not taken an institutional shape on its own. And currently, Nepali class transition is influenced by remittance-based economy with impact of globalization (*See Annexure - 1*)

Looking at a polarized triangle, there are three class mainstreams – Feudal class, business class and working class





The working class (trade unions and peasant organizations), guided by some ideological fragments, is in its efforts to consolidate power.

Seen from a political and economic point of view, the declining influence of feudal class parallels its decline in size as well. The feudal class is fearing the loss of the status quo, and, thus, is engaged in disturbing the process of social restructuring and transformation through conspiracies of various sorts. How to maintain the status quo is the main concern of the feudal class now.

The business class, on the other hand, is sharply increasing its influence and ambition. Individual entrepreneurs and business houses have been smartly linking themselves with joint ventures and multi-national companies, and have also been expanding their influence by bringing the self employed, professionals, skilled and intellectuals within their class-boundary. This class is also active to control the media and state processes to serve their interests, even going beyond ethical limits at times. They often keep their political affiliation hidden or disguised, and tactfully exploit the ruling party and elites in their favour.

The working class (trade unions and peasant organizations), guided by some ideological fragments, is in its efforts to consolidate power. It has the following character.

- Not capable to lead the process of social transformation
- Decisive but unable to get returns for sacrifice

Youths from the rural middle class are getting transformed into the urban working class.

5. CONCLUDING WORDS

The class structure is rapidly changing in the urban area because of ruralurban migration and the changing power equation in Nepali society. The class of landlords is declining fast, and rich farmers are expanding influence in the rural power structure whose influence is also based on the money received as remittances.

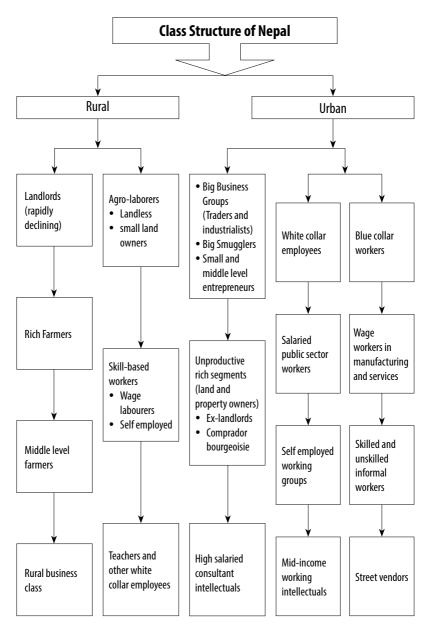
The middle level farmers, which tries to maintain the status quo, is highly influential in urban movements through students and youths. The majority of the white collar workers come basically from the class of rich and middle farmers. Youths from the rural middle class are getting transformed into the urban working class.

Existing and emerging contradictions of Nepali society are not solely based on class structure, however. Gender, caste/ethnicity and regional sentiments also play a vital role in the process, which sometimes are also expressed violently.

It is necessary to expand the working class influence in order to balance the state between labour and capital by transforming the current capitaltilted position and character of the state. This should be done by placing class issue at the centre while also creatively addressing gender, caste/ ethnicity and regional issues simultaneously.

Mr Upadhyaya is Secretary General of the General Federation of Nepalese Trade Unions (GEFONT).

Annexure - 1





General References

THE PRECARIAT: THE NEW DANGEROUS CLASS

- Rajan Bhattarai

Written by British Professor Guy Standing, a veteran writer on workers' issues, 'The Precariat: The New Dangerous Class', is a book on international labor movement. In the book, published in 2011, the writer has minutely but gravely analyzed a new class, which the writer calls as the 'precariat class', one that is emerging due to the changed situation in capital and labour especially with the plunge of neoliberal economic policy and globalization.

In the book, the write links the origin and development of the 'precariat' with the consequences of neoliberal economy adopted in the 1970s, which contributed a lot to the intensification of globalization. The policy initiated by the then British Prime Minister Margaret Thatcher and the then US President Ronald Regan, and later promoted under the initiation of the World Bank and IMF, was introduced to substitute the social democratic programmes adopted by most of the Western European and Third World countries after World War-II. The welfare programmes implemented in the past like permanent employment, unemployment facilities by the state, free education and free health treatment, to name a few, were under the responsibility of the state. But, the liberal economic policy gradually removed such responsibilities. Similarly, the state-owned industries, business and transportations were handed over to the private sectors. In the name of adopting flexible policy in the labor sector for investment friendly environment, the neoliberal policy reduced a number of facilities of the workers. The neoliberal campaigners claim that the system encourages capitalists to invest innovatively in new places which benefit from new employments the investment generates.



To be precise, the author defines the precariat as the workers involved in unsecured and temporary sectors of works where they are unlikely to make their career.

EXPLANATION OF 'THE PRECARIAT'

For the author, the 'precariat' is a specific socio-economic group. According to Max Waiver, the word shows the precarious state of the proletariats. Therefore, the author claims that the 'precariat' is the emerging class. It can be a new Marxist terminology but is just emerging.

When the world saw flexible labour markets, inequality kept growing along with appearance and development of new classes. The words like working class or the proletarian class were used for years. In the present context, the use of such terminologies is limited to certain identified groups. George, who announced the 'end of labour class' in 1982, and many other writers pondered over new terminologies especially for analysis and development of class in the context of globalization. Perhaps, a new term is needed to represent the global market system of the 21st Century.

The author in his book has accepted the existence of five classes, namely: the Elite, Salariat, Proficient, Manual Employees and Precariat. To be precise, the author defines the precariat as the workers involved in unsecured and temporary sectors of works where they are unlikely to make their career.

ORIGIN OF 'THE PRECARIAT'

First of all, French sociologists had used the term 'precariat' in the 1980s to define temporary workers. Though the word has been used differently



in the book, the issue of temporary workers is also one of the major components of it. What we should understand here is that the agreement for temporary work and the temporary workers are not the same issues.

Some of the critics take the precariat with a positive meaning. For example, the highly paid consultant or a person with a romantic spirit who does not like to be identified as traditional/formal worker and is interested to live like bourgeois. Even the word precariat is used differently in a different context. In Italy, 'Precariato' not only indicates temporary workers but also includes the people living a hard life. In Marxian philosophy, the word indicates lumpenproletariat. In Japan, it refers to poor workers.

KINDS OF 'PRECARIAT'

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According to the author, the precariat class does not have only one category. It can be a worker working temporarily in an internet-cafe and a migrant worker worried both for their work and possible raid by the police. Similarly, a single woman worker who has the responsibility of upbringing her child along with herself and the worker above 60 who has to be involved in an unorganized sector for the livelihood. However, despite differences in their categories, all the above mentioned workers are under the precariat class.

The author has also compared the precariat with 'denizen'. Denizens are not ensured equal rights as citizens. During Roman Imperialism, a foreigner had the right to stay and launch business in other country but



Due to flexible labour policies, the number of the precariat has drastically increased in the last three decades.

was deprived of enjoying full rights as citizens. The migrant workers at present are like 'denizens' in the author's view. Due to flexible labour policies, the number of the precariat has drastically increased in the last three decades. However, their exact number is not in the statistics. Their problems have also not drawn national and international attention.

In the author's view, the neo-liberal economic policy adopted in the last three decades is responsible for increasing the number of the precariats. The economic policy encourages profit-making and self-centered tendencies, and promotes the interests of capitalists by curtailing workers interests (in the name of flexible labour policy) and creating investment friendly environment for the capitalists.

Globalization is the tendency to commodify everything which can be purchased and sold in the markets and the price of which can be fixed on the basis of demand and supply. In such a situation, every aspect of life becomes commodified: education, health, family, labour, social security, unemployment, disability, politics, profession, security, and every other thing. A policy or a law seen to stand in the way to commodification will be readily amended.

In the author's view, the innovators of such opinion would like to stand themselves against trade union, social union and professional union. For them, such unions are the enemy of globalization and neoliberal economic policy. According to the author, the number of precariats has significantly increased in the last three decades due to globalization and resultant interdependence. Amazing economic growth of China and India, commodification of industries and companies, flexibility Another pathetic class is that of refugees, including internal refugees produced by negative environmental impacts of development.

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on workers policy and commodification of the works, insecurity of employment, elasticity in wages, collapse of public industries and corporations are the actual triggers behind the growth of the precariats.

The large numbers of migrant workers are under precariat class. Among them, the so called illegal migrant workers are mostly victimized and tormented. Due to legal complicacies, they are compelled to sell their labour for a cheap price. Another pathetic class is that of refugees, including internal refugees produced by negative environmental impacts of development.

This book is useful for everyone interested in labour in the context of globalization and liberalization. The workers, forced to work in various insecure sectors, constitute a separate class of their own. The thousands of youth workers, working women, migrant workers and others in need of help, such as the persons with disability, who used to get assistance and care from the state, trade unions and other social organizations, but now are left aside by neoliberal policies, belong to this class, as the author argues.

As the precariats are left to fend for themselves, they run the risk of being exploited by extremist groups or outfits to push for their extremist policies. To avoid this happening, the socio-economic problems created by neoliberal economic policies should be altered. Income discrepancies should be reduced through the policy of equitable distribution of capital and resources. Structural inequalities should be removed in a similar fashion and public services re-strengthened.



As the precariats are left to fend for themselves, they run the risk of being exploited by extremist groups or outfits to push for their extremist policies.

The most significant point raised by the author is one concerning the minimum wage. Such a wage, he rightly argues, should be guaranteed for all the citizens through the regime of progressive taxation, which should levy for on the elite class. Another important point he has stressed is for the state to take responsibility for basic needs like housing, employment, education, health, security and pension for the people.

Dr Bhattarai is Central Council Member of the Communist Party of Nepal (UML).

IDENTITY AND VIOLENCE THE ILLUSION OF DESTINY

- Mukunda Kattel

This great work of philosophy builds on Amartya Sen's childhood memory of Kader Mia, a Muslim wage worker, who was stabbed dead by Hindu fanatics. In 1944, a few years before the end of the British Raj, a widespread Hindu-Muslim riot had broken out in then-undivided Bengal. It was in one of those days Kader was killed when he was out in the street searching for work that he had to find to feed the family dependent on his daily-wage.

A child of 11 years, Sen happens to see a profusely bleeding man, unknown and unseen before, running through his parents' compound gate pleading for help and water. Sen's father, a teacher at the Dhaka University, rushed the man to a nearby hospital, where the doctors pronounced the man dead.

Kader was killed by poor neighbours like him. He was killed for his faith. It was a Muslim killed by a group of Hindu fanatics. Sixty-two years later (to count the date of the book's publication), the shocking picture of the man covered in blood stands as a nightmare before Sen, a nightmare from which the "Identity and Violence" emanates.

Amartya Sen, probably number one intellectual in the area of his expertise, communicates the following message through the book:

 Human identity is by nature plural. Singularity is an illusion, not a fact. A human person simultaneously belongs to a variety of identitycategories. S/he can be, at the same time, a male or female, Brahmin or Chhetri or Adibasi-janajati or Dalit, teacher or doctor or nurse, footballer or volleyball player, vegetarian or non-vegetarian, atheist or agnostic, Hindu or Muslim or Buddhist or Christian. The list of identities does not end here; it can go on and on. It is not possible to present and identify a



Singularity is not a human reality. It is a shapeless product of the imagination that traces its origin to the thesis of the so-called "clash of civilizations."

person on the basis of one or two or three of these identities. Trying to do so would be both foolish and futile.

- 2. Uniqueness or a particular identity can be a source of pride, admiration and self-satisfaction. It can also be a colossal tool of damage and devastation. On the whole, an exclusive identity or singularity is not found to have a benign face. Its face is ugly.
- 3. At the hands of the artisans or terror, nothing can be a more promising tool than the slogan of singular identity to manipulate the gullible people into resorting to violence. As people get enmeshed in violence, busy damaging and killing each other, the artisans are free to pursue their personal advantage.
- 4. The philosophy of uniqueness and singularity creates hateful divisions affecting every individual at all levels. Crafted along the line of colour, caste, faith, religion and multiple other identities ascribed to, or acquired by, a human person, these divisions are rarely amenable to rationale responses and become the cause for endless violence.
- 5. Singularity is not a human reality. It is a shapeless product of the imagination that traces its origin to the thesis of the so-called "clash of civilizations." With the publication of *The Clash of Civilizations and the Making of the World Order*, Samuel Huntington has provided an intellectual background to the unique compartmentalization of humans. This approach of Huntington is problematic. It divides people along civilized than others, and demeans, by implication, certain others as more violent and barbaric. It singles out diverse elements creating a shared humanity over centuries (such as arts, literatures, cultural

As every human person, suggests Marx, workers are unequal. If not unequal, they would not be different individuals.

practices, etc.) as discrete and unique elements and pits them against each other. The approach, thus, forcefully divides an inseparable human identity that is made up of multiplicity of inter-dependent elements.

- 6. As stated above, choiceless singularity is not an obvious human feature. It is an imposed idea. And, imposed as it is, it prevents individuals from freely looking at issues involved, analyzing them critically and building an informed opinion. Such an imposition denies the role of "reasoning" and "choice," attributes basic to a process to unpack options and develop a menu for people to choose from. Choiceless singularity curtails the power and reach of "reasoning," which in fact is the base of human civilization.
- 7. In the name of social analysis, there is a trend of searching a unique way to compartmentalize people. This trend is not new, actually, and features prominently even in classical socialist literature in its division of people into the class of workers and non-workers. This two-class classification is not only wrong but also deceptive as it does not provide an accurate basis for social and economic analysis. Even Karl Marx severely criticized this way of classification. In his "Critique of the Gotha Programme," Marx criticizes the tendency to see workers as a monolithic group, a perspective in which workers are seen only as workers and not as human beings with intrinsic diversities. As every human person, suggests Marx, workers are unequal. If not unequal, they would not be different individuals. And to try to measure differences (as different individuals) with a single standard is both futile and wrong.
- 8. A human being is the sum of multiple identities and diversities. They are not reducible to the narrow stand-alone compartments of caste,

There is no culture or civilization that is superior or inferior to another, and more violent or peaceable than another. It is the individuals and their groups that can be violent and demeaning.

religion, geography, philosophy, ideology, profession, culture and so on. It is only through the respect of the obvious diversity and plurality that mutual trust and confidence can be enhanced and strengthened. In fact, to consolidate the foundation of humanity requires a high level of mutual trust and understanding among human groups and communities.

- 9. Let us use the gift of reasoning to distinguish between right or wrong, and respect the freedom of choice each of us is endowed with. Let us not be blinded by imposed ideas and orthodoxies. Let us respect each other and the plurality and diversity each of us carries. There is no culture or civilization that is superior or inferior to another, and more violent or peaceable than another. It is the individuals and their groups that can be violent and demeaning. These individuals may even claim allegiance to a certain religion, but their cruelties do not become the emblem of a certain religion or civilization.
- Let us enable everyone to develop a free opinion based on logic and reasoning. Everyone should be able to freely choose out of alternatives. They should be able to distinguish between right and wrong and good and bad through a process of critical thinking. There is nothing absolute and choiceless.
- 11. No human identity is singular or unitary. Human identity is intrinsically multiple. Yet, the slogan of 'single identity' is raised by tricky leaders and politicians to impoverish the power and reach of their gullible followers and to impose their will on them.

Mr Kattel is a human rights professional.

The articles included in the collection were written during May-June 2012. There have been some important political developments since then. But these developments have not rendered the analysis presented in the various articles obsolete. As such, the readers abreast of these developments should not worry that going through the collection is a waste of time.

If some of the materials in this collection sparked some debates on some of the issues touched on, we would feel privileged.



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