

# Dynamics of Labour Force in Nepal (1961-1976)

Fuspa Shrestha★

## 1. INTRODUCTION

The study of dynamics of labour force has a great significance, especially for a developing country like Nepal. It provides scientific knowledge about the crucial linkage between population and development. At the same time the nature of population change and developmental level in a country largely govern the conditions that determine the growth of the labour force over a time period; the precise nature of participation of different segments of the population in the labour force and various other structural aspects involved. (Cf. Heider 1981, p.1). "Economic programmes contain, at least implicitly some allocations of manpower in various pursuits, and these plans require an inventory of country's manpower resources". (Barclay, 1958; p. 262). The present study examines the dynamics of labour force in Nepal in the above context.

Nepal is a small Himalayan Kingdom, landlocked by China and India. It has a population of nearly 14 million, growing at about 2.5 per cent per annum—with high fertility (CBR = 45) and mortality (CDR = 21). It is a developing country with a per capita income of about US \$ 120.00. The economy is highly dependent on traditional agriculture. Only about 20 per cent of population are literate, and about 5 per cent live in urban areas. (See: CBS, 1979, World Bank 1980).

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★ Mrs. Shrestha is a lecturer in Economics, Padma Kanya Campus, Tribhuvan University. This research paper is based on the author's research work presented at Cairo Demographic Centre, Egypt in November 1981.

The Nepal Task Force on Population Policy (1976) has rightly remarked: "The gains of development are easily swallowed up by enormous increases in population jeopardizing capital formation and making it still more difficult to transform our subsistence economy into a self-generating one". The character of the country's labour force becomes significant in this background.

The specific objectives of the present investigation are to examine the dynamics of the labour force of Nepal through the following:

1. Studying the levels, patterns and trends of labour force participation;
2. Probing the changes, if any, in the structure of the labour force;
3. Getting insight into the process through the measures of working life tables.

For a comparative picture, some data from Kathmandu city are also presented.

This study is primarily based on data from Nepal censuses of 1961 and 1971 as well as the Mid-Term Population Sample Survey of 1976. In addition, data on Kathmandu city are taken from CDC survey, 1979. Unless otherwise mentioned, figures in the text on these dates refer to the data sources just mentioned. It may be noted that the data suffer from various limitations. Sometimes, there are different classifications of data for different periods. This makes comparative study overtime difficult. Besides, there are problems of reporting. For example, Myres' Index (See Shryock and Siegel, 1976, p. 117) provides scores of 23.4 and 23.1 respectively for 1971 and 1976 for males; and 25.3 and 23.3 for females. Similarly, U.N. age-sex accuracy score (See; Shryock and Siegel, 1976; p. 126) is found to be 61.2 and 50.7 for 1971 and 1976, respectively. Although such data biases are not uncommon in a developing country, it will be important to keep them in mind in our analysis.

## 2. OVERALL LEVELS AND PATTERNS

### 2.1 Overall Patterns

The total size of Nepalese labour force in 1961 was nearly 4.5 million. This figure rose to 4.9 million in 1971, and 6.2 million in 1976. Such a rapid growth of labour force is a result of continued rapid population growth, and will put an increasing pressure on the labour market in future. It is not an easy task for government opportunities for such a growing labour force.

Of the total labour force of the country, about 60% were males and 40% females in 1961. These figures changed respectively to about 71 and 29 in 1971; and 62 and 38 per cent in

1976. Such fluctuations indicate little overall change in male-female distribution during the period under study. In Kathmandu city, there is much more contrast between male (about 80%) and female labour force composition.

Table 1 reveals that of the eligible age group, more than 75% of males and 50% of the females (except for 1971: 35%) in the nation are economically active. Although the sex ratio for the comparable (eligible) population is close to 100, for the corresponding labour force it is extremely high—147 (1961), 242 (1971), 166 (1976) and 422 (1979) reflecting male domination in labour force. It is interesting to note that in 1976, 10% of the males are found to do housework; even in other years, a few males are observed in that group. Although the proportion of students has slightly increased since 1961, it has been negligible for females.

Table No. 1

**Distribution of the Eligible Populations \* by Sex and Labour Force Status, Nepal: 1961-1979.**

CHARACTERISTICS	(Per cent)							
	Male				Female			
	1961*1	1971 <sup>2</sup>	1976 <sup>3</sup>	1979 <sup>4</sup>	1961*1	1971 <sup>2</sup>	1976 <sup>3</sup>	1979 <sup>4</sup>
A. Economically Active	94.0	82.9	75.6	64.0	59.4	35.1	50.3	16.0
B. Economically In Active	(6.0)	(17.1)	(24.4)	(36.0)	(40.8)	(64.9)	(49.7)	(84.0)
House Work	0.2	0.0	10.0	0.3	34.7	57.1	42.4	48.9
Student	1.2	8.6	8.9	30.7	0.1	1.7	1.9	25.4
Others	3.7	4.5	3.3	5.0	5.2	5.7	5.1	9.6
Not Stated	0.9	4.0	2.2	0.03	0.8	0.4	0.3	0.07
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cruel Activity Rate	55.3	59.0	60.2	48.4	36.5	24.7	36.3	12.1
Refined Activity Rate (age 10 +)	94.0	82.9	75.6	64.0	59.4	35.1	50.3	16.0

Source : 1. Population Census, 1961. Vol. IV, H.M.G., N.P.C. Secretariat, C.B.S., Nepal.

2. Population Census, 1971 Vol. III, C.B.S., Kathmandu, Nepal, 1975.

3. Mid-term Population Sample Survey, 1976, H.M.G., N.P.C., C.B.S., Nepal 1979.

4. C.D.C. Sample Survey in Kathmandu City, 1979.

\* For 1961 age 15+; for all other years 10+.

Table 1 shows that since 1961 the crude activity rate for males is increasing from about 55% (1976) to around 60% (1976). However, as indicated earlier, female figures are very low, ranging between one-quarter to about one-third of the total females in different periods.

The table also indicates that refined activity rates in Nepal are very high—ranging between 83% and 94% for males since 1961. Comparable figures for developing countries like Indonesia (Heider 1981, p. 62) and Pakistan (Chaudry 1979, p. 100) are respectively 74 (1976) and 78 (1970–75). On the other hand, corresponding female figures in Nepal represent 59 in 1961, 35 in 1971 and 50 in 1976. These are far higher than those for Pakistan 9 (1970–75) and Indonesia 37 (1976) (Ibid). Of course female crude (12%) and refined (16%) activity rates for Kathmandu city are extremely low.

From the above figures, it is clear that in Nepal the male participation rates are similar as in other developing countries but female rates are higher than usually found in developing countries. Such high rates may not be because they are better employed, but perhaps due to lack of schooling facilities and underemployment, especially in the rural areas, as characteristics of an underdeveloped agricultural economy.

## 2.2 Age Specific Participation Rates

Differences between the patterns of age specific male activity rates in different countries and changes in any country in the course of time primarily reflect variation in the age of entrance into the labour force and in the age of retirement or involuntary withdrawal into inactive status (UN 1973).

As shown in Table 2A, more than 50% of males and 40 to 50% of females in the country are economically active between age 10 and 14. By 20, some more females and three-quarters of the males are in the labour force. This shows that there is widespread child labour and early entry into working life in the Nepalese society, a phenomenon commonly associated with poverty and illiteracy. Between age 25 to 59 more than 90 per cent of total males are economically active throughout the study period. Participation rate declines sharply after sixty. The case is quite different for females, the participation rate reaches maximum in the age group 15 to 19 years; then it starts declining gradually perhaps due to marriage and childbearing; after age sixty, it declines sharply.

Table No. 2A

## Age Specific Activity Rates of the Population, Nepal, 1961-1979

(Per cent)

Age Group	Age Specific Activity Rates							
	Male				Female			
	1961 <sup>1</sup>	1971 <sup>2</sup>	1976 <sup>3</sup>	1979 <sup>4</sup>	1961 <sup>1</sup>	1971 <sup>2</sup>	1976 <sup>3</sup>	1979 <sup>4</sup>
10 - 14		59.2	51.4	5.9		40.1	50.1	7.3
15 - 19		75.7	74.8	28.1		46.2	60.6	11.1
20 - 24	94.1	89.8	91.8	56.8	73.3	39.2	56.2	11.4
25 - 29		95.1	96.4	89.7		36.6	53.9	20.0
30 - 34	98.5	96.6	96.6	95.8	63.1	33.9	50.8	18.5
35 - 39		97.4	97.8	96.3		34.0	51.7	27.2
40 - 44	98.6	97.2	98.1	94.9	58.1	32.9	51.4	15.5
45 - 49		96.8	96.4	94.3		32.5	48.5	15.1
50 - 54	97.4	94.0	93.5	87.3	51.1	30.5	44.9	22.1
55 - 59		90.3	90.2	86.0		27.7	40.3	13.2
60 - 64		64.1	72.2	76.7		17.9	28.1	6.5
65 +	65.2	40.5	49.2	44.2	25.7	10.4	18.0	10.7

- Source: 1. Population Census 1961.  
 2. Population Census 1971.  
 3. Mid-term Population Sample Survey 1976.  
 4. CDC Sample Survey in Kathmandu City, 1979.

Contrasted to above, in Kathmandu city nearly 6% of males and 7% of females are in the labour force between ages 10 and 14 and in the next age group a quarter of the males and one tenth of females. It seems plausible that such low participation in Kathmandu city in young ages is due to higher participation of the city is youth, compared to the country as a whole, in education, as shown in Table 2B.

Figure 1, depicts the above comparative patterns of labour force participation by age and sex. It is evident that overall male participation is considerably higher than female participation in all ages; and participation in younger ages is much lower in Kathmandu city compared to the nation.

Table 2C reveals, age specific activity rates by sex and urban and rural residence for 1961 and 1979 available date. There is a remarkable difference between urban, and rural areas. Rural activity rates for all age and both sexes are higher than in the urban area. The overall patterns of participation rates of rural and urban males, and rural and urban females are quite similar. As expected, the urban figure are closer to Kathmandu city than the rural, especially with respect to participation in young age. Of course, the 1979 figures are more recent and relates to the national capital. There is not much difference in the participation rates in advanced ages. But on the whole retirement seems to be earliest in Kathmandu city; followed by urban areas in general; and finally the rural area. This perhaps is due to formal retirement from jobs in the modern and urban sectors of the economy. Apart from the relatively more prevalent child labour in rural areas, overall age of entry into the labour force also seems to be much lower in rural areas, especially for males.

Relatively low figures on female participation in labour force in Nepal may be partly due to misreporting their occupation. For even now women seem to be doubly exploited among the members, of the poor family. when men idle away their time the women work hard to earn their living as well as for national output. The actual participation in economic activity is perhaps more from the side of women than men in Nepal (Nepal, 1977, p, 14)

Table 2B

## Students in School, Age Six to Twenty-four and Sex, Nepal, 1971

(Per cent)

Age Group	Male				Female			
	Nepal 1971 <sup>1</sup>		Kathmandu 1979 <sup>2</sup>		Nepal 1971 <sup>1</sup>		Kathmandu 1979 <sup>2</sup>	
	Enrol- led	Not Enrolled	Enrol- led	Not Enrolled	Enrol- led	Not Enrolled	Enrol- led	Not Enrolled
6 - 9	14.4	85.6	75.0	25.0	4.7	95.3	68.9	31.1
10 - 14	32.7	67.3	86.4	13.6	8.5	91.5	79.4	20.6
15 - 19	22.0	78.0	66.7	33.3	3.9	96.1	58.2	41.8
20 - 24	7.5	92.5	38.6	61.4	0.9	99.1	20.4	79.7

Source: 1. Population Census 1971.

2. CDC Survey of Kathmandu City, 1979.

Table 2C

## Age Specific Activity Rates of the Population by Sex and Urban-Rural Residence, 1961 and 1979

Age Group	1961 <sup>1</sup>				1979 <sup>2</sup>	
	Male		Female		Kathmandu City	
	Urban	Rural	Urban	Rural	Male	Female
15 - 24	68.0	95.4	26.2	75.1	45.4	14.4
25 - 34	89.9	98.9	28.9	64.2	94.8	20.5
35 - 44	90.3	98.9	33.1	59.0	98.2	24.1
45 - 59	88.3	97.8	33.5	51.7	95.4	17.5
60 +	63.6	65.2	15.8	26.0	56.9	9.3

Source: 1. Census 1961

2. CDC Survey of Kathmandu City 1979.

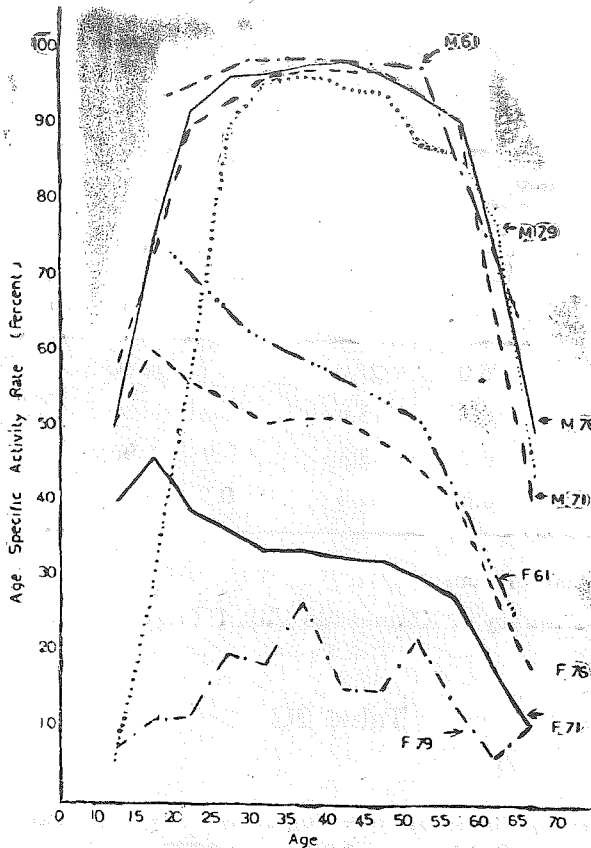


Figure 1 Age Specific Activity Rates by Sex, Nepal, 1961-1979

Source: See Table 2A

### 3. STRUCTURE OF THE LABOUR FORCE

The study of labour force structure reflects a country's developmental level and productive efficiency. This section examines changes, if any, in the Nepalese labour force structure in response to population dynamics and developmental efforts of the country.

#### 3.1 Occupational Structure

Information on occupational patterns and their trends is of special importance in the statistical framework of manpower planning as an integral part of socio-economic development policy. (Nassef, 1970, p. 149). For convenience, especially for a developing country like Nepal, occupational categories are grouped here into four major groups (See: Shryock and Siegel, 1976, p. 194) white collar workers (Professional, technical, etc.); Blue collar workers, e. g. craftsman; Farm workers; and services (Service workers, private household workers, etc.).



Table 3 shows that the highest percentages in male occupational status are farm workers-about 90% in 1961 and, 1971, with a slight decrease in 1976. Femal proportions are even higher; and also decrease in 1976.

The proportion of white collar workers has been increasing from about 3% in 1961 to about 7% in 1976 among males; and the same pattern is true but not in magnitude for females. Blue Collar category also follows the same pattern with very low proportions for both the sexes. Also very negligible Percentages are in services both sexes. Low proportion in these latter three categories indicate that socic-economic development has been low as well as slow in Nepal.

But for Kathmandu city, as expected, the situation is very different. More than half of the males and a third of the females are in white collar jobs, while more than a quarter of the males and a fifth of the females are in Blue Collar workers. It is also striking that even in the capital city farm workers represent about a tenth and a fifth of the males and females respectively. In services females exceed (14%) males (4%) considerably. It shows that the tendency is towards creating more white and Blue Coller jobs in the city instead of farm workers, but it is too slow for the nation as a whole, as noted above.

### 3.2 Industrial Structure

The study of industrial composition is useful for understanding occupational integration with on industries and impact of changes in an industry on labour force and socio-economic structure, (chaudry, 1979). For the sake of Convenience of Comparison, International Standard Industrial classification has been made in certain broad groups (U. N. 1968, p. 67).

There is a slight declining trend in the agriculture sector and increasing trend in the services sector for both sexes. However, the country is still predominantly agricultural, as reflected in the heavy concentration of the working population in this sector. Lack of economic growth is reflected in continued low percentage-in fact, slight decline in the industrial sector.

The percentage in the non-agricultural sector in Kathmandu city for both sexes is high. With the process of continued development; it is expected that the agricultural sector in the nation will also shrink relative to the non-agricultural sector. However, in Kathmandu city in 1979 most of the non-agricultural labour force were in the services rather than in industry. This is shows lack of productive employment even in the modern sector.

Table 3

**Distribution of the Labour Force by Sex, Occupation Industry and  
Employment Status, Nepal 1961-1979**

(Per cent)

Variables	Male				Female			
	1961 <sup>1</sup>	1971 <sup>2</sup>	1976 <sup>3</sup>	1979 <sup>4</sup>	1961 <sup>1</sup>	1971 <sup>2</sup>	1976 <sup>3</sup>	1979 <sup>4</sup>
Occupation	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
White Collar	2.8	3.6	6.7	51.8	0.6	0.8	4.3	32.5
Blue Collar	2.8	2.8	6.7	29.5	1.4	0.7	3.0	21.7
Form Workers	91.7	92.8	86.2	8.7	96.9	98.2	92.6	17.6
Services	1.9	0.8	0.5	3.6	0.5	0.4	0.2	14.4
Not Stated	0.8			6.2	0.6			13.7
Industry	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	91.8	92.8	88.1	9.0	96.9	98.2	92.9	18.9
Non-agriculture	7.4	7.2	12.0	81.0	2.4	1.9	7.1	59.6
a. Industry	2.5	1.4	1.0	7.0	1.2	0.5	0.4	7.3
b. Services	4.9	5.8	11.0	74.0	1.2	1.4	6.7	52.3
Not Stated	0.9			9.6	0.6			21.9
Employment States	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employer	0.9	0.6	1.3	4.1	0.4	0.2	0.5	3.0
Employee	20.2	11.7	15.3	70.6	10.4	3.7	7.3	55.7
Self Employed	75.7	84.7	71.7	5.8	77.3	89.0	65.0	4.9
Unpaid Family Workers	2.8	3.1	11.6	4.0	11.4	7.2	27.2	16.8
Not Stated	0.5			15.6	0.6			19.6

- Source: 1. Population Census 1961.  
 2. Population Census 1971.  
 3. Mid-term population sample survey 1976.  
 4. CDC Survey of Kathmandu City 1979.

### 3.3 Employment Status

Economic development involves an expansion of the employee group and contraction of own-account workers and family workers, if not also, of employers. (Cf. Chandry, 1979, p. 258). Table 3 shows that for both the sexes and in all the periods the vast majority of the economically active population of Nepal are self-employed categories. Among females many were unpaid family workers in 1976. Employees represented about 12 to 20% of the males and 4 to 10% of the females in different periods. This again shows lack of socio-economic development in the country. As for Kathmandu city, the majority of the labour force, especially among males, are found to be employees.

## 4. MEASURES BASED ON WORKING LIFE TABLE

Tables of economically active life represent the life-cycle of economic activity in a population. They are useful in studying the processes of growth and structural change of the labour force and estimating such quantities as life time expectations of earning (UN, 1968, p. 19). The present section examines dynamics of male labour force in Nepal through working life table analysis. This is based on available data from 1971 census and 1976 national survey. Because of suspected underreporting of females in the labour force, no analysis of female working life table is made here. However, for comparative purposes, relevant female indices are included in the graphs that follow. This study does not provide separate urban and rural working life table, because of data limitation. Table 4 includes relevant working life table measures for Nepal for 1971 and 1976. Relevant working life tables are given in the Appendix. (For methodology, See: U.N. 1968),

### 4.1 Length of Working Life

The difference between gross and net years of active life gives a valuable estimate of the reduction of average length of active life as a result of death prior to completion of the potentially active years. For Nepal, as apparent from Table 4, males 10 years and over potentially have about 55 gross years of active life, while about 48 years between 10-64 years. It may be noted here that the gross years of active life is computed without, and net years of active life with; due regard to mortality. Net years of active life for males aged 10 and over at birth is counted as 25 and 31 respectively for 1971 and 1976. For the age range 10 to 64, it is 24 and 29. It is clear that heavy loss of working life is there as a result of mortality sometimes ranging up to 50% of the gross working life.

In Figure 2, one can observe the wide gap between the gross and net years of active life at different ages for both the periods. The figure brings out the different effects of mortality and labour force participation in different ages, and also presents, a comparative picture of gross and net years of active life, and inactive years of life by age for 1971 and 1976.

It is obvious from the above discussion that loss of active years (gross minus net) is very high. For males, inactive years of life at birth range from 29 to 25 (age 10 and over) and 24 to 19 (age 10-64) for the two periods, respectively. Estimated loss at age 10 is considerably less.

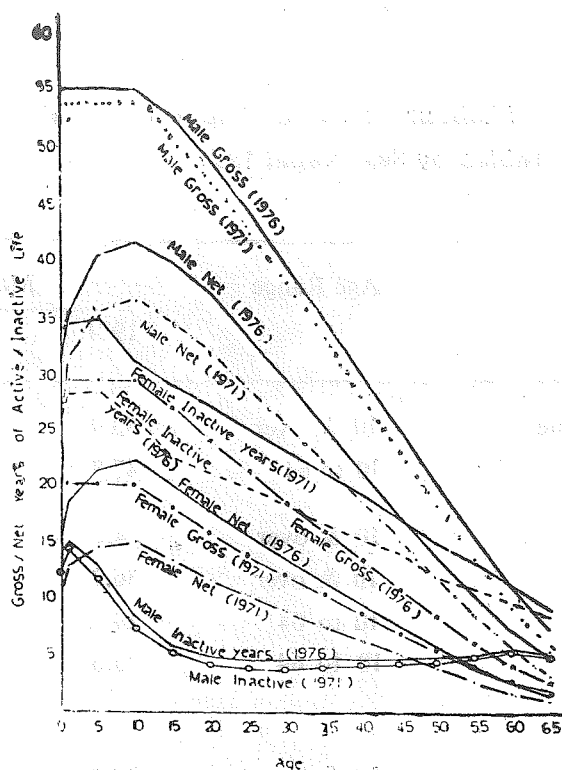
It appears that, because of high infant mortality in Nepal, the net years of active life at birth is considerably lower than at the beginning of active life itself. The highest point of net year of active life is in the age group 10 to 15. Then it declines considerably in both the study periods. The figure reflect that male inactive years for 1976 is slightly higher than in 1971 in all ages.

The average remaining active years per male active survivor age-41 (1971) and 47 (1976) years. With mortality decline in future the proportion of survivors in active life should increase. That will lead to higher contribution of the labour force to productivity. Figure 3 presents the remaining active years of life in Nepal at different ages in 1971 and 1976 along with the corresponding life expectancy for the same periods.

Table 4

**Selected Measures of Labour Force Participation Based on Working  
Life Tables by Sex, Nepal 1971 and 1976**

Measures	Age Range	Male	
		1971	1976
Gross years of Active Life	10 & over	53.9	55.4
Net years of Active Life	10 to 64	47.8	48.0
(i) Birth	10 & over	24.7	30.7
(ii) Age 10 years	10 & over	36.7	41.8
(iii) Birth	10 to 64	24.0	29.0
(iv) Age 10 years	10 to 64	35.6	39.5
<b>Loss of Active years</b>			
(i) Birth	10 & over	29.2	24.7
(ii) Age 10 years	10 & over	17.2	13.6
(iii) Birth	10 to 64	23.8	19.0
(iv) Age 10 years	10 to 64	12.2	8.5
Expectation of Life at Birth		36.8	44.7
Average Active years per Active Survivors at Age 10.		41.2	46.6
Median Age of Entry		13.5	13.8
Median Age of Retirement		61.4	62.2
Crude Rate of Entry (per 1000 active)		36.6	36.1
Crude Rate of Death ( " " " )		14.8	10.1
Crude Rate of Retirement ( " " " )		6.1	5.5
Replacement Rate (per hundred)		1.6	2.1
Replacement Ratio ( " " withdrawal)		175.1	231.0



Source: Appendix Tables  
 Figure 2: Gross Years of Active Life, Net Years of Active, Inactive years of Life by Age Sex Nepal 1971, 1976

Source: See: Appendix: Table 1 & 2.

### 4.2 Entry into and Retirement from the Labour Force

The age of entry into and retirement from active life could be considered as a barometre of the developmental level of the society. The early entry and late retirement are typical reflections of the low developmental condition of a country. Conversely, the relatively late entry into and early retirement from the labour force are signs of relative prosperity of a nation (UN 1973, p. 301).

Table 4 throws some lights on these phenomena. The median age of entry into labour force is extremely low. It ranges between 13.5 to 13.8 for males in 1971 and 1976 and indicates that the economy of Nepal is predominantly traditional. In the same way, median age of retirement is very high – more than 60 for males.

Figure 4 presents that significantly high proportion of males enter into the labour force between the age of 15 and 20. UP to age group 35 to 39 they continue to enter but at a low speed. After that they start retirement into inactive life. In 1976 the case is more or less similar to 1971, but with slight reduction in number of entry in the age group 10 to 15, perhaps as a result of educational growth. one can observe the trend that instead of reduction the age of retirement is slightly increasing during the study period. This indicates lack of economic growth in recent years.

Figure 5 indicates the cumulative proportion of entry and retirement by age in 1971 and 1976, and further confirms the pattern noted above. The figure reflects that hundred per cent of the males enter into the labour force by age 35 in 1971 and by 40 in 1976. They start retirement at age 45 in both the periods of our consideration. Below age 50 incidence of retirement is extremely low; after age 60 it rises sharply; and above age 75 or so every body seem to retired.

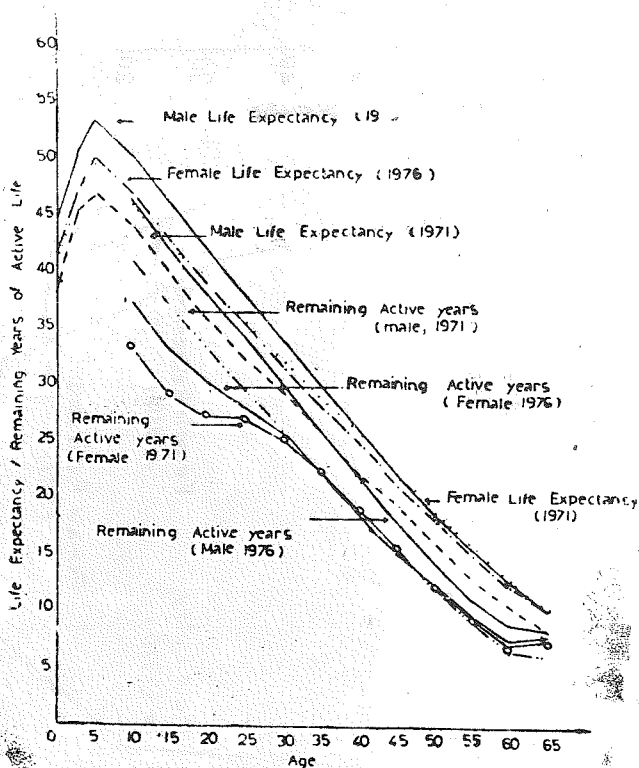
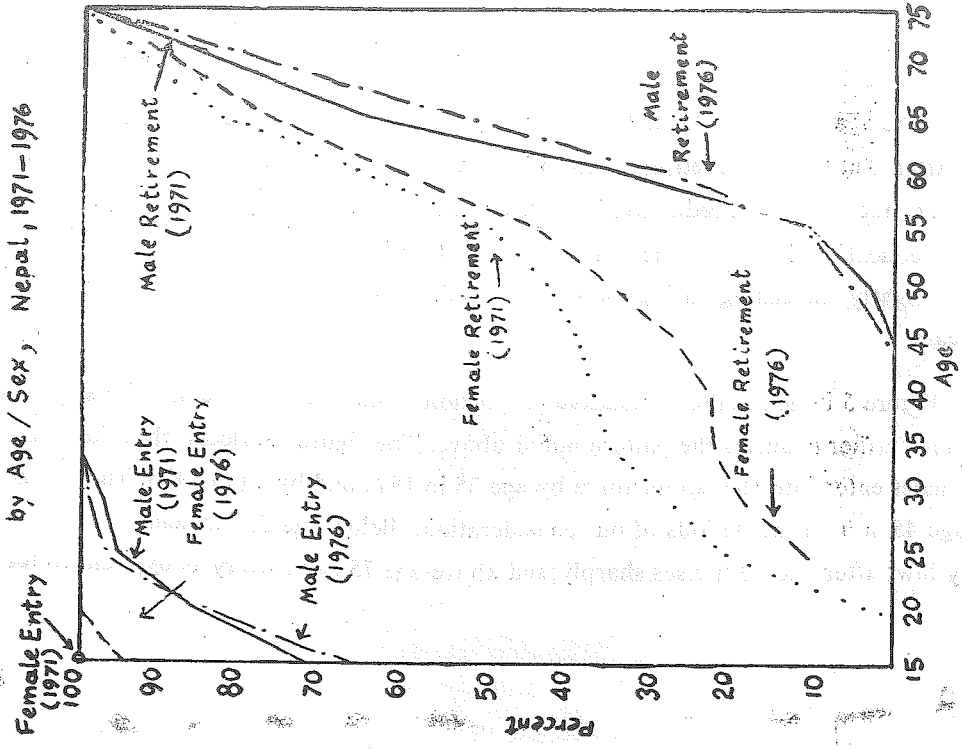


Figure 3. Life Expectancy / Remaining years of Active Life by Age, Sex, Nepal, 1971, 1976.

Source: See Appendix: Table 1 & 2.

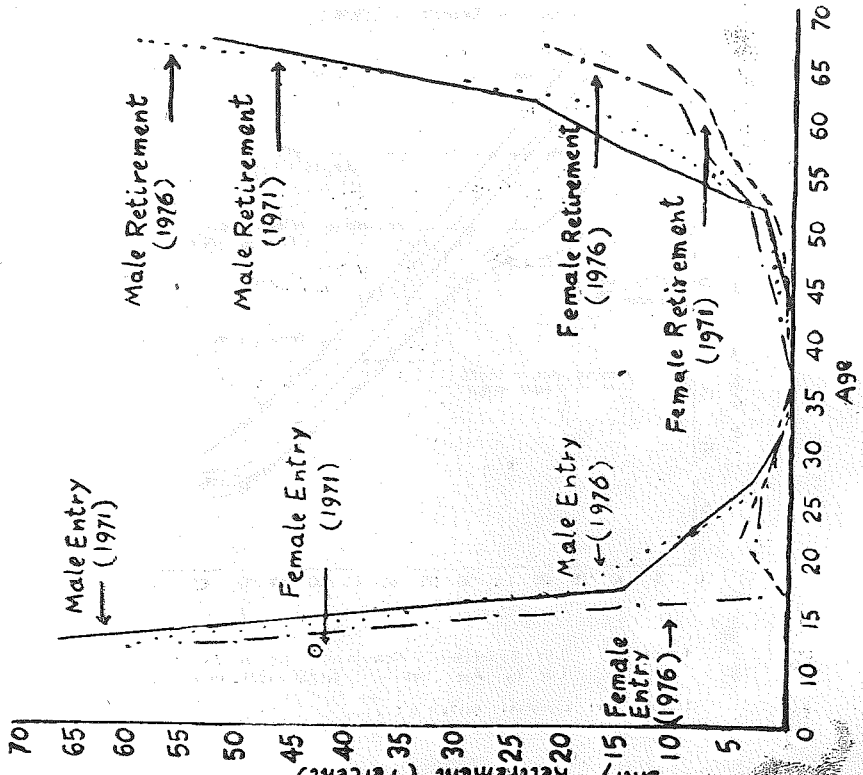
Figure 5: Cumulative Proportion of Entry/Retirement by Age / Sex, Nepal, 1971-1976



Source: Note On the assumption that 100 percent of the labour force will retire by age 75, retirement trade in the age group 60-64 are extenden to age 75 free hand method.

Source: See Appendix: Table 1 and 2

Figure 4: Entry/Retirement Rates by Age/Sex Nepal, 1971-1976



Source: See Appendix: Table 1 and 2



### 4.3 Labour Force Growth

The remaining part of this section identifies some additional features of the dynamism of labour force growth in Nepal by utilizing such measures as entry, retirement and replacement indices.

Table 4 reflects that the *crude rate of entry* into active life was 37 per thousand active males in 1971 and 36 in 1976.

The *crude rate of death* was per thousand active males in 1971 and 10 in 1976 which is the result of improved health facilities of the country. The crude death rates of active persons deal with a purely involuntary factor in the process of change in labour force. The *crude rate of retirement* is 6.1 per thousand active males in 1971 and 5.5 in 1976.

The difference between the rate of entry and the rate of retirement plus losses by death, known as the labour force replacement rate, can be interpreted as a kind of natural increase of the labour force (UN, 1968, pp. 3, 34). Table 4 reveals that the male replacement rate is 1.6 for 1971 and 2.1 for 1976 which is slightly less than the average annual rate of growth of population in 1971 (2.1%) and 1976 (2.5%) for the total population.

The last remaining measure in the process of study of the dynamics of labour force is the *replacement ratio*. This can be interpreted as an index of pressure on the job market, represented by demands of entering workers for jobs, in proportion to the number of jobs being vacated by retirement and death (Heidar, 1981 P. 158). Table 4 reflects that according to this index there were 175 entries into the male labour force per hundred withdrawals by death and retirement in 1971. and 231 in 1976 .

These figures reflect that there is much higher supply of labour force than the relevant demand created by jobs being vacated in Nepal. The resulting pressure of supply of the labour force over demand for additional openings in the job market is an important phenomenon that demands the attention of manpower planners. (Cf. Heidar, 1981, p. 158).

## 5. CONCLUDING REMARKS

About two million additional persons have been added to the labour force of Nepal in the course of only fifteen years (1961-1976). The primary factor in this regard is the youthful age structure of the population resulting from high level of fertility. There is a significantly high level of child labour prevailing in Nepal. Although it has slightly reduced for males, for females it is still increasing. Noticably for Kathmandu city, child labour is significantly low. Clearly,

educational expansion in the country is necessary to deal with this problem. Similarly, men at old ages remain in the labour force in order to share the burden of supporting their large and poor families. This is one of the indicators of low socio-economic development in the country. No doubt there is some increase in the female participation rate in the labour force but still low level of the female activity rate has made a low crude activity rate in the population as a whole. However, there seems to be substantial underreporting of females in the labour force.

The study of working life tables reveal that high mortality is the dominant factor in labour force depletion. Future declines of mortality will reduce such wastage. At the same time, the pressure on the job market from persons already born would continue at least for some years. The structure of the labour force has remained rather stagnant in the study period. Most of labour force is engaged in agriculture and few in industries and services. Development of the country would require diversification of the structure of the labour force.

In order to avoid undue wastage of manpower, the process of economic transformation would require a carefully worked out manpower policy and planning; well co-ordinated with overall socio economic development programme, and slowing down population growth. The achievement of such goals during the coming decades poses a real challenge for the people and the Government of Nepal.

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## Abbreviation

- CBS = Central Bureau of Statistics    CDC = Cairo Demographic Centre.
- CEDA = Centre For Economic Development and Administration.
- HMG = His Majesty's Government.
- NPC = National Planning Commission.

## Appendix

- Selected Tables For Derivation of Working Life Table  
Measures, Nepal, 1971 and 1976 (Male)

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## Appendix

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