

Productive Employment and the Reduction of Unemployment in Nepal: A View of Point

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EXISTING SCENARIO

Degree and Natural of Unemployment

In the context of Nepal the importance of manpower as a national issue has been developing gradually. In fact it has developed due to the emergence of more social and economic concerns in the Nepalese economy with the high growth rate of population. With the imbalances in the supply and demand for manpower great concern has emerged in the determinants of the sources of labour force and the demand for labour force.

In the fifties and sixties of this century when the fertility and mortality rates were high and there was stability in the growth of population. In the same way the natural resources such as forest and land were available in the country. The policy makers did not have to concern on the imbalances in the supply and demand for manpower. They regarded population as the position variable, which did not act dynamically in the development process. With the adoption of the programme for induced development the expectation of the people increased and diversified leading to the construction of various types of infrastructure and the transformation of the economy. All these demanded for the qualitative improvement of manpower; shifting of manpower from agriculture to other sectors of the economy.

This scenario developed a paradoxical situation in the Nepalese economy. There was the demand for manpower in modern sector and the situation of underemployment increased in the traditional sector. This led to the emergence of unemployment among the Nepalese while the openings in the modern sector were being occupied by the immigrants. The underemployment in the agriculture of the hills and the eradication of malaria in tarai led to the clearance of forest in tarai. This created more employment in the agriculture of tarai and the problem of unemployment was not severely felt. The cushion used to be tarai land. Those who could not find jobs within the country migrated to the towns of India, where they were involved in manual works or worked as security guards.

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The adoption of several development efforts like the construction of roads or the power plants or industrial establishment and the construction of building in the urban areas created more jobs in the construction industries. While the growth of trade and various means of transportation led to the openings of more jobs within the country. Many new industries like tourism, carpet and garments were established in the urban areas and these have attracted more employment in the urban areas. This phenomenon led to the attraction of many people to the urban centres of Nepal. The high degree of rural urban migration exert great pressure on the urban environment; the rural economy was devoid of works force and agriculture did not get due importance. Consequently the pressure of employment emerged in the urban areas. More employment opportunities could not be created in the rural areas. This has accelerated the problem of unemployment in the country.

Table 1

Distribution of Population Aged 10+ by Major Activities and Sex, Nepal, 1991

Activities	Male		Female		Total	
	Number	Percent	Number	Percent	Number	Percent
Agriculture	2830479	44.10	2476581	37.77	5307060	40.90
Salary/ wages	1232755	19.21	364010	5.55	1596765	12.31
Household owned	312349	4.87	123412	1.88	435761	3.36
Without any gainful	1992891	31.05	3545786	34.08	5538677	42.69
Not Stated	50057	0.78	46769	0.71	96826	0.75
Total	6418531	100.00	6556558	100.00	12975089	100.00

Source: CBS, Population Census 1991, Nepal.

Table 2

Distribution of Economically Active Population Aged 10+by Sex by Average Duration of work in the Last 12- Months, Nepal, 1991

Duration of Works (In months)	Male		Female		Total	
	Number	Percent	Number	Percent	Number	Percent
0-3	81278	1.86	83649	2.82	164927	2.25
3-5	219789	5.02	221411	7.47	441200	6.01
6-7	1069087	24.43	858162	28.95	1927249	26.26
8+	2983814	68.19	1789628	60.38	4773442	65.04
Not Stated	21615	0.49	11153	0.38	32768	0.45
Total	4375583	100.00	2964003	100.00	7339586	100.00

Source: CBS, Population Census 1991, Nepal.

Table 1 indicates that 42.69 percent of the labour force was without gainful employment in 1991. Out of the total labour force 40.90 percent is engaged in agriculture. Salary/wages earners constitute only 12.31 percent of the labour force.

Out of the total labour force, 51.57 percent is economically active population. 65 percent are engaged 8 months and above.

In the employment scenario also the distribution is not even. Jobs are more occupied by certain sections of the people. Females are less employed in the modern sector. Majority of them are employed in agriculture and animal husbandry. The domestic work and child care activities are being carried by them. These activities take most of the time of the females.

The distribution of employment on the basis of the ethnicity is also skewed. The regional distribution of employment in the modern sector has emerged in the national economy of Nepal. The nature of unemployment in Nepal varies by sector. In the urban sector there is absolute unemployment. The problem of educated employment is also growing both in rural and urban areas. In addition the degree of unemployment is high among the young and increasingly more among educated population.

Existing Programme of Employment Generation

The Programmes launched in the country for the promotion of employment can be categorized into two levels: macro and micro (special programme). Generally the macro level programme is being adopted by the government in their developmental programme. Where they feel that the initiation of the development efforts in different sectors of the economy will lead to take care of the employment issue. In the past five year plans it was being envisaged that the plan activities would generate employment to a certain numbers of population however at the end of the plan the level of employed remained low than what was adopted in formulating the plans. The development efforts carried during the plan era of about 40 years led to the creation of employment opportunities in the following fields.

Construction Industry

Construction contractors, skilled and semiskilled labourers, labours and other supportive economic activities were developed to meet their requirements.

Manufacturing Industry

With the establishment of manufacturing industries, there has been the growth in employment. However, the lower level unskilled and semiskilled jobs are occupied by the Nepali and the skilled and highly skilled jobs are taken by immigrants. The glaring example is the garment industry of Nepal. Due to slow growth of manufacturing industry in Nepal, the rate of growth of employment in this sector is still limited.

Service Industry

Two important industries, providing more employment are tourism and transport. Tourism industry with its subsections like hotel, travel business, trekking, mountaineering has opened jobs of different types to most of the Nepalese belonging to different sectors. Similarly, transport industry, specially handling goods and passengers has opened new employment to Nepalese. In certain service industries like tailoring, barber etc. immigrants are dominating the job market.

Trade and Commerce

With the growth of 36 urban areas and about 70 small market centres along the highways, within few decades, trade and commerce has flourished. This led to the creation of jobs both in the formal and informal sectors. However, immigrants are in both informal and formal sectors of trade and commerce.

Agriculture and Livestock

Agriculture and livestock act as cushion for employing those who are not employed in modern sector of the economy. Agriculture and livestock are managed by women, children and old people. Economically active males are out migrated from rural areas either for education or to get jobs in the urban areas or emigrated to the other countries.

In addition to these macro level employment generation activities, the government has launched such programmes like Food for Work, Small Farmers Development Programmes, Production Credit for Rural Women, development of cottage and small scale industries to provide employment to certain group like women, farmers, unemployed educated people.

ISSUES IN EMPLOYMENT GENERATION

Underemployment is the prime concern in Nepal. So productive employment generations is the major goal of each Nepali family, community and the government. Productive employment is not only meant for improving the standard of living of the people but it is an instrument to solve such socio-economic problem like poverty, social integration and participation of the most disadvantaged people. With the creation of more productive jobs, horizontal and vertical mobility in the society can be achieved, and it will tend to create a better environment for accelerating the pace of economic development. However, the task of employment generation is beset with many issues, which demand for a national coordinated approach. Major issues associated with employment generation are:

Structure of the Economy

Nepalese economy is dominated by household closed economy, where the size of the farm is small, technology is traditional, market intervention is limited, agriculture is considered as a way of life. The modern sector of the economy like industry, trade services contribute about 50 percent of the gross domestic product. Land is the important asset of the Nepalese, but its distribution is skewed. Majority of the people own marginal land, not enough to meet even the food requirements of the family. Household savings is low (3 to 5 percent), so investment in agriculture is low leading to lesser improvement in agriculture. Industrial development is limited. It is based on imported raw materials and has to face competition from large scale industries of neighbouring countries - India and China. Tourism, carpets and garments are the major industries earning foreign exchange. The balance of merchandise trade is adverse, leading to the deficit in the current account of the balance of payments.

The structure of the economy is changing. Urbanization is growing at a higher rate, leading to the development of modern urban and traditional rural economies. Urban-rural dualism is developing. Consequently the dual economic structure is emerging prominently. With the formation of dualistic economy the problem of unemployment has been reflected in a more pronounced way. The expectation of getting higher wage and other opportunities in the urban areas, rural to urban migration is occurring at an accelerated rate while urban jobs are getting restricted. This phenomenon led to seasonal or temporary employment in urban areas. In the rural scene also, with the introduction of education youths are more attracted to non-agricultural employment opportunities, but the rural areas do not have adequate absorptive capacity to employ school graduates or fallures. This has two implications. Some of them out migrate to other areas, within and outside the country. While the rest are remaining in the village as educated unemployed. The contradiction among the educated youth between their interest of not to work in farming activities and the unavailability of non-farming activities within the rural areas, has made them burdensome to the family and the society. Educated youths with some exposure to modern knowledge, are trying to have their own identity, but because of their poor economic base and the traditional values and institution dominating the rural society, did not allow them to capitalize it, leading to the creation of group of frustrated youth in the rural areas. In many circumstances they are creating obnoxious act in the rural areas.

Poverty

The important factor responsible for unemployment in Nepal is poverty. With marginal asset base, and low income of the majority of the people, the possibilities for human resources development of poor people, and the participation in the informal and formal sectors of the

economy by them have become virtually impossible. Almost 60 percent of the total population belong to the category of absolute poor i.e. they do not have income to avail the daily necessities of life. The resource base of this segment of the poor is the number of family members, who in most cases are portion of the unskilled labour force. They are mostly concentrated in the rural areas. While in the rural areas the employment opportunities are available only during certain seasons, which will not exceed more than five months. So rest of the year they are absolutely unemployed. Those who come out of the villages do get some jobs as porters or any other manual works. Hence there is a tendency to out migrate to the urban areas of Nepal and India for seasonal employment. With the prevalence of extreme state of poverty, the possibilities of enhancing the productivity of Nepalese labour force have become remote, without the intervention of the government or any outside agencies. With no or low level of education and training, the unskilledness of Nepalese labour force is inherited leading to lesser marketability of their strength. Inadequate resources base has also threatened their participation in the informal sector. Financial institutions concentrate their advances to the asset holders, there is no opportunity to the poor to borrow from the financial institutions.

The extreme state of poverty, and the unavailability of opportunities for improvement, the poor are forced to cling within the agriculture centre as underemployed or forced to migrate to urban areas to seek any type of job or to emigrate to other countries. Migration to overseas countries is extremely of high cost so the poor are forced to migrate to India for carrying any jobs available to them at a low wage rate. The abject poverty is the major reasons for accelerating the rate of underemployment in Nepal.

Institutional Mechanism

Basically three sets of institutions -government, private sector and NGOs are responsible for addressing the issues in employment generation in Nepal. Governmental institutions are responsible for providing direct employment and influencing the job markets through developmental activities. Programmes for promoting employment are not developed so far through governmental institutions.

In the private sector the institutional mechanism to promote employment is less developed. The growth rate of corporate sector is low. The individual ownership or partnership organization, which dominate the formal sector is not transparent in recruitment. Furthermore, it is not professionally oriented it is family or group oriented, leading to imperfection in the job market (labour market). Another important institutional mechanism for employment generation in the private sector is the growing informal sector, where people from agriculture have started entering. Furthermore, educated youths, who could not find out

employment either in government or private sector, have also entered into informal sector to be self-employed.

NGO is another institutional mechanism to promote employment in Nepal. With the restoration of democracy in 1990, thousands of NGOs have been registered in the country. Some of the Nepalese Non-governmental Organizations (NGOs) have initiated development etc. In this process about 79 International Non-governmental Organizations, operating in Nepal, have promoted the local NGOs or initiated developmental activities. The International Non-governmental Organisations (INGOs) and NGOs have helped to generate some employment through their activities. Similarly, the volunteer or the social workers have engaged themselves on part-time basis to ameliorate the condition of disadvantaged.

Political Economy

The politico-economic issues of employment generation in Nepal is linked with the participation of the people in development process, the pattern of economic power sharing and the interrelation between the political and economic institutions. It has become the slogan of each government that peoples participation be at the centre of development. However in reality, the developmental efforts are being carried by the government through private contractors, where the beneficiaries participation is rarely sought. This act has inhibited the promotion of employment specially in rural areas. The participation of the beneficiaries from the planning to the operation and management of the developmental activities is not sought effectively. In fact the model/approach of peoples' participation has not yet been clarified in Nepal. Those who possess assets and resources, do have the opportunity to be engaged not only in the present generation, but in successive generations, because the assets and physical resources are inherited.

The third politic-economic element influencing employment generation in Nepal is the interline between the political and economic institutions. Major political organizations in Nepal to shape the macro economic activities, is the organization and activities of the political parties, and their linkages with economic organization like corporate sector. Parties are loosely organized, professionalism is less developed than the partisan attitude of the management.

Open Boarder

Nepal having open boarder with India and China, has been facing the problem of immigrant workers and competition from cheap, goods supplied by the firms of these two countries. Whenever new jobs are created in the country, these jobs are being taken by the immigrant workers. This indicates that the competitiveness of Nepalese labour is poor. Their productivity is low. Furthermore industries and trading concerns established by the foreign firms prefer to hire migrant workers than the

natives. The business firms are concerned with higher rate of profit so they try to hire manpower which is productive, and ultimately helps to increase their profits. There is an easy market for manpower in India. Cheap products supplied by the big industries of China have also affected negatively the development of domestic industries.

The problem of unemployment is severe in Nepal, and it is aggravated by the competition from the neighbouring countries. Due to open boarder, jobs and other economic activities are being taken out by the immigrants.

Macro-economic Policy of Liberalization

The macro-economic policy of liberalization adopted by Nepal from mid - 1980s under the Structural Adjustment Program (1986), has tried to liberalize the economy, by reducing the role of the government in the economy. This process was further accelerated with the policy of the democratic governments. The liberalization policy led to the importation of manufacturing products leading to reducing the activities of some national industries. The private sector investment could not increase, because of its incompetitiveness with the big foreign firms operating at a large scale of operation. Industries like carpet and ready-made garments, which occupied more than 80 percent of the merchandise exports are affected due to unavailability of markets leading to the closure of many such industries and ultimately laying-off many workers.

GOALS, OBJECTIVE AND ACTIONS FOR EMPLOYMENT GENERATION

The issue analysed earlier have revealed that there is a need to adopt a multiprong approach to increase productive employment and to reduce the unemployment. The goals, approach and action plan needed for employment generation and unemployment reduction should be viewed from both the micro and macro perspectives. The non-governmental organizations in Nepal are working directly with the people at grass root level than the governmental and private organizations. NGOs can be instrumental in implementing the programme of employment generation at the micro-level. Unemployment reduction and employment generation, need to be assessed at Marco level, for which the role of the government would be enormous. The role of the private sector would also be prominent but its aim of increasing profitability, which counteract with employment generation. Thus various goals of employment generation and unemployment reduction are associated with the actions to be taken by all the three sector- GOs, NGOs and private sector. The goals for employment generation and unemployment reduction in Nepal should cover the following :

- Restructuring policy.
- Employment Centered Development.
- Employment Generation through Enterprise.

- Employment Generation through Human Resources Development.
- Restructuring Developmental Priorities.
- Redefining the Nature and Pattern of Employment.
- Improving the Quality of Employment.
- Targeting on the Needs of Specific Groups.
- Setting The Section Priorities

Restructuring Policy

The existing policy of spontaneous generation of employment through the developmental efforts needs to be restructured with the following objectives and actions:

Objective 1. Put unemployment, underemployment and educated unemployment as the major agenda in designing the macro economic policy.

Objective 2. Promote economic development based on employment generation.

Objective 3. Motivate the investors to direct their investment towards generating employment.

Objective 4. Generate employment based on the resource capabilities of the regions or areas.

Actions

In the macro economic plan and programme of the government employment generation should be incorporated by the government. A time bound twenty year perspective plan on employment is to be developed considering the growth of labour force and the pace of the development. The government should work out various economic and non-economic incentives to be provided to the investors promoting employment.

Assessment of the resource base and the growth of labour force on the basis of geographical regions and districts by the government. The local NGOs have to assess the local capabilities and to launch the action programmes development by them in collaboration with the participation of the programme.

Employment Centered Development

The paradigm developed so far that employment and entrepreneurship develop automatically with the development of productive sector has been proved not true in case of developing countries. The injection of big size of investment led to the development of certain modern sector, and the growth in the economy also could be achieved, however the fruits of such development could not trickle down to the root. In Nepal too the development of transport and communication, banking facilities, development of tourism, carpet industry, garment industry etc. led to the development of certain urban

areas and modern sector in the central region of the country. It could not radiate the influence of development to a large portion of eastern, western and far western parts of Nepal. Consequently people living in these regions could not avail the employment opportunities. On the contrary people of these regions had to migrate to the central region of the country. Taking into consideration of this situation of Nepal, it is proven that economic growth is a necessary but not sufficient condition for creating employment and reducing unemployment.

Objective 5: Creation of productive employment should be the macro economic theme of the governmental policy and to seek international cooperation to that direction.

Objective 6: Develop a balance between labour intensive and capital intensive technologies, to absorb more labour in productive employment.

Actions

The macro economic policies should be more directed towards such structural adjustment, where labour markets be developed. The monetary policy should be directed to bring stability in the economy through control of inflation and channalization of investment towards increasing the supply of the goods, with the creation of employment. The monetary policy should also be directed to increase the coverage of formal financial sector thereby reducing the role of informal financial sector.

The Structural Adjustment Programme and other programmes of macro economic adjustment should be divised as an instrument not to reduce employment but to increase productive employment. The fiscal policy should be directed towards generating more employment without creating a huge fiscal deficit in the budget.

There is a need to promote bilateral investment with the investing companies of other countries, particularly that of neighbouring countries - India and China. In this regard the bilateral investment with the countries of East and South East Asia should be promoted to generate more employment. At present many illegal labourers are working in Japan and Korea, it has created informal linkages with the Korean and Japanese investors. The private sector is to be encouraged to build up linkage with the investors of Republic of Korea and Japan, who have been using Nepali labour force to invest in Nepal.

In order to get regional and international markets for Nepalese products, there is a need to analyze the cost structures of certain exportable products and convince the regional and the world community to provide special preference for the least developed country like Nepal. The transfer of technology with the development of manpower to handle

such technology should also get special preference from the regional and international communities.

Since the women population is less migratory in Nepal (mostly hills), the transfer of knowledge and technology should be directed towards providing productive employment to women. Centre to carry research and action work in labour force and employment is to be established in Nepal. In this regard ILO can be helpful in providing technical backstopping and network establishment.

Employment Generation Through Enterprise

In Nepal the modern sector has started developing from 1950's onwards and it is contributing less than half of the GDP of Nepal and engaging about 20 percent of the population. In the modern sector also the share of small enterprise, has created self employment, employment to family members. The informal sector has been growing, and the people from traditional sector are entering into informal sectors.

Objectives 7 : Promote the development of small and medium size enterprises in different parts of the country.

Objective 8 : Support the informal sector to be more organized to develop entrepreneurship.

Actions

The small and medium size enterprises should get credit and other facilities to stand the competition from the large scale industries in Nepal and the competition from the imported goods from neighbouring big countries - India and China.

The informal sector organized by individual household should be organized to form cooperative, by establishing a support service programme. The saving and credit cooperatives are to be organized to support the informal sector.

The district wise roster of the informal sector is to be prepared and required technical services are to be provided to the entrepreneurs. It should be aimed at developing corporate sector with the participation of the members of the present informal sector. The thrust of its development should be to promote employment opportunities.

Employment Generation Through Human Resource Development

Human resource is the important renewable resource, which can be the most important edifice of development, when other resources are meager and marginal. However due to 60 percent illiteracy of the adults their knowledge and skill are limited to perform the traditional agriculture and animal husbandry. Uptill now major thrust in the development of human resources has been directed towards providing formal education

to prepare administrative jobs in the offices, than to increase the productivity of the physical labour. To invest on the improvement of own capability of the members of the family for bringing improvement in the practices prevalent in their economic activities is not developed among a large member of families. Those who invest on education also feel the simple sending to school, would be enough to provide quality education. Dropout rate is high, school absentee rate is high, preparation of homework at home is rare, reading habit among the youth is not developed, demonstration effect of luxury of urban and western life is prevalent among youth, but they do not have the idea on the limited resources which their family can afford to meet their requirements. Youth who are supposed to improve the practice of their economic life, by bringing structural change in agriculture and rural areas are more interested in leaving the rural areas or those who could not find opportunities are more indulged in non productive works.

Objective 9 : Review of education system at the interval of two years. Corrective measures are to be adopted.

Objective 10 : Curriculum at the 11 and 12 years of school system need to be related with job opportunities.

Objective 11 : Development of professional higher education.

Objective 12 : The non-formal education should be made more functional.

Objective 13: Mass training of middle level manpower in each district is to be promoted.

Actions

The government has to review the education system at the end of two years, to find out the effectiveness of out put of each level. Based on the findings corrective measures are to be taken for its improvement. Competent students are to be directed towards higher education while the less competent are to be channalised towards jobs. For meeting the requirements of jobs such students need some training.

Enroll competent students in higher educational establishment. Non formal education like adult education, functional education should be handled by NGOs as a campaign. School should be made as the centre. Teachers and school children of grade 8, 9 and 10 are to be mobilised to participate in the campaign. For this the government has to provide seed money and instructional materials. The campaign should be made sustainable and should be supported by local human and financial resources. For training of skilled and semi skilled manufacture, there is a need to open human resource training centre. The existing establishments of schools or other government offices are to be used as training centres. In the name of training centre, the tendency of constructing costly buildings is to be discouraged. Mass scale training in agricultural technology and practices, construction technology, small scale

industries, etc. are to be organised. The process of transferring the knowledge and skill into action is to be initiated through launching of animation programme.

Restructuring Development Priorities

Uptill now the developmental plans have focused on many areas, which are beyond the reach of available resources. Consequently substantial achievements could not be achieved.

Objective 14 : Divert the developmental priorities towards generating productive employment and reducing unemployment.

Objective 15: Accord higher priority to the development of productive sector fostering employment.

Actions

The macro level development effort should put productive employment generation as the important objective of the plan. The developmental paradigm should consider that the participation of GOs, NGOs and private sectors is to be equally incorporated in all developmental efforts in Nepal. GOs can simply act as the agency to put financial resources and infrastructure. NGOs are to be channalised as the catalytic agency between the government and the people. Due honour and recognition are to be given to NGO's campaign. Private sector should help on the activities carried by the NGOs for financing micro enterprises, for helping in marketing the products of micro-enterprises established and operated by informal groups in rural areas.

Redefining the Nature and Pattern of Employment

At present it is being accepted that when people are employed outside the home at a certain level of wage/salary, it is regarded as employed. In fact any activity, which is directed to engage for the earning of income is to be regarded as employment. It may be self employed or working in enterprises of other profession. The gender role in the diverse Nepalese society is different. Women have to play two roles in the family. She has to carry household activities, and she has to participate in farming and animal husbandry. Any new developmental programme taken to the rural areas, will exert pressure on the women.

Objective 16: The nature, pattern and the work hours are to be redefined.

Actions

The nature of job to be carried by women is to be identified by the government, with the help of the NGOs involved in women and development. If certain jobs are meant for women, employment of women will be encouraged.

The problems related with women status are to be identified by the NGOs. NGOs should act as advocates, and pressure groups to sensitize the women issues. It will tend to change the attitude of males in the society and family.

For the participation of private sector in women development, women entrepreneurs should get special support from the government, banking sector to promote their enterprises. Private corporate sector employment should get tax concessions and other facilities through the government if they employ women.

Any new jobs taken to the women in rural areas should not increase the working hours of the women. A social campaign is to be launched to encourage the sharing of domestic activities by other members of the family.

The working hours in full time job should not exceed 8 hours a day. If the workers have to work more than 8 hours a day additional remuneration is to be provided.

Child labour is to be socially discouraged. Children are to be encouraged to attain school regularly. The dropout rates and school absentee should be reduced. In NGOs' work, one of the activities should be to support the retaining of the children, specially the girl child in school.

Improving the Quality of Employment

In Nepal, efforts on the improvement of the quality of employment has not been carried together with their physical development. Bonded labour, unequal remuneration, use of child labour, discrimination in employment, weak collective bargaining are still prevailing. It has not been able to improve the quality of employment. The productivity could not be raised. Factors like unhealthy and unsafe working environment, low level of remuneration or overwork, malpractice in the labour contract are responsible for low productivity and poor quality of life. So the key elements to the quality of employment are to safeguard the interest of the workers and to solve the problems inhibiting the rights of workers as enshrined in International Convention.

Objective 17: To improve the quality of employment as enjoyed by the labour force in other countries.

Objective 18: To safe guard and improve working environment and to provide adequate remuneration to meet the minimum quality of life.

Actions

The government has to give due priority in improving the laws governing, bonded labour, child labour, collective bargaining, employment opportunities. At the NGO level efforts should be directed

towards empowering of the weak and disadvantage group. Improve the collective bargaining power of the work force.

Government should supervise and monitor the working environment of the industries. Industries not following the norms adopted by the government should be penalised.

Targeting on the Needs of Specific Groups

Nepalese society is composed of various social economic and ethnic groups, with diverse resource base. There are tribals, ethnic minorities, untouchables, occupational groups, and economic groups. Women are in a disadvantaged position. Without designing special programmes for these groups, they will be left out from the main stream of the society to avail the productive employment opportunities.

Objective 19: Identification of specific groups residing in all the parts of the country.

Objective : 20 Adopt specific programmes to promote employment opportunities to disadvantaged groups.

Actions

The government has to identify the disadvantaged groups in each district, NGOs can be instrumental to identify the disadvantaged groups.

Based on the resource base of the area, where the disadvantaged groups reside, programme for the generation of employment opportunities are to be developed. At the district level, the District Development Committee, the district level development agencies of the government, and the NGOs at the district level should develop strategic plan for the generation of the productive employment opportunities. The NGOs should also act as advocates to convince and pressurise the private sector to provide employment opportunities to the disadvantaged group. To develop the competitiveness and capability of the disadvantaged groups special skill development and educational programmes are to be devised by the government. But the action works are to be carried by NGOs.

Setting the Section Priorities

In Nepal, additional labour force is mostly accommodated in agriculture. The off-farm employment opportunities are not available in the rural areas, thus encouraging the active labour force to migrate to urban areas.

The development of some infrastructure in rural areas has helped to generate employment opportunities, but mostly such jobs are taken by the immigrant labour.

Some export oriented industries like carpet and garments have

helped to promote productive employment. Since these industries are located in urban areas, they have encouraged the rural urban migration. This has drained out the economically active people from the rural areas distributing the supply-demand equilibrium in the labour markets of the rural areas.

Investment in the rural areas is not made by the residents, but is directed towards urban areas to purchase assets like urban land and buildings.

Objective 21: Priorities sector economic activities to generate productive employment

Actions

Instead of setting priorities to develop each sector as it is practiced in the formulation of the plan in Nepal, the sector economic activities should be aimed at raising productive employment.

Rural development is to be launched by the government, which could generate employment opportunities in the areas. Agriculture related activities are to be launched. For this livestock development and cottage and small industries need to be promoted, by providing technical services, training and credit facilities.

In urban areas, the growing informal sector should be more directed to create self-employment.

The government has to identify the areas where immediate involvement can be channelised. Banking and financial institutions are to be directed to channelise their investment in the areas of investment identified by the government. The reluctance of commercial banks to promote investment in priority sector identified by the government should be immediately changed by restructuring the strategy.

NGOs at the grass root level should advocate the government and the private sector to channelise the investment in rural areas.

In each area, financial institutions like Gramin Banks are to be developed not simply to limit their functions as financier, but they have to act as catalytic agencies, to promote investment, and to develop the institutional capabilities of the NGOs at the grass root level.

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