

Manpower Absorbed By The Public Enterprises In Nepal: A Review

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BACKGROUND

Manpower is one of the factors of production mainly known by the human factor of production of labour force or labour involved in the production of goods and services through its skill, knowledge and capabilities. The development of the manpower is considered as an important indicator of modernization being most important among the factors of production. The labour force is composed of all the people in the economy who are either working or looking for work/job. The labour force can be divided into two major groups: civilian and non civilian labour force. The civilian labour force further can be divided into employed and unemployed.

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 concern in the Nepalese economy with the higher growth rate of population. With the imbalance in the supply of and demand for manpower great concern has emerged in the determinants of the sources of labour force and the demand for it. With the adoption of several developmental efforts in government and private sector the importance of manpower, mainly of skilled manpower increased gradually.

The population census of Nepal 1991 recorded that 42.7 percent of the labour force aged 10 years and above is living without any gainful employment and salary/wage earners constitute only 12.3 percent of the total labour force. Jobs are mainly occupied by the certain section of the people. Females are less employed in the modern sector and more in the traditional sector, such as agriculture, animal husbandry, domestic works, cooking and child care activities. The salary /wage earners are working in the government, semi-government and private sector.

PUBLIC ENTERPRISES IN NEPAL

The history of public enterprises in Nepal starts from the Rana regime with the establishment of the Biratnagar Jute Mills, Morang Sugar Mill, etc. in 1930s. But prior to 1960s the number of such enterprises was very limited or few. Most of them were set up in 1960s and 1970s mainly with the foreign assistance. The number of public enterprises reached about 70 prior to privatization. Most of them are running in deficit since their establishment.

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In 1991 the democratic government of Nepal adopted the policy of economic liberalization and embarked upon a bold programme of privatization of public enterprises on the pressure of the donors, specially World Bank, UNDP, and USAID. UNDP also assisted the then government of Nepal to formulate privatization strategy for Nepal. The government started to privatize the public enterprises prior to the Privatization Act came into force. Upto now more than 10 enterprises are already privatized, two are liquidated and some are under the process of privatization. This study is based on only the 43 public enterprises and rest others are excluded due to unavailability of informations from them. The list of enterprises under study is given in annexure.

The public enterprises of Nepal are divided into six categories. They are: i) Industrial ii) Commercial iii) Service iv) Social v) Public Utilities and vi) Financial. Out of the 43 enterprises under study 15 (34.9 percent) are industrial, 5 (11.6 percent) are commercial, 8 (18.6 percent) each are service and financial, 4 (9.3 percent) are social and remaining 3 (7 percent) belong to public utilities enterprises (Table 1).

Regarding the affiliated Ministry these enterprises are now affiliated with the 12 Ministries. The highest, 14 enterprises, are under the Ministry of Industry, 6 under the Ministry Finance, 5 under the Ministry Agriculture, 3 each under the Ministry of Supply, Ministry of Construction and Transportation, Ministry of Communication and Ministry of Housing and Physical Planning, 2 under the Ministry of Forest and Land Conservation, one each under the Ministry of Commerce, Ministry of Tourism, Ministry of Youth Sports and Culture and Ministry of Water Resources (Table 2).

Manpower Absorbed By The Public Enterprises

The manpower involved in the enterprises is divided into staff and worker, and all the staff and worker are further categorised as permanent, temporary, daily wage earner and staff/worker on contract. The staffs are further divided into technical and non-technical on the basis of their skill. The total manpower, both staff and worker involved in these enterprises, are found 56460 in 1994/95. Among them 86.6 percent is permanent, 6.1 percent is temporary and remaining 7.3 percent is daily wage earners and contract-workers. The manpower involved in these 43 enterprises constitutes 3.5 percent of the total wage/salary earners of Nepal as recorded by the population census of 1991.

Manpower Staff By Their Skill

According to the record available from the public enterprises, in total 47754 staffs were working in the Fiscal Year 1994/95. Among them 32.7 percent was technical and rest 67.3 percent was non-technical. It is estimated that in Fiscal Year 1996/97 the total staffs in the same enterprises will be 51706 (33.3 percent technical and 66.7 percent non-technical) (Table 3.)

Of the total technical manpower 46.6 percent is involved in public utilities enterprises, 31.6 percent in the industrial enterprises and 21.8 percent in other categories of enterprises. The lowest proportion in total as well as in technical manpower is found in commercial enterprises. On the other non-technical manpower is found highest (49.9 percent) in financial enterprises. The proportion in 1996/97 also will be nearly similar.

The proportion of technical manpower is found more (58.2 percent) in the total manpower involved in industrial enterprises. The technical manpower involved in other enterprises was 52.9 percent in public utilities, 45.5 percent in social, 38 percent in service and 9.2 percent in the commercial enterprises with respect to the total manpower involved in the corresponding enterprises. The lowest percentage (6 percent) of technical manpower is involved in the financial enterprises (Table 3).

Job Characteristics Of The Staff

Total staffs in the public enterprises are divided into three groups on the basis of their job characteristics. They are: permanent, temporary and daily wage earners plus working on contract basis. The manpower is further classified as officer and non-officer in each groups. Of the total staff 88.3 percent is found permanent (11.9 percent officers and rest non-officers). The share of temporary staff is found lowest (5.4 percent), whereas 6.4 percent is daily wage earners plus working on contract basis.

Among the permanent staff the proportion of officer is more (39.6 percent) in financial enterprises followed by public utilities (20.2 percent), and industrial (15 percent) and lowest in social enterprises (4.4 percent). On the other it is observed that the the proportion of officer is found more in social enterprises (20 percent) followed by service (19.2 percent) and lowest in public utilities enterprises (8.3 percent).

Most of the temporary staffs are non-officers and more than 40 percent is involved in financial enterprises and lowest in the industrial enterprises. On the contrary daily wage earner and contract staff are more in industrial enterprises and lowest in the financial enterprises in the Fiscal Year 1994/95 (Table 4).

It is estimated that the situation of manpower will be more or less same in the Fiscal Year 1996/97. The numbers of all types staff in this year will be 51706 with an addition of 3952 within two years period (4.1 percent annually), which is nearly double than the population growth of that period (Table 5).

Job Characteristics Of The Worker

In 1994/95 there were 8706 workers. Among them 74.9 percent was involved in industrial enterprises and it is estimated that it will decline and reach 69.9 percent in 1996/97. The percentage of permanent workers in the

total workers of the corresponding enterprises is found 83.2 percent in industrial, 98.1 percent in commercial, 13.6 percent in service, 76.9 percent in financial and 77.4 percent in total (Table 6). No workers are found in social enterprises and only contract workers are found in the public utilities enterprises.

CONCLUSION

The history of Public Enterprises in Nepal starts during the Rana regime when few industrial enterprises were set up at Biratnagar. The growth of such enterprises took momentum after the restoration of democracy in 1950 to facilitate the livelihood of Nepalese people. Large numbers of manpower were absorbed by these enterprises as their need or just to provide employment to the persons of the influential political and administrative people of the country. In this way on the one hand most of the enterprises are suffering from **overstaffing** and on the other productivity of the staff is very low due to **lack of skill and weak management**. Thus most of the enterprises are running deficit. Realising this problem and situation the new democratic government adopted the policy of **economic liberalization** and started to handover of public enterprises to the private sector. In the year 1990 the numbers of such enterprises were about 70, now some of them were privatized, some of them are under the process of privatization and some of them were liquidated. On the one hand the methodology or procedure adopted by the government to privatize the public enterprises is controversial and on the other with the reduction of public enterprises the number of manpower absorbed by them also decreases and creates a problem of unemployment to the country if the government does not take seriously to increase the employment opportunity to the existing and increasing labour force.

Table 1
Distribution Of Public Enterprises By Categories

Categories of Enterprises	Number	Percentage
Industrial	15	34.4
Commercial	5	11.6
Service	8	18.6
Social	4	9.3
Public Utilities	3	7.0
Financial	8	18.6
Total	43	100.0

Source: Sarkari Sansthan Sambandhi Karya Pragati Tatha Lakshya Bibaran 1994/95-1996/97, HMG/MOF, 1996.

Table 2
Distribution Of Public Enterprises By Related Ministry

Ministry	Affiliated Enterprises	Percentage
Agriculture	5	11.6
Industry	14	32.6
Finance	6	14.0
Supply	3	7.0
Construction and Transportation	3	7.0
Forest and Land Conservation	2	4.6
Commerce	1	2.3
Tourism	1	2.3
Youth, Sports and Culture	1	2.3
Communication	3	7.0
Housing and Physical Planning	3	7.0
Water Resources	1	2.3
Total Ministry 12	43	100.0

Source: As of Table 1.

Table 3
Distribution Of Manpower Staff By Their Skill And Type Of Enterprises

Type of Enterprises	1994/95 Actual			1996/97 Projected		
	Technical	Nontechnical	Total	Technical	Non technical	Total
Industrial	31.6	11.0	17.8	30.0	11.9	17.9
Commercial	1.9	9.1	6.7	1.9	8.3	6.2
Service	9.7	7.7	8.3	8.9	7.3	7.8
Social	3.6	2.1	2.6	3.7	1.8	2.4
Public Utilities	46.6	20.2	28.8	48.7	21.3	30.5
Financial	6.6	49.9	35.8	6.8	49.3	35.1
Total percent	100.0	100.0	100.0	100.0	100.0	100.0
Total number	15617	32137	47754	17234	34472	51706

Source: As of Table 1.

Table 4
Distribution Of Manpower Staff By Type Of Corporations And Staff Categories 1994/95

Type of Enterprises	Type of Staff											
	Permanent			Temporary			Daily Wage and Contract			All Total		
	Officer	Others	Total	Officer	Others	Total	Officer	Others	Total	Percent	Number	
Industrial	15.0 (10.0)	18.3 (78.60)	17.8 (88.6)	11.0 (0.1)	1.9 (0.5)	2.2 (0.7)	3.1 (0.1)	34.0 (10.6)	30.1 (10.8)	17.8 (100.0)	848.9	
Commercial	7.3 (13.0)	6.6 (75.6)	6.7 (88.6)	19.8 (0.6)	5.4 (4.2)	5.9 (4.7)	0.8 (0.1)	8.0 (6.6)	7.1 (6.7)	6.7 (100.0)	3206	
Service	13.5 (19.2)	4.9 (45.3)	6.1 (64.6)	28.6 (0.7)	28.7 (17.9)	28.7 (18.5)	4.7 (0.5)	24.7 (16.4)	22.1 (16.9)	8.3 (100.0)	3980	
Social	4.4 (20.0)	1.3 (39.7)	1.8 (59.7)	11.0 (0.8)	7.9 (15.9)	8.1 (16.7)	9.2 (2.8)	9.7 (20.8)	9.7 (23.6)	2.6 (100.0)	1240	
Public Utilities	20.2 (8.3)	31.6 (83.7)	30.0 (92.0)	22.0 (0.1)	14.4 (2.6)	14.6 (2.7)	82.2 (2.3)	15.6 (3.0)	24.0 (5.3)	28.8 (100.0)	13765	
Financial	39.6 (13.1)	37.2 (79.5)	37.5 (92.7)	7.7 (0.0)	41.7 (6.1)	40.5 (6.1)	.....	8.0 (1.2)	7.0 (1.2)	35.8 (100.0)	17074
Total percent	100 (11.9)	100 (76.4)	100 (88.3)	100 (0.2)	100 (5.2)	100 (5.4)	100 (0.8)	100 (5.6)	100 (6.4)	100		
Total Number	5663	37487	42150	91	2480	2571	381	2652	3033		47754	

Note: Figures in parenthesis indicate row percent.

Source: As of Table 1.

Table 5
Distribution Of Manpower Staff By Type Of Enterprises And Staff Categories 1996/97

Type of Enterprises	Type of Staff										All Total	
	Permanent			Temporary			Daily Wage and Contract				Percent	Number
	Officer	Others	Total	Officer	Others	Total	Officer	Others	Total			
Industrial	15.9 (11.2)	19.0 (82.4)	18.6 (93.6)	13.8 (0.1)	3.0 (0.7)	3.3 (0.8)	0.8 (0.0)	22.3 (5.6)	19.3 (5.6)	17.9 (100.0)	9268	
Commercial	7.3 (14.9)	6.5 (81.2)	6.6 (96.1)	15.4 (0.3)	4.0 (2.7)	4.3 (3.0)	0.8 (0.1)	1.1 (0.8)	1.1 (0.9)	6.2 (100.0)	3206	
Service	11.9 (19.1)	4.6 (45.7)	5.6 (64.8)	41.5 (0.7)	32.8 (17.8)	33.1 (18.4)	4.7 (0.4)	28.4 (16.3)	25.0 (16.8)	7.8 (100.0)	4047	
Social	3.8 (19.6)	1.0 (31.5)	1.2 (51.1)	15.4 (0.8)	12.4 (21.5)	12.5 (22.3)	11.8 (3.6)	12.5 (23.0)	12.4 (26.5)	2.4 (100.0)	1263	
Public Utilities	21.5 (8.9)	33.3 (85.0)	31.6 (93.9)	.....	.....	.....	.....	.....	.....	.....	15757
Financial	39.6 (14.2)	35.7 (79.0)	36.2 (93.2)	13.8 (0.0)	47.8 (5.8)	46.9 (5.8)	.....	7.7 (1.0)	6.7 (1.0)	35.1 (100.0)	18165
Total %	100	100	100	100	100	100	100	100	100	100	51706	
Total Number	6520	40224	46744	65	2191	2256	380	2326	2706			

Note: Figures in parenthesis indicate row percent. Total may not add up to 100 due to rounding.
Source: As of Table 1.

Table 6
Distribution Of Workers By Their Status And Type Of Corporations

Type of Enterprises	Type of Workers									All Total (in percentage and Number)	
	Permanent			Temporary			Daily Wage and Contract			1994/95	1996/97
	1994/95	1996/97	1994/95	1996/97	1994/95	1996/97	1994/95	1996/97			
Industrial	80.5	77.1	0.7	0.3	99.2	86.5	74.9 (6523)	69.9 (5490)			
Commercial	4.7	5.2	0.7	--	--	--	3.7 (320)	3.7 (293)			
Service	1.4	1.8	67.2	69.3	0.8	0.7	7.8 (683)	9.3 (732)			
Social	.....	.....	.....	.....	.....	.....	.....	.....
Public Utilities	.....	.....	.....	.....	.....	.....	.....	.....
Financial	13.4	15.9	31.4	30.4	.....	.....	13.6 (1180)	14.9 (1167)		
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
Total number	6741	5639	865	896	1100	1315	8706	7850			

Note: Figures in parenthesis indicate number.

Source: As of Table 1.

SELECTED REFERENCES

Central Bureau of Statistics (1995) *Population Monograph of Nepal*, CBS/NPC/HMG, Kathmandu, Nepal.

MOF (1996) *Sarkari Sansthan Sambandhi Karya Pragati Tatha Lakshya Bibaran* (in Nepali), MOF/HMG, Kathmandu, Nepal.

ANNEXURE

Name of the Public Enterprises Under Study by Type

Name of the Enterprises	Address	Type
Agricultural Lime Industries	Chobhar, Kathmandu	Industrial
Bhaktapur Brick Factory	Jagati, Bhaktapur	Industrial
Birgunj Sugar Factory Ltd.	Birgunj, Parsa	Industrial
Dairy Development Corporation	Lainchaur, Kathmandu	Industrial
Herbs Production and Processing Co. Ltd.	Koteswar, Kathmandu	Industrial
Hetauda Cement Industry Ltd.	Hetauda, Makawanpur	Industrial
Hetauda Cloth Industry Ltd.	Hetauda, Makawanpur	Industrial
Janakpur Cigarette Factory Ltd.	Janakpur, Dhanusha	Industrial
Lumbini Sugar Factory Ltd.	Sunwal, Nawalparasi	Industrial
Nepal Rosine and Turpentine Ltd.	Attariya, Kailali	Industrial
Nepal Tea Development Corporation Ltd.	Dhulabari, Jhapa	Industrial
Royal Drug Ltd.	Babarmahal, Kathmandu	Industrial
Udayapur Cement Industry Ltd.	jaljale, Udayapur	Industrial
Himal Cement Company Ltd.	Chobhar, Kathmandu	Industrial
Nepal Oriend Magneside Pvt. Ltd.	Kathmandu	Industrial
Agriculture Input Corporation	Kuleshwor, Kathmandu	Commercial
Gharelu Silpakala Bikri Bhandar Ltd.	Tripureswor, Kathmandu	Commercial
National Trading Corporation Ltd.	Teku, Kathmandu	Commercial
Nepal Oil Corporation Ltd.	Babarmahal, Kathmandu	Commercial
The Timber Corporation of Nepal Ltd.	Babarmahal, Kathmandu	Commercial
Industrial Estate Management Ltd.	Balaju, Kathmandu	Service
National Construction Company of Nepal	Halchok, Kathmandu	Service
Nepal Transit and Warehouse Management Company Ltd.	Bagbazar, Kathmandu	Service
Nepal Transport Corporation	Teku, Kathmandu	Service
Nepal Engineering Consultancy Service Centre Ltd.	Lagankhel, Lalitpur	Service
Royal Nepal Airlines Corporation	Kantipath, Kathmandu	Service
Agricultural Project Service Centre Pvt. Ltd.	Ramshahpath, Kathmandu	Service
National Productivity and Economic Development Centre Ltd.	Balaju, Kathmandu	Service
Cultural Corporation	Ranipokhari, Kathmandu	Social
Gorkhapatra Corporation	Dharmapath, Kathmandu	Social
Nepal Television	Singhdurbar, Kathmandu	Social
Rural Housing Company Ltd.	Pulchok, Lalitpur	Social
Nepal Drinking Water Corporation	Tripureswor, Kathmandu	Public Utilities
Nepal Electricity Authority	Ratnapark, Kathmandu	Public Utilities
Nepal Telecommunication Corporation	Singhadurbar, Kathmandu	Public Utilities
Agriculture Development Bank	Ramshahpath, Kathmandu	Financial

National Insurance Corporation	Ramshahpath, Kathmandu	Financial
Nepal Bank Ltd.	Dharmapath, Kathmandu	Financial
Nepal Industrial Development Corporation	Darbarmarg, Kathmandu	Financial
Rastriya Banija Bank	Tangal, Kathmandu	Financial
Credit Mortgage Corporation Pvt. Ltd.	Tangal, Kathmandu	Financial
Nepal Housing Development Finance Company Ltd.	Nayabaneswor, Kathmandu	Financial
Nepal Stock Exchange Ltd.	Singhadurbar, Kathmandu	Financial