NEPAL’S POLICY FRAMEWORK FOR EMPLOYMENT AND LABOUR

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Contents

- Background
- Present scenario
  - Labour law/ labour market and migrant labour
  - Employment
- Policy framework to create employment opportunities
- Strategy, policy and approach
Background

- One of the world’s least developed countries in South Asia
- Population close to 28 million (ADB, 2009)
- National poverty line 25.0 %
- High dominance of unskilled labour
- More than 200,000 poor in bonded labour
- 1.9 million temporary and permanent migrant workers to other countries

Sources: Official Nepal statistics, World Bank, Statistical profiles of LDCs
**Present employment situation**

**Employment rate (Nepal Labour force survey)**

<table>
<thead>
<tr>
<th>Employment rate (15 year and above in %)</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total active Population</td>
<td>82 %</td>
</tr>
<tr>
<td>Employed Population</td>
<td>1,17,79,000 (81.7 %)</td>
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<tr>
<td>Underemployment</td>
<td>6.7 %</td>
</tr>
<tr>
<td>Unemployment</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Involving in insufficient income-work</td>
<td>8.1 %</td>
</tr>
<tr>
<td>People who are working in different area not related to their skill</td>
<td>13.2</td>
</tr>
<tr>
<td>Underutilized population from active population</td>
<td>30 %</td>
</tr>
<tr>
<td>Employment on Agriculture Sector</td>
<td>73.9</td>
</tr>
<tr>
<td>Employment of non agriculture sector</td>
<td>26.1</td>
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</tbody>
</table>
Migrant labour and remittances are an important mainstay of Nepal’s economy.
Currently, the rate of international migrant labour is increasing.
Around 3 million (Documented & undocumented) Nepalese migrants working in foreign countries.
The estimated remittances seems to be higher an average of 44 billion NRs/yr (Graner and Seddon, 2004).
**Labour law/policy**

- **Nepal Labour Act 1992**
  - lays down the legal framework and the basis for the rules, regulations and guidance

- **Labour Regulation, 1993**
  - complements the Labour Act

- **National Labour Policy 1999**
  - to deal with the government policies and programmes on different labour issues
  - complementary action to the effectiveness of foreign employment act -2042
Present scenario - employment

- Poverty, unemployment, political instability, social security and resource degradation etc are prevailing.
- Unlikely to achieve its targets for employment and environmental sustainability.
Policy framework to create employment opportunities

- Labour & Employment policy -2062
- Three year plan 2010/11-2012/13
- Karnali Employment Program.
- Labour based local infrastructure programs.
- Employment Guarantee (assurance) act -draft
Policy Framework

- Nepalese Foreign Employment Act-2042
  - made to provide for the matters relating to foreign employment e.g. counseling, complain and compensation

Labour and Employment Policy 2062
- to face the existing challenges by exploring and tapping the new opportunities and potentials of the labour and employment sectors,
  - to promote production-oriented employment by eliminating forced labour practices,
  - to make the just, healthy and cordial labour-related development

- Institutional Arrangement
  - vital for the promotion of foreign labour migration
400 thousand young people are entering in employment market per year.

Two third of those are getting opportunity in foreign employment.

Remaining are also unable to get employment opportunity inside the countries.

Employment generation is a great challenge for our economy.
Strategy, policy and approach

- The concept of decent work will be gradually translated into practice
- The social security network will be expanded in a graduated manner
- Quality vocational training and skill development training will be made more effective
- Special target programmes that support employment will be conducted for all groups
- The master plan on child labour will be effectively implemented
- Activities that contribute to capacity building regarding employment promotion and labour administration will be carried out
Proposed approach to green jobs

- Awareness raising of impact and linkages on climate change and environment to employment and social policy
- Assessment of green jobs in Nepal
- Capacity building for relevant government ministries and stakeholders on green job promotion and just transition
- Identification of sectors for green jobs promotion, in particular with addressing unemployment
- Identification of Quality vocational training and skill development training in green jobs
- Coordination amongst key stakeholders for the promotion of green jobs in Nepal
- Strengthen of task force for green jobs with relevant stakeholders
Thank you