

Use Of Non-Nepalese Workers In The Manufacturing Establishments Of Nepal

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INTRODUCTION

Industrialisation in Nepal has started since the late thirties though the Nepalese people were involved in various types of cottage industries from ancient times to manufacture goods mainly for the consumption of their households and few for market purpose. All their activities were based on individual approach and run by the member of family. In 1930s the then Rana government realised the need of export oriented industries and tried to start feasible industries in the boarder area of India under the government sector, joint venture, partnership, etc.

The existence of non-Nepalese workers in Nepal is not a new subject of discussion. Non-Nepalese, mainly Indian, are working in various sectors of Nepal since the beginning of the Nepalese civilization due to cultural similarity, open boarder, family relation, etc. Similarly involvement of such workers started with the establishment of the industries in Nepal and this is continuing though the percentage declining.

Now a days large number of non-Nepalese workers, especially Indian workers, are working freely mainly in agriculture, construction, transportation, sales and industry sector in various capacity. There is no any record regarding the size of non-Nepalese workers working in informal sector, however, such workers working in organised sectors are recorded as for as possible. Data of non-Nepalese workers working in the manufacturing establishments are obtained from the Census of Manufacturing Establishments 1996/97 conducted by the Central Bureau of Statistics.

CONCEPT OF MANUFACTURING ESTABLISHMENTS

Manufacturing establishments are those establishments which engage ten or more persons irrespective of automations used and which transforms mechanically or chemically, the inorganic or organic substances into new

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products, whether it is done in a factory or in the workers home and whether the products are sold at wholesale or retail (CBS 1990:272).

INDUSTRIAL CENSUSES IN NEPAL

The 1963 programme of industrial statistics for Asia and Far- East become a real impetus for an initial effort in taking industrial statistics in Nepal. Planning authorities, policy makers and research workers had been feeling an acute need for this type of information since the adoption of planned process of development. Most probably the need for data on various aspects of industry might have been felt by government authorities and concerned business organisations long before when large factories based on modern power driven machinery and equipments were established in early 1940s. However, due to lack of technical knowhow and the necessary infrastructure nothing much could be done except to compile the informations on available records. These data were quite insufficient for undertaking any effective measures or the promotion and monitoring of industrial activity. So it became an unsolved problem until 1965, when the first Census of Manufacturing Establishments (CME) was conducted completely based on United Nations recommendations and became an effective step for future operations (CBS 1990: 260). Up to now seven censuses were completed and the latest was completed in 1996/97. The result of this census is just released. This article tries to analyse the use of non-Nepalese workers in various ways based on Census of Manufacturing Establishments 1996/97.

USE OF NON-NEPALESE WORKERS IN MANUFACTURING ESTABLISHMENTS

Non-Nepalese workers incubement in manufacturing establishments of Nepal has been started with the establishment of manufacturing industries in the country. At the beginning such workers were used to fulfil the lacking of semi-skilled and skilled manpower, especially technical. However, Nepal is providing employment to non-Nepalese manpower still in various sectors of the economy, though the country is suffering from serious unemployment problem and the government is trying to export manpower outside the country to solve the unemployment problem.

The manufacturing establishments in Nepal are providing employment to 1,96,708 persons. Among them 4.8 percent are working proprietors and unpaid family workers and rest are employee. Out of the

total employee 1, 87, 316, 7.3 percent are non-Nepalese which is less than one percent of the total population as estimated for 1996.

Persons Engaged In Manufacturing Establishments

The census of Manufacturing Establishments 1996/97 recorded 3,557 establishments from all over the country. Large proportion of establishments, 56.8 percent, are concentrated in Central Development Region (CDR) followed by Eastern Development Region (ED) and Western Development Region (WDR). The proportion is found lowest in Far Western Development Region (FWDR) followed by Mid-Western Development Region (MWDR). This shows that western Nepal is poor in industrial development as compared to central as well eastern Nepal. Out of the total persons engaged in the manufacturing establishments of Nepal 78.6 percent are male and the rest 21.4 percent are female. Similarly among the working proprietors and unpaid family workers 81.6 percent are males and 18.4 percent are females. CDR alone absorbed about 70 percent, 66.5 percent male and 82.3 percent females, of the persons engaged in this sector. The highest share of the female participation involved in manufacturing establishments among the persons engaged of the corresponding regions is reported by CDR, 25.2 percent, and lowest by MWDR, 4.6 percent. The regions stood in the same rank regarding the distribution of working proprietors and unpaid family workers as of persons engaged in the establishments though the proportion is not the same (Table 1).

Table 1
Percentage Of Persons Engaged In Manufacturing Establishments Of Nepal By Sex 1996/97

Area	No. of Establishments	Persons Engaged			Working Proprietors and Unpaid Family workers		
		Male	Female	Total	Male	Female	Total
Nepal	3557	154562	42146	196708	7665	1727	9392
EDR	19.8	17.8	9.9	16.1	21.2	12.7	19.7
CDR	56.8	66.5	82.3	69.9	52.4	75.8	56.7
WDR	14.6	9.8	6.2	9.1	16.9	8.6	15.4
MWDR	5.1	3.2	0.6	2.6	6.2	2.4	5.5
FWDR	3.7	2.7	1.0	2.4	3.3	0.4	2.7

Source: Central Bureau of Statistics, *Census of Manufacturing Establishments Nepal 1996/97, Regional Level, 1998, Table 2, pp. 81-85.*

Employment Situation In Manufacturing Establishments

Out of the total employee, 78.4 percent are males and 21.6 percent are females. The proportion of females is high in operative and contract workers and lowest in technical workers. On the other among the male more than 84 percent are in operative and contract work, 12 percent in administrative work and lowest, 3.8 percent, in technical work. Similarly among the female employee almost all, 97.2 percent, are concentrated in operative and contract work while in the technical work it is just 0.5 percent. This shows that female involvement in technical work is rare which may be due to lack of technical knowledge among them (Table 2).

Table 2

Percentage Of Employee By Type Of Work And Sex In Nepal 1996/97

Type of Job	Male	Female
Operative and Contract Workers	84.2 (75.9)	97.2 (24.1)
Administrative Workers	12.0 (95.1)	2.3 (4.9)
Technical Workers	3.8 (96.2)	0.5 (3.8)
Total Number	146897	40419
Total Percentage	100.0 (78.4)	100.0 (21.6)

Note : Figures in parenthesis indicate percentage of male and female among the total workers in the corresponding job.

Source: As of the Table 1.

Nationality Of Employee

In Nepal out of the total employee in the manufacturing establishments 92.7 percent are Nepali and the rest 7.3 percent are non-Nepalese. Among the male employee, 91.4 percent are Nepalese where 8.6 percent are non-Nepalese. On the other among the female employee, 97.3 percent and 2.7 percent are Nepalese and non-Nepalese respectively. While looking at the regional data proportion of Nepalese male is found more than 90 percent in all development regions except FWDR where the proportion of Nepalese workers is very low, 64.4 percent, as compared to other four regions. On the contrary proportion of non-Nepalese workers is high in FWDR, 35.6 percent followed by EDR, 9.1 percent, and lowest in MWDR, 7.2 percent, as compared to 39.8 percent Nepalese female employee. Proportion of non-Nepalese female employee is lowest in CDR, 1.1 percent, followed by 3.7 percent in EDR (Table 3).

Table 3

Percentage Of Employee In Manufacturing Establishments In Nepal By Sex And Nationality 1996/97

Area	Male		Female	
	Nepali	Non-Nepali	Nepali	Non-Nepali
Nepal (Number)	134330	12567	39324	1095
Nepal (Percent)	91.4	8.6	97.3	2.7
EDR	90.9	9.1	96.3	3.7
CDR	92.5	7.5	98.9	1.1
WDR	92.1	7.9	88.5	11.5
MWDR	92.8	7.2	79.5	20.5
FWDR	64.4	35.6	39.8	60.2

Source: As of the Table 1.

Operative And Contract Workers

In Nepal 84.2 percent male and 97.2 percent female employee are working as operative and contract workers. Among the male involved in this type of work, 91 percent are Nepalese and 9 percent are non-Nepalese. The proportion of non-Nepalese is high in FWDR, 39.6 percent, followed by EDR and WDR and lowest in MWDR, 7.3 percent. Among the female workers, 60.7 percent are non-Nepalese in FWDR followed by MWDR, 20.9 percent, and lowest in CDR, 1 percent. The national figure of non-Nepalese female in operative and contract works shows only 2.6 percent. This shows that the share of non-Nepalese workers is high and remarkable in FWDR (Table 4).

Table 4

Percentage Of Employee Involved As An Operative And Contract Worker By Sex And Nationality 1996/97

Area	Male		Female	
	Nepali	Non-Nepali	Nepali	Non-Nepali
Nepal (Number)	112482	11186	38248	1035
Nepal (Percent)	91.0	9.0	97.4	2.6
EDR	90.7	9.3	96.3	3.7
CDR	92.2	7.8	99.0	1.0
WDR	91.2	8.8	88.2	11.8
MWDR	92.7	7.3	79.1	20.9
FWDR	60.4	39.6	39.3	60.7

Source: As of the Table 1.

Administrative Workers

Out of the total employee, 12 percent male and 2.3 percent female are working as administrative workers and among the total administrative workers, 95.1 percent are male and only 4.9 percent are female. Among the male administrative employee, 96.6 percent are Nepali and 13.4 percent are non-Nepali. Non-Nepali male in administrative work is high in FWDR, 6.7 percent, and lowest in WDR, 2.2 percent. On the other among the female there is no administrative workers in MWDR and FWDR and the proportion is highest in CDR than other regions as well as national average, 5.6 percent. Most of the female administrative workers are Nepali and few are non-Nepali (Table 5).

Table 5
Percentage Of Employee Involved As Administrative Worker By Sex
And Nationality 1996/97

Area	Male		Female	
	Nepali	Non-Nepali	Nepali	Non-Nepali
Nepal	96.6	3.4	94.4	5.6
EDR	96.5	3.5	96.2	3.8
CDR	96.5	3.5	94.1	5.9
WDR	97.8	2.2	95.7	4.3
MWDR	95.5	4.5	100.0	-
FWDR	93.3	6.7	100.0	-

Source: As of the Table 1.

Technical Workers In Manufacturing Establishments

In total employee in manufacturing establishments only 3.8 percent male and 0.5 percent female are technical workers. The proportion of female in this occupation is very low in all development regions as well as in the country. Non-Nepali technical workers is not found in MWDR and FWDR where EDR and WDR recorded only male workers. In Nepal among the male employee about 14 percent are non-Nepalese and highest proportion is recorded by EDR, 17.9 percent. Among the female only 4.1

percent are non-Nepalese technical manpower working in manufacturing establishments in CDR (Table 6).

Table 6

Percentage Of Employee Involved As Technical Worker By Sex And Nationality 1996/97

Area	Male		Female	
	Nepali	Non-Nepali	Nepali	Non-Nepali
Nepal (Number)	4788	773	212	9
Nepal (Percent)	86.1	13.9	95.9	4.1
EDR	82.1	17.9	100.0	-
CDR	86.6	13.4	95.2	4.8
WDR	93.6	6.4	100.0	-
MWDR	100.0	-	100.0	-
FWDR	100.0	-	100.0	-

Source: As of the Table 1.

Employment By Type of Establishments

The manufacturing establishments in Nepal are classified on the basis of Nepal Standard Industrial Classification. According to this classification broadly there are 19 types of industries which are listed in Table 7.

Table 7

**Percentage Of Employee According To The Type Of Establishments In
Nepal 1996/97**

Type of Establishments	Nepali Employee (percent)	Non-Nepali Employee (percent)	Percentage of Total Employee
Manufacture of Food Products and Beverage	95.2	4.8	7.9
Manufacture of Tobacco Products	98.0	2.0	1.7
Manufacture of Textiles	95.1	4.9	38.7
Manufacture of Wearing Apparel; Dressing and Dyeing of Fur	87.7	12.3	7.9
Tanning and Dressing of Leather; Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear	94.6	5.4	1.0
Manufacture of Wood and Products of Wood and Cork except Furniture; Manufacture of Articles of Straw and Plaiting Materials	90.4	9.6	1.8
Manufacture of Paper and Paper Products	95.4	4.6	1.7
Publishing, Printing and Reproduction of Recorded Media	97.8	2.2	1.2
Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel	99.3	0.7	0.1
Manufacture of Chemical and Chemical Products	92.7	7.3	2.6
Manufacture of Rubber and Plastic Products	95.6	4.4	1.6
Manufacture of Other Non-Metallic Mineral Products	85.7	14.3	22.8
Manufacture of Basic Metals	82.9	17.1	0.6
Manufacture of Fabricated Metal Products, Except Machinery and Equipment	91.0	9.0	2.5
Manufacture of Machinery and Equipment N.E.C.	85.4	14.6	0.1
Manufacture of Electrical Machinery and Apparatus N.E.C.	96.0	4.0	0.8
Manufacture of Radio, Television and Communication Equipment and Apparatus	97.0	3.0	0.1
Manufacture of Motor Vehicles, Trailers and Semi-Trailers	100.0		0.0
Manufacture of Furniture; Manufacture N.E.C.	92.5	7.5	2.4

Source : As of the Table 1.

The CME has based on the Nepal Standard Industrial Classification (NSIC). In Nepal all the manufacturing establishments are grouped into 19 major groups and all the groups are further divided or classified into one or more sub-groups. The major groups are listed in Table 7.

Among the various groups of industries manufacture of textiles occupied about 38 percent of the total employee, both Nepalese and non-Nepalese. This group of industry includes spinning weaving and finishing of textiles, manufacture of other textiles including carpet, rugs, jute and jute products and manufacture of knitted and rocheded fabrics and articles. About 23 percent are occupied by manufacture of other non-metallic mineral product, clay, ceramic products, cement, lime, plaster, articles of concrete, stone product, etc. Third place, 11.8 percent is occupied by manufacture of food and food products and beverage and, fourth place by manufacture of wearing apparel, dressing and dyeing of fur, 7.9 percent. The manufacture of motor vehicles, trailers and semi-trailers have employed only 55 persons (Table 7) which does not come in the percentage term. Table 7 also clearly shows that out of the 19 groups of establishments only four have occupied more than 3 percent employee and 6 have less than one percent employee.

There is no non-Nepali employee in manufacture of motor vehicle, trailers and semi-trailers. Manufacture of basic metals; manufacture of machinery and equipment N.E.C.; manufacture of other non-metallic mineral products have provided employment to the 17.1 percent, 14.6 percent and 14.3 percent non-Nepalese nationals out of the total employment in the corresponding establishments respectively. On the other, lowest proportion of non-Nepalese workers are in manufacture of coke, refined petroleum products and nuclear fuel, 0.7 percent, followed by manufacture of tobacco products, 2.0 percent, publishing, printing and reproduction of recorded media. This shows that non-Nepalese workers are employed more in heavy industries such as manufacture of non-metallic mineral products, metallic products, machinery and equipments.

CONCLUSION

Nepal is one of the poorest country in the world and suffering from unemployment, underemployment and disguised unemployment. On the other large number of non-Nepalese are getting employment in various sectors of the economy both in organised as well as unorganised sector. The

manufacturing sector is providing employment to few proportion of its labour force. It is also providing employment to the non-Nepalese workers even as administrative workers since the beginning of the historical date of the establishment of manufacturing establishments. Thus, the government of Nepal should control the current free flow of non-Nepalese workers in the country through work permit system as much as possible to reduce the problem of unemployment of Nepal. On the other, skill development programmes are essential to substitute the non-Nepalese technical workers working in the country.

SELECTED REFERENCES

Central Bureau of Statistics (1990), *Industrial Statistics, Methods, Practices and Recommendations, Volume I and II*, CBS, Kathmandu.

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