

Women's Participation in Nepal's Labor Force

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Abstract

The educational and employment opportunities of women in Nepal have generally improved in recent decades. However, the occupational distribution of Nepal's labor force shows that the pattern of women's employment is changing slowly. While men's engagement in the non-agriculture sector has increased by about 16 percentage points, that of women's has increased by about 18 percentage points. As Nepal's labor force is still concentrated in agriculture, increasing women's participation in the non-agricultural sectors remains a challenge. Women are still relatively concentrated in low-paying and low capital-intensive jobs. The number of women engaged in subsistence work is higher than men. Although economic activity rates for both men and women increased between 1991 and 2001, the rate is still much lower for women compared with that for men. Labor force participation is higher for men than for women. Although women are slowly participating in the expanding modern employment sectors, they are still concentrated in low skill jobs and unpaid household activities.

Introduction

Nepali women's political, economic and social status has generally improved in the past few decades, resulting in better educational and employment opportunities. Female literacy rate rose from 9.2 to 34.6% between 1981 and 2001. Women's singulate mean age at marriage rose from 17.2 in 1981 to 19.5 in 2001. Their economic activity rate rose by 45.5 in 1991 to 55.3 in 2001. (CBS, 2003). Gender and development experts believe that if more women could find paid jobs, they would be able to escape patriarchal control and gain greater access to education, fertility control, and equal rights to citizenship. Actually women's labour force participation is an important determinant of their economic position in society, and should therefore be examined in depth.

Women comprised 50.1% of Nepal's total population in 2001 (CBS, 2001). For the past 20 years, the government, international agencies and social organizations have been focussing on women's development programmes. For example, projects such as the Small Farmer Development Project, Production Credit for Rural Women, Micro-Credit Project for Women and intensive Banking Programmes were introduced. The government is also reviewing the

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National Plan of Action on Gender Equality and Empowerment of Women. The Tenth Plan recognizes marginalization of women as a serious bottleneck for the socio-economic progress of Nepali society, and a strategy has been developed to reduce gender gaps and disparities at all levels.

Notwithstanding these achievements, increasing women's participation in Nepal's socio-economic development remains a challenge. Despite the efforts of government and non-government organizations to empower women and their participation in Nepal's socio-economic development, wide disparities persist between women and men in Nepal. For instance, , although women have been increasingly participating in the modern paid labor force, they do not necessarily enjoy full economic equality in Nepali society.

Objectives

This article examines the challenges that women in Nepal face in participating in the country's labor market and empowering themselves economically. The article analyzes the current status of women's work pattern, economic activity rates, and their extent of participation in the labor force.

Methodology

This article is based on the survey data of government and non-government organizations. The analysis is primarily based on the census data of the Central Bureau of Statistics. The Nepal Labor Force Survey of 1998/99 and the Nepal Living Standards Survey of 2003/04 conducted by the Central Bureau of Statistics have also been used as key data sources for the analysis of the current status of women's participation in the labor force. The tables have been re-arranged as per the needs of the analysis. The definitions and concepts of 'labor force' used are in line with the standards of the International Labor Organization, as have been used by the above-mentioned national surveys.

Concepts and Definitions of Labor Force

It is generally recognised that data on female labor force participation are inaccurate, or at any rate incomplete. The problem is particularly acute in developing countries, where women are frequently presented as economically inactive members of society even though their labor (especially among the poor) is essential for their families' survival. A number of conferences, commissions and committees have pointed out the shortcomings of female labor force data and recommended that they be improved, and that the important economic role played by women be accurately reflected in statistics. The difficulty faced by respondents in answering general key-word based labor force questions becomes even more obvious when one considers the ambiguities involved in the internationally accepted definition of labor-force activity, that is, what words such as "work", "job" and "main activity" are supposed to mean. .

The following two internationally accepted definition of persons engaged in labor force activity show how the concept has changed over time: labour forces are: "persons who perform some work for pay or profit during a specified brief period." (ILO, 1954), and "all persons of either sex who furnish the supply of labour for the production of economic goods and services as defined by the United Nations Systems of National Accounts and Balances" (ILO, 1982a, Richard, 1983).

A labour force study collects data about work activities. Nepal Labour Force Survey (NLFS) 1998/99 was the first such survey carried out by the Central Bureau of Statistics where work activities have been defined in line with the current ILO standards, which in turn are based on the United Nations 1993 System of National Accounts. Some of the concepts and definitions which are based on and reproduced from the International Labour Organisations (ILO), International Standard Classification of Occupations and Yearbook of Labour Statistics (various editions), and the ILO's Key Indicators of the Labour Market are as follows:

- a) Working-Age Population: in most countries, people between the ages of 15 to 64 inclusive. Some countries use different cut-off years.
- b) Economically Active Population: working age population, whether employed or unemployed, who furnish labor during a specified time period for the production of goods and services as defined in the System of National Accounts. Another term applied to the economically active population is "labor force."
- c) Employed Persons: those defined as "at work" when they work for pay or profit for (usually) at least one hour during a reference period (usually a specified brief period, either 1 day) or "with a job but not at work" when they have jobs but are temporarily absent during the specified period because of illness or injury, industrial dispute, vacation, absence with or without leave, or temporary disorganisation of work due to bad weather, mechanical breakdown, or other reasons.

Employers and own-account workers are included among the employed and are classified as "at work" or "not at work" on the same basis as other employed persons, unpaid family workers currently assisting in the operation of a business or a farm are considered employed if they worked for at least one third of the normal working time during the specified period.

- d) Status in Employment – refers to three categories of the total population employed. These are: (a) wage and salaried workers or employees, (b) self-employed workers and (c) unpaid family workers (also known as contributing family workers). These three groups of workers are presented as percentages of the total population employed for both sexes and for males and females separately. The subcategories of the self-employed group, self-employed workers with employees (i.e., employers), and self-employed workers without employees (i.e., own-account workers) are not available for all economies but are presented wherever possible.
- e) Labor Force Participation Rate (LFPR) is a measure of the extent an economy's working-age population is economically active. It provides an indication of the relative

size of the supply of labor that is available for the production of goods and services in the economy. (ADB, 2004: 25).

Occupational Distribution of Female Labor Force

Nepal's labor force is still concentrated in agriculture. Slightly more than 60% of the economically active men and nearly 73% of economically active women are still engaged in agriculture. This proportion is much lower in 2001 than in 1991 both for men and women. The increase in non-agricultural employment has been slightly higher for women than for men. While men's engagement in the non-agricultural sector has increased by about 16 percentage points, women's engagement in this sector has increased by about 18 percentage points (Table 1).

Table 1: Distribution of Economically Active Population by Sectors

Sectors	1981			1991			2001		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Agriculture & Forestry	91.2	88.7	95.8	81.2	74.9	90.5	65.7	60.2	72.8
Non-agriculture	7.0	9.2	2.9	17.8	23.8	8.9	34.1	39.5	27.0

Source: Population Monograph, 2003, Table 18.21, p. 238.

Proportion of women in the non-agricultural work force has increased to 34% from 20% in 1991 (Table 2). Women workers' proportion has increased in all sectors. Nevertheless, women's concentration in agriculture is still more than that of men. Women constitute 48% of the labor force in agriculture. In the non-agricultural sector, the largest proportionate increases have been in electricity, gas and water, manufacturing and trade and related services. The large increase in the proportion of women in the electricity, gas and water sector from 6.4% to almost 78% (Population Monograph, 2003, Table 18.22), however, is because household level collectors of water and fuel have been counted as economically active in 2001 census and included in this category.

Table 2: Female Proportion in Labor Force by Sectors (1981-2001)

Sectors	1981	1991	2001
	Female	Female	Female
Agriculture & Forestry	36.4	45.0	48.1
Non-agriculture	14.3	20.2	34.3

Source: Population Monograph, 2003, Table 18.22, p. 239.

For an evaluation of women's comparative status, the occupational distribution is more relevant than sector distribution because the sectoral distribution captures only where people are working, not the positions in which they are working. The occupational distribution, on the other hand, tells the story as to in what positions they are working. Table 3 on the occupational distribution of labor force shows only a slow change in the pattern of women's employment.

Table 3: Distribution of Economically Active Population by Broad Occupational Groups (in percent).

Occupation	1981			1991			2001		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Administrative workers (Legislators, Senior officers & Managers)	0.1	0.1	0.0	0.3	0.5	0.1	0.6	0.9	0.2
Technicians and Associate professionals	0.9	1.2	0.5	1.8	2.5	0.7	4.2	5.9	1.9
Clerks or office Assistants	0.7	1.0	0.1	1.1	1.6	0.3	2.0	3.1	0.6
Service and market	1.5	1.9	0.6	9.2	11.7	5.5	7.9	10.5	4.5
Agriculture, Forestry and Fishery workers	91.4	88.9	96.1	81.1	74.7	90.5	65.7	60.2	72.8
Production workers	3.1	3.9	1.7	4.2	5.8	2.0	19.5	19.3	19.8
Elementary occupations other than agriculture							8.8	8.0	9.9
Not Stated + Others for 1981 & 1991	4.7	3.0	1.0	1.1	1.1	0.3	0.1	0.1	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Population Monograph, 2003, Table 18.24, p. 241.

In the 2001 occupational classification, agricultural labor force has been divided in two categories—skilled and semiskilled and elementary workers. The group includes most of the farmers farming their own or rented land, while the casual wage workers are classified as elementary workers. In terms of proportionate distribution, the largest number of worker going in the non-agricultural sector has been in the category of production worker, both for men and women. Among the production workers, women constitute 44% (Table 4). Even among the production workers, they are relatively concentrated more among the elementary workers. Smaller surveys also confirm that in the manufacturing sector, women are concentrated at low paying and low capital-intensive jobs. (GDS/FES, 1997). Women still constitute a miniscule proportion among administrative, technical and professional, and clerical worker categories. They constitute only about 14% among the administrative workers, i.e., among the senior officers, legislators and managers, and 19% among the professionals and technicians, which comprise teachers, trained nurses, doctors, engineers, professors, etc. The increase in women's proportion in this group by 4 percentage point indicates a positive trend, reversing the decreasing trend observed in 1991 compared to 1981 (Population Monograph, 2003).

Table 4: Female Proportion in Labour Force by Occupation (1981-2001)

Occupations	1981	1991	2001
Administrative workers (Legislators, Senior Officers and Managers)	6.6	9.3	13.8
Technicians and Associate Professionals	16.6	15.1	19.0
Clerks or office Assistants	5.8	10.0	12.8
Service, Shop and Market Sales workers	14.6	23.9	24.7
Agriculture, Forestry and Fishery Workers	36.4	45.1	48.1
Production workers	19.2	15.8	44.1
Elementary occupations other than agriculture			48.6
Not stated/others	15.1	35.9	50.9
Total	34.6	40.4	43.2

Source: Population Monograph 2003, Table 18.25, p. 242.

Nepal Labour Force Survey 1998/99 shows greater number of women in subsistence work than men while in the remaining type of works their number is lower than that of men. (Table 5)

Table 5: Numbers of Currently Employed Persons Aged 15 Years and Over by Gender.

Occupation	Total	Men	Women
Legislators, Senior officials	12	11	1
Professionals	37	33	4
Clerks	107	96	11
Service workers	492	327	165
Market agriculture	276	146	130
Subsistence agriculture	6373	2699	3674
Craft and related Trade workers	562	398	164
Plant and machine operators	108	94	14
Elementary occupations	1286	763	522
Armed forces	5	5	0
Total	9463	4736	4727

Source: NLFS survey 1998/99, Table 6.3, p. 34.

Economic Activity Rate of Women in Nepal

One of the key indicators identified in a labour force study is the rate of current activity. As discussed in the Nepal Labour Force Survey, 1998/99 conducted by the Central Bureau of Statistics, a person is defined as currently active if he or she is either employed for at least one hour during the previous seven days or has a job attachment if temporarily absent from work or is available to work if work could be found. As indicated in Table 6, 86% of the sample population aged 15 and over are currently active. Men have a higher rate of activity (90%) than women (82%).

Table 6: Current Activity Status by Age and Gender

	Total	Men	Women
Aged 15+	11,232	5,361	5,871
Currently active	9,641	4,834	4,807
Employed	9,463	4,736	4,727
Unemployed	178	98	80
Currently inactive	1,591	527	1,064

Source : CBS, Nepal Labour Force Survey, 1998/99, Table 5.1, p. 25.

Table 7 shows increased economic activity rates for both men and women between 1991 and 2001. But the rate is still much lower for women compared with that for men in both the censuses.

Table 7. Economic Activity Rates by Gender

Gender	1991	2001
Male	68.7	71.7
Female	45.5	55.3

Source: CBS, National Report on Census, Vol. II, Table. 25.

A substantial proportion of women are confined to household work due to social and reproductive reasons. Even if household activities, such as household maintenance and childcare, do not fall within the production boundary defined by the SNA currently, such activities nevertheless are necessary for human reproduction and no economy can survive without these. Therefore, a comparison of working and not-working population is presented in Table 8.

Table 8: Male/ Female Proportion of Workers, 2001

	Usually Performing		Homemaker	Total
	Economic Activity	Extended Economic Activity		
Age 10+				
Male	63.5	1.4	1.6	66.5
Female	37.7	6.1	28.6	72.4

Source: CBS, National Report on Census, 2001, Table 23, Vol. II.

The 2001 census' definition of economic activity includes extended economic activities. The category of extended economic activities is a new classification in 2001 census. This category includes activities such as collection of water, fuel and processing of both primary and market purchased goods for household consumption. In the previous definitions, theoretically, the processing activities were considered non-economic in the case of households, which were not selling the goods or the service in question.

Nepal Living Standards Survey 2003/04 conducted by Central Bureau of Statistics defines a person to be "employed" if s/he worked for at least an hour in the last seven days or was on leave temporarily. On the other hand, a person is "unemployed" if she did not work during the last seven days but was looking for work, was waiting to hear from a prospective employer or to start a new job or could not find work or did not know how to look for work. Others who did not work in the past seven days or did not look for work for reasons other than those listed above were classified as "inactive". (CBS, 2004: 44).

Based on these definitions, Table 9 shows activity status, participation and unemployment rates during the whole of past 12 months of the survey. At least a day of work was sufficient to allow a person to be classified as employed in that "yearly" definition.

**Table 9: Activity Status and Unemployment Rates
(Based on one year preceding the interview)**

	Employed	Unemployed	Not Active	Total	% Individual	Participation Rate	Unemployed
Male	84.5	0.6	156.0	100	47.1	85.0	0.7
Female	81.6	1.1	17.3	100	52.9	82.7	1.3

Source: CBS, NLSS survey, 2003/04, Table 12.5, p. 51

One useful indicator is the labor force participation rate which measures the proportion of the working age population that is economically active. To get a better idea of how labor force participation rates differ between ages by gender, Table 10 is presented as produced by the Nepal Labour Force Survey, 1998/99.

**Table 10: Labour Force Participation
Rates of Population Aged 5 and Over by Gender**

Age Group	Total	Men	Women
All	72.3	73.3	71.3
5-9	20.9	18.3	23.6
10-14	60.9	55.2	67.1
15-19	77.5	77.1	77.9
20-24	86.5	91.4	82.7
25-29	91.2	96.7	86.5
30-44	94.1	97.8	90.8
45-59	91.7	96.2	87.2
60+...	63.2	75.1	51.2

Source CBS 1998/99, NLFS, Table 5.2, p. 26

For most of their working lives, from the age of 20 up until 60, the participation rate for men is higher (approaching 100 percent) than for women.

Women and Income Earning Opportunities

Women in Nepal bear many major work responsibilities such as reproduction, household work, and employment. Given traditional gender divisions of labor, women concentrate more on their ascribed reproductive roles and responsibilities while men focus on "productive", income-earning roles. As in most households world-wide in both developed and developing countries, reproduction is not regarded as work and household work is not considered productive. This shows that women's share in income is severely limited by their status of being unpaid, unproductive workers.

Looking at the proportion of wage and non-wage labor by major industry groups, women constitute much lower proportion of wage-workers in the non-agriculture sector generally (Table 11). While they constituted 33% of the agricultural wage labor in 2001, their share in the non-agricultural wage labor was only 17.7%, a decline of 1 percentage point from 18.9% in 1991.

Table 11: Women—Proportion by Wage/Non-wage and by Major Occupation, Nepal (1981-2001).

Occupation	Wage			Non-wage (Self-employment, Family Labor, and Employment)		
	1981	1991	2001	1981	1991	2001
Agriculture	16.8	29.8	33.0	37.0	46.6	50.0
Non-agriculture	14.5	18.9	17.7	18.0	25.0	50.6
Nepal	14.7	22.6	22.4	36.8	45.3	50.2

Source: Population Monograph. 2003, Table 18.27, p. 243.

The pattern of work participation indicates a large proportion of women working as unpaid family workers. The proportion was 63% for women and 24% for men in 1991. (CDPS, 1997). As to the kind of employment, an overwhelming majority of economically active population, both men and women, is still self-employed, including unpaid family labor. The percentage of women in unpaid family labor in total was 62% in 2001 (Table 12).

Table 12: Employment Status, Nepal (1981-2001)

Employment Status	Men			Women			% of Women in Total
	1981	1991	2001	1981	1991	2001	
Employer	0.9	0.7	3.9	0.4	0.4	3.7	40.8
Employee	11.8	27.8	33.7	3.8	12.0	12.8	25.7
Self Employment	83.2	69.5	56.7	90.0	83.7	70.6	47.1
Unpaid Family Labor	1.7	1.5	5.7	4.0	3.5	12.9	62.1
Not Stated	2.4	0.4	-	1.8	0.5	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	

Source : Population Monograph 2003, Table 18.26, p. 243.

The Nepal Labour Force Survey, 1998/99 shows the number of men who are paid employees are almost 1.2 million, whereas women paid employees number less than 400,000. Half of the jobs of these men employees and two-thirds of the women employees are in elementary occupations. At the higher skill level, there are about 30,000 men in professional occupations, but very few in the case of women. Similarly, in the case of technicians, there are about 130,000 men technicians in paid employment, but only about 40,000 women technicians (NLFS, 1998/99, Table 6.6, P. 38).

Conclusion

Women's participation in formally defined labor force has increased substantially between 1981 and 2001. As per the 2001 Census, women constitute more than 43% of the labor force, 73% in agriculture and 27% in the non-agriculture sectors (CBS, 2003). Women's proportion has increased in almost all occupations to some extent, but they are clearly concentrated in the agriculture sector. There is also a positive trend of their empowerment as reflected in their increasing proportion among the professionals and technicians as also in administration and management.

Although various census and survey reports show that women are slowly joining the expanding modern sectors, particularly manufacturing, trade, commerce and tourism in urban areas, they are concentrated in low-skill jobs because of their lack of education and training opportunities, the biases of their employers, and their limited mobility. Women's access to the formal labor market therefore remains limited, and they are still mainly engaged in piecework, household activities, and other kinds of outsourcing that undermine their collective bargaining power and increase exploitative working conditions for them. Overall, the problems that women face in the labor market stem possibly from factors such as stereotypical roles that confine women to household activities, women's limited access to education and skills/vocational training, discriminatory wage rates, legal discrimination and deprivation of the right to property, lack of gender sensitive labor policies, and inadequate laws on maternity protection and childcare.

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