

# REPORT ON THE NEPAL LABOUR FORCE SURVEY 2008



**Central Bureau of Statistics  
National Planning Commission Secretariat  
Government of Nepal**



**United Nations  
Development Programme**



**International  
Labour  
Organization**

# **NEPAL LABOUR FORCE SURVEY 2008**

## **STATISTICAL REPORT**

**Central Bureau of Statistics  
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Tel. 4229406, 4261506  
Fax: 977-1-227720  
e-mail: [hhss@cbs.gov.np](mailto:hhss@cbs.gov.np)  
website: [www.cbs.gov.np](http://www.cbs.gov.np)

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## FOREWORD

Nepal Labour Force Survey 2008 is the second important step in the arena of labour force statistics in Nepal. It updates various indicators of labour force statistics derived from the Nepal Labour Force Survey 1998/99, which was the first of its kind in Nepal. Both surveys provide essential statistics for monitoring employment and labour market developments in Nepal. The surveys of this kind try to address the various labour related issues of the country as well.

The Ninth Five Year Plan laid emphasis on various long-term objectives in the employment field, and particularly on the need to reduce the rates of unemployment and underemployment. It also stressed the need for employment promotion and extension, and for the implementation of a "one household, one job" policy. Further, the Tenth Five Year Plan (2002-2007) followed by the Three Year Interim Plan (TYIP) covering the period 2008-2010 has given high priority to the alleviation of poverty through employment generation, skills development and rural development. In the mean time, the United Nations Development Assistance Framework (UNDAF) and the ILO's Decent Work Country Programme also support Governments those goals and assist in Youth Employment.

The concepts of employment and labour underutilisation have been measured more carefully and more precisely in this survey than in the Nepal Living Standards Surveys (NLSS) I & II (1995/1996 and 2003/04). Hence the users should be careful while comparing the labour force statistics with NLSS I & II.

The survey provides a number of valuable indicators to monitor progress towards achieving the Millennium Development Goals which were established by the United Nations Millennium Summit in 2000. A separate chapter has been included in this report on this topic.

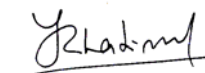
This report contains new estimates of informal employment and labour underutilisation that have not previously been attempted in such types of survey in Nepal. Moreover, this report includes analysis based on new concept of labour underutilisation that was recently submitted to the ILO's International Conference of Labour Statisticians, (Geneva, November-December 2008).

Alike in the first labour force survey, in this survey also, special attention has been given to measure the activities of women and children and hence provides improved estimates of employment and labour underutilisation among them.

The timely publication of the results of the NLFS 2008 will be of very useful to the government policy makers, and it is hoped that the results will also be valuable to a wider users as well. Analysts in research institutions and in the academic communities are also encouraged to make full use of the data set to investigate further issues in the employment.

I would like to extend my sincere thanks to the United Nations Development Programme for providing financial support for this survey, and to the International Labour Organization for supplying key technical inputs. The staffs of the CBS are to be commended for their successful and timely completion of this survey.

July 2009



Dr. Yuba Raj Khatiwada  
Vice Chairman  
National Planning Commission

## PREFACE

The Central Bureau of Statistics is pleased to present the main results of the Nepal Labour Force Survey 2008. This survey is the second of its kind carried out in Nepal, which updated the results of the first Nepal Labour Force Survey 1998/99. Both surveys strictly followed all the international concept and definitions used in labour force surveys, as laid down by the International Labour Organization. The survey was based on a large sample covering the whole country and was spread over an entire year so as to capture seasonal variations in employment.

I am grateful to all the members of the household who participated in this survey by sparing their valuable time to answer the number of questions, and to the field staffs who have worked hard to collect the quality data. The NLFS core team members in the CBS were responsible for overall execution and supervision of the survey, and I appreciate the efforts they have made to ensure its successful completion. The core team comprises Statistical Officers Mr. Shib Nandan Prasad Shah, Mr. Anil Sharma, Mr. Keshab K. Gautam, Mr. Ishowri Prasad Bhandari, Mr. Dinesh Bhattarai, Mr. Binod Manandhar, Mr. Sunil Shrestha and Computer Officer Mr. Dol Narayan Shrestha. The core team was ably led initially by Directors Mr. Rabi Prasad Kayastha and Mr. Prabodha Sagar Dhakal and towards the end by Director Mr. Dhundi Raj Lamichhane. I would like to thank statistical assistant Mr. Shiv Lal Sharma and assistants Ms. Samjhana Bista, Ms. Neelam Thapa and Mr. Rameshwar Singh Thapa who were involved in key entry and verification of the data processing stage. I would like to thank Deputy Director General Mr. Bikash Bista, who took over the responsibility of coordinating the survey in the second half of the survey period.

Technical support for the survey was organised through the local office of the ILO in Nepal, and additional funding was provided by the United Nations Development Programme (NEP/96/006).

I am especially grateful to the ILO for providing the services of Mr. Bob Pember, International Consultant on Labour Statistics and formerly ILO's Senior Labour Statistician, and Mr. Keshav Karmacharya (National Consultant and former team leader of the 1998/99 Nepal Labour Force Survey) to provide crucial help in preparing this report and providing technical comments during the early stages of its implementation.

All these inputs have helped to strengthen the capability of the CBS staffs to carry out household surveys more efficiently.

This report provides many useful insights into the current employment situation in Nepal, but it cannot cover all topics in detail. Some topics (such as non-economic activities, children's activities, informal employment and employment in the informal sector, actual and usual hours of work, and labour underutilisation) would benefit from more detailed treatment. There is also scope for much more detailed sub-national and seasonal analysis of the data than has been possible in this report. Another important topic that requires further investigation is the analysis of the NLFS data from a household, rather than a person-level, perspective.

The NLFS data set contains a wealth of information, and those wishing to pursue specific topics in more detail are encouraged to make contact with the CBS. Some important tables from this survey have been published in this report. Alternatively, bonafide researchers interested in carrying out their own analyses of the NLFS data may be given access to the data in electronic format. Special arrangements have been made to protect the confidentiality of the data provided by the members of the public.

July 2009



Uttam Narayan Malla  
Director General  
Central Bureau of Statistics

# CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>xii</b>
<b>CHAPTER 1: METHODOLOGY</b> Introduction, Scope and coverage, Survey questionnaire, Sample design, Organisation of fieldwork, Non-response and weighting, Data processing, Lessons learned	<b>1</b>
<b>CHAPTER 2: CONCEPTS AND DEFINITIONS</b> Introduction, Reference period, Work, Occupation, Industry, Status in employment, Institutional sector of employment, Currently employed, Currently unemployed, Current economic activity status, Time-related underemployment, Labour underutilization, Usual economic activity, Current versus usual, Informal sector, Informal employment, Earnings of paid employees, Household income from remittances, Vocational and professional training, Household, Urban/rural	<b>14</b>
<b>CHAPTER 3: HOUSEHOLD CHARACTERISTICS</b> Summary, Introduction, Occupancy status, Access to drinking water supply, Fuel used for cooking, Main source used for lighting, Toilet facilities available, Communication facilities available, Agriculture holding	<b>31</b>
<b>CHAPTER 4: DEMOGRAPHIC CHARACTERISTICS</b> Summary, Household distribution, Household composition, Household heads by sex, Age and sex distribution	<b>41</b>
<b>CHAPTER 5: EDUCATION AND TRAINING</b> Summary, Introduction, Educational status, Literacy rates, Vocational training	<b>46</b>
<b>CHAPTER 6: ECONOMIC ACTIVITY</b> Summary, Introduction, Current activity status, Current labour force participation rate (LFPR), Reasons for Inactivity, Usual activity status, Usual participation rates	<b>54</b>
<b>CHAPTER 7: EMPLOYMENT</b> Summary, Introduction, Work activities, Number of currently employed, Employed: Occupation of main job, Employed: Education levels, Employed: Paid and self-employment, Employed: Institutional sector of employment, Employed: Hours of work, Employed: Income from paid employment, Employed: Second jobs	<b>66</b>

<b>CHAPTER 8: TIME-RELATED UNDEREMPLOYMENT AND LABOUR UNDERUTILISATION</b>	<b>88</b>
Summary, Introduction, Underemployment versus unemployment, Time-related Underemployment, Characteristics of the time-related underemployed, Labour underutilisation	
<b>CHAPTER 9: UNEMPLOYMENT</b>	<b>102</b>
Summary, Introduction, Strict unemployment - Looking for work, Unemployment – Age distribution, Duration of unemployment, Unemployment – Characteristics of last job (if any)	
<b>CHAPTER 10: USUAL ACTIVITY</b>	<b>110</b>
Summary, Introduction, Comparison of current and usual activity status, Monthly activity over the year	
<b>CHAPTER 11: SUBNATIONAL INDICATORS OF EMPLOYMENT</b>	<b>115</b>
Summary, Subnational statistics	
<b>CHAPTER 12: INFORMAL SECTOR AND INFORMAL EMPLOYMENT</b>	<b>120</b>
Summary, Informal sector – Introduction, Characteristics of the informal sector, Informal employment – Introduction, Characteristics of non-agricultural informal employment	
<b>CHAPTER 13: ECONOMIC ACTIVITIES OF CHILDREN</b>	<b>133</b>
Summary, Introduction, Economic activity rates of children, Kind of work done by children	
<b>CHAPTER 14: NON-ECONOMIC ACTIVITIES</b>	<b>141</b>
Summary, Introduction, Participation in non-economic activities, Time spent on non-economic activities	
<b>CHAPTER 15: SEASONAL VARIATIONS IN EMPLOYMENT</b>	<b>147</b>
Summary, Introduction, Seasonal estimates	
<b>CHAPTER 16: MIGRATION AND ABSENTEES</b>	<b>151</b>
Summary, Introduction, Migrants – Introduction, Migrants – Status of migrants, Migrants – Age and sex distribution, Migrants – Origin of migration, Migrants – Reason for migration, Absentees – Introduction, Absentees – As a proportion of total population , Absentees – By place of current residence , Activity status of absentees aged 5 years and above	

<b>CHAPTER 17: REMITTANCES</b>	<b>165</b>
Summary, Introduction, Households receiving remittance, Source of remittance, Effect of global financial crisis	
<b>CHAPTER 18 : MILLENNIUM DEVELOPMENT GOALS</b>	<b>175</b>
Summary, Introduction	
<b>CHAPTER 19: COMPARISON WITH OTHER SOURCES</b>	<b>179</b>
Introduction, Population, Labour Force Participation Rates, Current employment-to-population ratio, Employment-to-population ratio (last 12 months basis), Current employment in informal sector, informal employment, labour underutilisation, etc	
<b>ANNEXES:</b>	
<b>A. Sample design and implementation</b>	<b>182</b>
Introduction, Sample design, Sample frame, Selecting the wards from the sampling frame, Estimation methodology, Sampling errors	
<b>B. Questionnaire</b>	<b>188</b>
<b>C. Flow chart</b>	<b>200</b>
<b>D. Classification of Industry, occupation and education</b>	<b>211</b>
1. Nepal Standard Industrial Classification (NSIC)	
2. Nepal Standard Classification of Occupation (NSCO)	
3. Formal vocational/professional training classification	
<b>E. List of NLFS-II staff</b>	<b>218</b>
<b>F. Dissemination of data to users</b>	<b>220</b>



## **Lists of tables**

### **Chapter 1 :**

1.0	Comparative sample schemes between two rounds of NLFS survey.	2
1.1	Distribution of achieved sample, and corresponding population estimates	8
1.2	Distribution of the 75 districts by development region and ecological belt	10

### **Chapter 2 :**

2.1	Classification of municipalities, by region and ecological belt	30
-----	---	----

### **Chapter 3:**

3.0	Summary statistics	31
3.1	Distribution of households by occupancy status	32
3.2	Distribution of households by source of drinking water	33
3.3	Distribution of households by main fuel used for cooking	34
3.4	Distribution of households by main source used for lighting	35
3.5	Distribution of household by type of toilet used	37
3.6	Distribution of households by facilities used	39
3.7	Distribution of household having agriculture land and mode of operation	40

### **Chapter 4:**

4.0	Summary statistics	41
4.1	Distribution of households and persons by ecological belt, development region and urban/rural areas	42
4.2	Percentage of households by sex of household head	43
4.3	Distribution of household by age group of household head	44
4.4	Distribution of population, by age, sex and locality	45

### **Chapter 5:**

5.0	Summary statistics	46
5.1	Population aged 15 and over by sex, locality and level of completed education	48
5.2	Literacy rates by sex (percentages)	49
5.3	Literacy rates of population aged 15 and over, by sex, age group and locality	50
5.4	Population aged 15 and over, by sex, locality and highest education grade	50
5.5	Population aged 5 and over currently attending school, by sex, age group and level completed	51
5.6	Population aged 5 and over not currently attending school, by sex, age group and level completed	52
5.7	Main subjects (a) of vocational and professional training	53
5.8	Persons aged 14 and over who received vocational/professional training, by topic and length of training	53

## **Chapter 6:**

6.0	Summary statistics	54
6.1	Current activity status by age, sex and locality	59
6.2	Population aged 5 and over by sex, age, locality and current economic activity status	60
6.3	Labour force participation rate of the population aged 5 and over by sex, age and locality	61
6.4	Currently inactive population aged 15 and over by sex and reason given for inactivity	61
6.5	Currently inactive population aged 15 and over by sex, age group and reason for inactivity	62
6.6	Usual activity status by age, sex and locality	63
6.7	Population aged 5 and over by sex, age, locality and usual economic activity status	64
6.8	Usual economic activity participation rate of the population aged 5 and over by sex, age and locality	65

## **Chapter 7:**

7.0	Summary statistics	67
7.1	Summary of work activities over the last seven days	68
7.2	Number and percentage of population aged 5 years or more carrying out various economic activities in the last 7 days, by sex and age	69
7.3	Total hours and average hours spent carrying out various economic activities in the last 7 days, by sex and age: Nepal	71
7.4	Numbers of currently employed aged 15 and over and employment-to-population rates (15 years and over) by sex and urban-rural areas	73
7.5	Numbers of currently employed persons aged 15 years and over by sex, locality and occupation	74
7.6	Currently employed persons aged 15 years and over by sex, locality and industry	76
7.7	Currently employed persons aged 15 and over by sex, occupation and completed education level	77
7.8	Currently employed population aged 15 and over by sex, occupation and employment status	78
7.9	Currently employed population aged 15 and over in paid employment by sex, occupation and institutional sector of employment	80
7.10	Average hours per week in the main job of the currently employed population aged 15 and over who were actually at work by sex, locality and occupation	81
7.11	Average hours per week in the main job of the currently employed population aged 15 and over who were actually at work by sex, locality and industry	82
7.12	Number of paid employees (main job) aged 15 and over and currently employed by sex, occupation and basis and frequency of payment	84

7.13	Paid employees receiving cash or in-kind earnings, and average monthly amounts received by occupation	85
7.14	Average hours per week of paid employees aged 15 and over in their main job by occupation	86
7.15	Comparison of the occupations of first and second jobs	87

#### **Chapter 8:**

8.0	Summary statistics	89
8.1	Persons aged 15 years and over currently employed, by sex, number of hours worked last week in all jobs, and employment status in the main job, 2008	90
8.2	Persons aged 15 and over working less than 40 hours in the last week, by sex, season and reason for not working more hours	93
8.3	Time-related underemployed, as a percentage of the labour force, by sex, age group and locality	94
8.4	Characteristics of the time-related underemployed	94
8.5	Total number of hours and average number of hours worked in the last 7 days by time-related underemployed aged 15 years and above; total number of hours and average number of hours more work wanted in the last 7 days by the time-related underemployed aged 15 years or more by age groups	95
8.6	Time-related underemployed persons aged 15 and over by sex, length of time available for more work, and whether looked for more work in the last 30 days: if looked, methods used for looking	96
8.7	Currently economically active population aged 15 years or more classified by type of underutilisation, sex and urban/rural	99
8.8	Currently economically active population aged 15 years or more classified by type of underutilisation, sex and age groups	100
8.9	Currently economically active population aged 15 years or more classified by type of underutilisation and locality	101

#### **Chapter 9:**

9.0	Summary statistics	102
9.1	Numbers and rates for the currently unemployed aged 15 and over sex and urban-rural areas	103
9.2	Number and rates for unemployed (strict definition – looking for work) aged 15 and over by sex and urban-rural areas	104
9.3	Number of persons aged 15 and over available for work in last 7 days, by sex and whether looked for work: if looked, methods used for looking in the last 30 days, and if not looking, reasons for not looking	104
9.4	Numbers currently unemployed, and unemployment rates, by sex, age group and locality: relaxed definition	107
9.5	Number of persons aged 15 and over who were currently unemployed by sex, locality and duration of unemployment: relaxed definition	107

9.6	Number of currently unemployed aged 15 and over by sex and occupation	108
9.7	Number of currently unemployed aged 15 and over by sex and branch of economic activity (industry)	109
9.8	Number of currently unemployed aged 15 and over by sex and status in employment	109

#### **Chapter 10:**

10.0	Summary statistics: Usual activity status for the population aged 15 and over	110
10.1	Comparison of current and usual activity status for the population aged 15 and over, by sex	111
10.2	Average number of months spent in the last 12 months under employed, unemployed and inactive, by sex and usual activity status, for persons aged 15 years and over	112
10.3	Average number of months in the last 12 months spent employed, unemployed and inactive, by sex and detail current activity status, for persons aged 15 years and over	113

#### **Chapter 11:**

11.0	Summary statistics	115
11.1	Some subnational indicators of employment: population aged 15 and over, labour force participation rate, employment to population ratio, current unemployment rate, time-related underemployment rate and labour underutilization rate	116
11.2	Some subnational indicators of employment: male population aged 15 and over, labour force participation rate, employment to population ratio, current unemployment rate, time-related underemployment rate and labour underutilization rate	118
11.3	Some subnational indicators of employment: female population aged 15 and over, labour force participation rate, employment to population ratio, current unemployment rate, time-related underemployment rate and labour underutilization rate	119

#### **Chapter 12:**

12.0	Summary statistics	121
12.1	Currently employed population aged 15 and over, by sex, age and formal/informal sector of employment of main job	123
12.2	Persons aged 15 years and over currently employed in non-agricultural sectors, and whether working in the informal sector, by sex, and occupation of main job	123
12.3	Numbers of persons aged 15 years and over currently employed in the informal sector, by sex, locality and occupation of main job	124
12.4	Informal sector workers, by sex, locality, employment status and number of regular paid employees working in establishment where person work	125
12.5	Informally employed population aged 15 and over (all industries), by sex, age and urban-rural	127

12.6	Informally employed population aged 15 and over (excluding agriculture and fishing industries), by sex, age and urban-rural	127
12.7	Informally employed population aged 15 and over (all industries), by sex, age and urban-rural	128
12.8	Informally employed population aged 15 and over (excluding agriculture and fishing industries), by sex, age and urban-rural	129
12.9	Persons aged 15 years and over currently informally employed (all industries), by sex and industry of main job	130
12.10	Persons aged 15 years and over currently informally employed (excluding agriculture and fishing industries) by sex and occupation of main job	131
12.11	Persons aged 15 years and over currently informally employed (excluding agriculture and fishing industries) by sex and institutional sector of main job	131
12.12	Persons aged 15 years and over currently informally employed (excluding agriculture and fishing industries) by sex and status in employment.	132

### **Chapter 13:**

13.0	Summary statistics	133
13.1	Children aged 5 to 14 years by sex, age group and urban-rural and economically active children aged 5 to 14 years (number and labour force participation rates) by sex, urban-rural, and single years of age	135
13.2	Rates of school attendance by children aged 5 to 9, and 10 to 14, and labour force participation rates for those who attend school and those who do not, by sex and locality	136
13.3	Comparison of the economic activity status of children aged 5 to 14 on a 'current' and a 'usual' basis	137
13.4	Some sub-national indicators of employment for children aged 5 to 14, including labour force participation rate, number of currently employed, current unemployment rate, rate of time-related underemployment and labour underutilisation rate	138
13.5	Number of children aged 5 to 14 currently employed, hours worked, and occupation and industry of work, by sex and whether currently attending school	139
13.6	Percentage distribution of employed children aged 5 to 14, by number of hours worked	140

### **Chapter 14:**

14.0	Summary statistics	141
14.1	Number of persons aged 5 years or more carrying out various non-economic activities in the last 7 days by sex, age and activity : Nepal	144
14.2	Number of hours and average hours spent carrying out various non- economic activities in the last 7 days, by sex, age and activity : Nepal	145
14.3	Average hours spent carrying out non-economic activities in the last seven days by those aged 15 and over, by sex, age group and current activity status: urban areas only	146

**Chapter 15:**

15.0	Summary statistics	147
15.1	Estimates of some key aggregates for three seasons of the year, by sex and age	149

**Chapter 16:**

16.0	Summary statistics	152
16.1	Distribution of migrants (all ages) by sex and current location	154
16.2	Distribution of migrants aged 5 years and above by sex, economic activity status and location	155
16.3	Percentage of migrant population (all ages) sex, age and current location	156
16.4	Migrant population (all ages) sex, current location and origin of last migration	157
16.5	Distribution of migrant (all ages) by origin of migration	158
16.6	Migrant population (all ages) sex, current location and reason for last migration	159
16.7	Absentee population (all ages) as a percentage of population (including absentees now abroad) by sex and current location	161
16.8	Number and Percentage of absentee population (all ages) sex, current location and origin	162
16.9	Distribution of absentees family member aged 5 years and above by reason for absence	163
16.10	Number and percentage of households having at least one absentee	164

**Chapter 17:**

17.0	Summary statistics	165
17.1	Remittance received from within Nepal and from abroad in total (absentees and others combined)	168
17.2	Remittances received from outside Nepal (absentees and others combined)	169
17.3	Remittances received from within Nepal (absentees and others combined)	170
17.4	Distribution of number of remittances received by sources (absentees and others combined)	171
17.5	Number, size and share of remittances received by sources (absentees and others combined)	172
17.6	Donors (absentees, others separately) by relationship to head	172
17.7	Percentage of remitters (absentees and other combined) by location, age and sex	173
17.8	Remittances received from within Nepal and from abroad in total (absentees and others combined)	174

**Chapter 18:**

18.0	Summary statistics	176
18.1	Comparison of MDG indicators between 1998/99 and 2008	178

## **List of boxes and figures**

Box 1.1	Sample design for NLFS 2008	5
Box 2.1	Examples of activities which count as 'work'	15
Box 2.2	List of selected non-work activities/non-economic activities	16
Box 2.3	Basis for classifying non-agricultural sector jobs as 'informal'	26
Box 2.4	Basis for classifying jobs as informal employment or not	27
Chart 1:	Population pyramid showing currently active and inactive groups, by age and sex, Nepal, 2008	55
Chart 2:	Labour force participation rates by sex and age groups, Nepal, 2008	56
Chart 3:	Labour force participation rates by sex and age groups, urban areas, 2008	57
Chart 4:	Labour force participation rates by sex and age groups, rural areas, 2008	57
Chart 5:	Percentage of currently economically active population 15 years and above by types of underutilization, sex, and urban-rural, 2008	96
Chart 6:	Percentage of currently economically active population 15 years and above who were underutilised by sex and age, 2008	98
Chart 7:	Unemployment rates by sex and age groups, Nepal, 2008	105
Chart 8:	Unemployment rates by sex and age groups, urban areas, 2008	105
Chart 9:	Unemployment rates by sex and age groups, rural areas, 2008	106

## Abbreviations

CBS	Central Bureau of Statistics
GoN	Government of Nepal
ICSE	International Classification of Status in Employment
ILO	International Labour Organization
INGO	International Non-Governmental Organisation
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification
LFPR	Labour Force Participation Rate
NGO	Non-Governmental Organisation
NLFS	Nepal Labour Force Survey
NLSS	Nepal Living Standards Survey
NSCO	Nepal Standard Classification of Occupations
NSIC	Nepal Standard Industrial Classification
PPS	Probability proportional to size
PSU	Primary Sampling Unit
UNDAF	United Nations Development Assistance Framework
VDC	Village Development Committee
n.a.	Not available



## EXECUTIVE SUMMARY

### METHODOLOGY

Nepal Labour Force Survey 2008 (NLFS II) is the second round of a multi topic national labour force survey carried out by Central Bureau of Statistics (CBS) from January to December 2008. As a follow up to the first NLFS of 1998/99 (NLFS I), NLFS II helps not only to update labour force statistics but also to compare changes undergone in labour and labour market conditions in Nepal in the last nine years. The survey adopted two stage stratified sampling scheme, as was done in the previous survey. NLFS II enumerated 15,976 households selected from 799 PSUs in the entire country compared to 14,335 households from 720 PSUs in NLFS I. The country was stratified into 6 strata comprising 3 urban and 3 rural areas in NLFS II, whereas there were only two strata (Urban and rural) in NLFS I.

### HOUSEHOLD CHARACTERISTICS

NLFS II estimates that a large proportion of households about 89.2 percent were reported to be living in their own dwelling units and 9.2 percent in rented dwellings. Majority (68.4 percent) of the households used wood as fuel for cooking. On the other hand, the proportion of households that used Liquefied Petroleum Gas (LPG) was 12.3 percent. Electricity was the main energy source for lighting for 56.1 percent of the households. Around 33.0 percent of the households still use kerosene/oil/gas as the main fuel for lighting. About 45.0 percent of households used piped water and 39.1 percent of household use hand pump/boring water. Only a quarter (25.4 percent) of households has a modern flushing toilet and 23.4 percent have an ordinary toilet. Most of the households (57.9 percent) had radio while 33.2 percent had a television set. Around twenty eight (28.3) percent had a mobile phone, 9.8 percent had a fixed line telephone and 3.1 percent had a computer.

78.4 percent of all households in the country had agriculture land.

### DEMOGRAPHY

NLFS II reveals that the total number of households has increased by 29 percent in the decade since NLFS I. But the average size of the household has been decreased from 5.1 to 4.9 persons. Interestingly, NLFS 2008 reveals that the proportion of the population in 0-14 year age group has decreased slightly from 41.3 to 38.7 percent, and in 15-64 year age group the proportion has increased slightly from 54.6 to 56.5 percent. The percentage of the population in the age group 65 yrs and over has remained about the same over the last nine years. The age dependency ratio and sex ratio has been decreased during the same period while the proportion of female headed households has increased from 14 percent to 22 percent.

### EDUCATION AND TRAINING

About 63.2 percent Nepalese aged 5 years and over were literate in 2008, while the proportion was 49.8 percent in 1998/99. The increment differs by sex. Literacy rate of males has increased from 64.5 percent to 74.7 percent while female literacy has jumped from 35.8 percent to 53.1 percent. Similarly the overall adult (15 years and above) literacy rate has also increased from 44.5 to 55.6 over the period. There was a substantial increase in the proportions of the adult population who had attended school. In 2008, only 46.7 percent of persons aged 15 years and above had never attended school compared with 60.3 percent in the NLFS 1998/99. By sex, the rates improved from 43.7 percent of males aged 15 years and above never attending school to 32.4 percent in 2008, and for females from 75.4 percent to 58.2 percent. The proportions changed from 36.2 percent of urban residents aged 15 years

and above having never attended school in 1998/99 to 25.0 percent in 2008, and for rural areas, from 63.8 percent to 51.1 percent.

## **ECONOMIC ACTIVITY**

The current labour force participation rate (the proportion of population aged 15 years and above who were currently economically active) decreased marginally from 85.8 percent in 1998/99 to 83.4 percent in 2008. The decline in the current LFPR was more marked in urban areas (from 73.3 percent to 67.3 percent) than in the rural areas. There has been a sharp drop in the proportion of children engaged in economic activity. The proportion of children aged 5 to 14 years who were currently economically active dropped from 40.9 percent in 1998/99 to 33.9 percent in 2008, with a sharp decrease in terms of percentage points in rural areas than in urban areas. In respect of the usual status (based on activities over the last 12 months), the participation rate increased only slightly over the decade for the 15 years and above population and 5 to 14 years population as well as in both urban and rural areas.

## **EMPLOYMENT**

The total number of currently employed persons increased from 9463 thousand in 1998/99 to 11779 thousand in 2008. The employment-to-population ratio declined from 84.3 percent in 1998/99 to 81.7 percent in 2008. On the other hand the proportion of paid employees increased slightly from 16.0 percent in 1998/99 to 16.9 percent in 2008. Moreover based on the classification of industry 73.9 percent people work in the agriculture sector and 26.1 percent are engaged in non-agriculture sector.

Total time spent at work by persons aged 15 and over has gone up to 517 million hours in 2008 from 413 million hours in 1998/99. Encouragingly, total time spent by children in economic activities has declined from 48

million hours in 1998/99 to 38 million hours in 2008.

Among the employed persons, nearly 68 percent worked 40 hours and more, 20 percent 20-39 hours, 11 percent 1-19 hours and an insignificant proportion reported that they did not work in the reference week in 2007/8. While the proportion of the current employed working other hours was: 73, 17, 8 and 2 percent for 40 hours and more, 20-39, 1-19 and zero hours respectively in 1998/99.

Among those working less than 40 hours in the reference week, the percentage of people who did not work more hours due to involuntary reasons increased from 15 percent to 21 percent in between 1998/99 and 2008, whereas due to voluntary reasons it decreased from 83 percent to 79 percent during the same period.

Substantial increases between the two periods can be observed in average monthly earnings. Monthly average income in cash and kind from paid employment in nominal (current price) terms as compared to the previous survey has increased almost two and half times. The same pattern has also been seen in the monthly average earnings of males and females as well. However, the discrepancy in earnings between the males (higher) and females (lower) still remains as before.

## **TIME-RELATED UNDEREMPLOYMENT AND LABOUR UNDERUTILISATION**

The time-related underemployment rate for the population of 15 years and above is 6.7 percent in 2008 as compared to 4.1 percent in 1998/99. The time-related underemployment rate increased for all age groups in between these two survey periods. The time-related underemployment rate was found to be the highest for 20-25 and 25-29 years of age groups (around 8 percent) and the lowest for those aged 60 years and above age group (5 percent) in this survey.

In the 2008 NLFS, 30.0 percent of the total current economically active population was classified as underutilised (49.9 percent in urban areas and 26.9 percent in rural areas). For males, 32.2 percent of the economically active were underutilised and for females, 22.8 percent of the economically active were underutilised. The labour underutilisation rate was highest for the 20-24 years age group (46.0 percent).

## **UNEMPLOYMENT**

NLFS I estimated that 178.0 thousand people aged 15 years and above were classified as currently unemployed. This corresponded to an unemployment rate of 1.8 percent. The NLFS-2008 has estimated a total of 252.8 thousand persons aged 15 years and above to be currently unemployed in Nepal, an increase of 42 percent over the decade. The current unemployment rate increased slightly from 1.8 percent in 1998/99 to 2.1 percent in 2008, mainly for females aged 15 years and above (changing from 1.7 percent to 2.0 percent). Urban and rural unemployment rates were unchanged over the decade.

The male unemployment rate (2.2 percent) was slightly higher than the female unemployment rate (2.0 percent). The unemployed rate in the urban areas was 7.5 percent and that in the rural areas was just over 1.2 percent. The youth (15-24 years) unemployment rate was 3.5 percent for those aged 15-24 years. The comparable rates for those aged 15-24 years in urban and rural areas were 13.0 percent and 2.1 percent respectively.

## **USUAL ACTIVITY**

NLFS II estimates that about 82 percent of the enumerated population aged 15 years and above are usually active and 18 percent are usually inactive. The employment-to-population ratio on a usual basis was 80 percent and 2 percent of the population aged

15 years and above were usually unemployed. Between 1998/99 and 2008, the percentages of people classified as usually active and usually employed have remained remarkably stable. Out of usually employed people aged 15 years and above, share of currently employed is 97.7 percent, currently unemployed is 0.5 percent and currently inactive is 1.8 percent in 2008. This share respectively was 96.8 percent, 0.6 percent and 2.6 percent during the previous survey of 1998/99.

## **SUBNATIONAL ESTIMATES OF EMPLOYMENT**

The labour force participation rate aged 15 years and above has remained relatively stable in all areas between 1998/99 and 2008, except in urban areas, the Hill belt and the Central development region. The labour force participation rate decreased in the urban areas (73.3 percent in 1998/99 to 67.3 percent in 2008) as compared to the rural areas where it remained stable (87.7 percent in 1998/99 to 86.8 percent in 2008). The labour force participation rate in the Hill belt fell from 87.9 percent in 1998/99 to 83.4 percent in 2008, and in the Central development region LFPR decreased from 83.4 percent in 1998/99 to 77.6 percent in 2008, whereas for other belts and development regions the labour force participation rate was relatively stable in the range 85 to 90 percent. It was also stable in the Terai at about 83 percent. The current unemployment rate increased in the Mountain belt and Far Western development region, but it was relatively stable elsewhere.

## **INFORMAL SECTOR & INFORMAL EMPLOYMENT**

NLFS 2008 estimated that around 2142 thousand people aged 15 and over were currently employed in the non-agricultural informal sector (70 percent of total non-agricultural employment) as compared to 1657

thousand in 1998/99 (73 percent of current non-agricultural employment). During the last nine years the currently employed population in the non-agricultural informal sector grew by 29.3 percent. Distribution by sex shows that males employed in the non-agricultural informal sector increased by 31.1 percent and for females by 26.1 percent. There were 759 thousand people aged 15 years and over who were currently employed in their own business with no employees in 1998/99 and this increased to 969 thousand in 2008.

The 2008 survey also measured a new topic on informal employment. It is estimated that there were 2655 thousand non-agricultural informally employed persons (or 86.4 percent of total non-agricultural employment).

Of these, most of these (1054 thousand or 39.7 percent of non-agricultural informal employment) were “paid employees with informal job conditions” (that is, they had no paid leave or no social security contributions by the employer). There were 969 thousand (36.5 percent of all current non-agricultural employed aged 15 years and above) who were “self-employed without regular paid employees” and there were 525 thousand (19.8 percent of all current non-agricultural employed aged 15 years and above) who were contributing family members. The balance of non-agricultural informal employment were employers and others (4 percent).

Among male non-agricultural employed, 83.8 percent were informally employed and among female non-agricultural employed, 91.8 percent were informally employed. Among the employed working in the Agriculture/Fishing industries, 99.7 percent were informally employed.

#### **ECONOMIC ACTIVITIES OF CHILDREN**

The proportion of children aged 5 to 14 who were economically active (child labour force participation rate) declined from 40.9% in

1998/99 to 33.9% in 2008. A similar trend as well can be observed in both the urban and rural areas. The child labour force participation rate in urban areas decreased from 43.3% to 36.7% and in rural areas from 19.0% to 14.4%.

Unemployment rates among children aged 5 to 14 years old slightly increased from 0.2 percent in 1998/99 to 0.7 percent in 2008. Similarly in same age group the time-related underemployed also increased from 1.1 percent to 1.6 percent during the two survey periods. Also the total volume of work carried out by children has declined from 44 million hours of economic activity in the survey week in 1998/99 to 38 million hours in the survey week in 2008. This amounted to average hours of work per child of 18.0 hours in 2008 compared to 22.4 hours in 1998/99.

#### **NON-ECONOMIC ACTIVITIES**

Around 12.6 million persons were estimated to perform non-economic activities during the survey reference week in 2008 compared to 9.3 million in 1998/99. When considered as a percentage of the whole population, it was found that 61.1 percent of the population aged 5 years and above were engaged in these non-economic activities in 2008 compared with 57.5 percent in 1998/99. This increase is mainly due to increased non-economic activity by males. For males aged 5 years and above, 43.9 percent of males were engaged in non-economic activities in 2008 compared to only 37.2 percent in 1998/99. For females aged 5 years and above, the proportions were relatively stable being 76.1 percent in 2008 compared to 76.8 percent in 1998/99.

#### **SEASONAL VARIATIONS IN EMPLOYMENT**

NLFS II measures seasonal estimates for Rainy, Winter and Dry seasons. Whereas the 1998/99 survey showed that the peak season for the number of economically active

population aged 5 years and above was in the Dry season, the 2008 survey found that the Dry season had the lowest estimate of economically active population and the peak season was the Rainy season. The Labour Force Participation Rates for 5 years and above reflect the same situation. However when one considers the LFPRs for those aged 15 years and above, the 1998/99 survey peak was in the Dry season, indicating that significantly fewer children were economically active in the Dry season, and for the 2008 survey the peak continued to be in the Rainy season. Current unemployment rates for those aged 5 years and above were highest in the Rainy season in 1998/99 but highest in the Winter season in 2008. The number of employed with agricultural occupations was at its highest in the Winter season in 1998/99 but highest in the Rainy season in 2008. The aggregate number of hours worked was also highest in the Rainy season in 1998/99 but relatively stable over the Rainy and Winter seasons and lowest in the Dry season in 2008.

## **MIGRATION AND ABSENTEES**

### Migrants

The NLFS II estimated that about 33 percent of the enumerated population (all ages) had migrated to their current location either from another VDC or municipality in Nepal or from outside the country.

The rate of lifetime migration (all ages) was higher for females (44 percent overall, with 88 percent of female migrants from within Nepal and 12 percent from outside Nepal) compared with males (21 percent overall, with 85 percent of male migrants from within Nepal and 15 percent from outside Nepal).

Most movement was from rural areas of Nepal (80 percent of the migrants) with only 7 percent of migrants coming from urban areas and 13 percent from abroad. For lifetime migrants now in urban areas 77 percent had moved from rural areas, 13 percent had

moved from other urban areas and 11 percent had arrived from outside Nepal.

Migration arises from a combination of many reasons. In NLFS II, most (48 percent) lifetime migrants, all ages, said that “marriage” was the main reason for their movement. Other reasons given were “other family reason” (30 percent) and “easier life style” (8 percent).

For the population aged 5 years and above, about 37 percent were found to have migrated. The rate of migration is higher for currently unemployed aged 5 years and above (56 percent of the unemployed had migrated) than currently employed aged 5 years and above (42 percent) and currently inactive aged 5 years and above (27 percent).

### Absentees

Almost 15 percent of the total population (including absentees abroad) of all ages were found to be absent or away from home. More adults aged 15 years and above (23 percent of the population including absentees abroad) are away from home as compared to that of children aged under 15 years (6 percent of the population). Out of total absentees aged 5 years and above, 21 percent are currently studying and 51 percent are working.

Nearly 44 percent of households have at least one absentee currently living either abroad or within the country. When differentiating between abroad and within the country, it shows that slightly more than 29 percent of households have at least one absentee currently living abroad. Whereas, slightly more than 19 percent of households have at least one absentee currently living within the country.

## **REMITTANCES**

The proportion of households receiving a remittance (from either an absentee or from another person) was 30 percent of all enumerated households. The average

amount received over all households in the last 12 months was 19,721 Rs.

Most remittance incomes were received from outside Nepal (including India, Malaysia, Saudi Arabia, and Qatar) with 82.9 percent of all remittance income (absentees and others combined) coming from outside. The share of remittance received from abroad is the highest from Qatar (21.3 percent) and 19.2 percent, 14.9 percent, 13.4 percent 2.2 percent 29 percent respectively from Malaysia, Saudi Arabia, India, United Kingdom and other countries. The survey collected data on the District from which the remittance was sent but this is insufficient to distinguish remittances from urban and from rural areas.

Overall, total amount of remittance received is more than 95 billion NRs., while per capita remittance for the entire country is 4042 NRs.

#### **MILLENNIUM DEVELOPMENT GOALS**

The 2008 NLFS provides estimates for nine Millennium Development Goals indicators as established in the UN's Millennium Declaration in 2000.

Since the 1998/99 NLFS, many of the labour-related indicators have remained relatively stable, but there was a slight increase in the share of women aged 15 years and above in wage employment in the non-agricultural sector (15.1 percent to 19.1 percent) and in female youth unemployment (which increased from 2.1 percent to 2.9 percent for the age group 15 to 24 years).

For selected non-labour-related indicators, there were major developments over the last decade - especially for those living in rural Nepal and for women.

#### **COMPARISON WITH OTHER SOURCES**

The NLFS II results compare favourably with those from other sources, with any differences due to methodologies, concept, scope and timing. Greatest comparability is with the NLFS I conducted in 1998/99 which used identical concepts, definitions and population scope. Comparisons are also possible with other data sources including the Population Census 2001, the Nepal Living Standards Survey 2003/04 and the Household Budget Survey 2005/06.

# CHAPTER 1 : METHODOLOGY

The successful completion of the Nepal Labour Force Survey 1998-99 was a milestone in the development of labour statistics in Nepal. It not only laid down a solid foundation in establishing benchmark statistics in labour and labour market conditions but also enhanced the capability of conducting household surveys within the Central Bureau of Statistics. As follow up, the second round of Nepal Labour Force Survey was conducted by Central Bureau of Statistics (CBS) during 2008. The main objective of the NLFS-II was to update labour force statistics comparable to the results of the previous NLFS survey of 1998-99. Apart from this main objective it included other objectives as well. The other specific objectives were to collect information on current situation of employment, underemployment and unemployment, to measure supply and use of labour force in different economic activities and to generate gender specific labour statistics to capture the works done by female. It also included the measurement of various household characteristics including access to agricultural land, household facilities, remittances received and absentees.

The survey results cover a broad range of topics that include among others employment, under employment, unemployment, gender specific labour statistics, informal activities, and child labour. In addition as already mentioned, it also covered information on specific areas like migrant labourers working overseas, remittances received and characteristics related to household facilities. With a two-stage stratified sampling design, the survey selected a nationally representative sample of 16,000 households from 800 Primary Sampling Units (PSU) equally distributed between the urban and rural areas.

As compared to the NLFS-I, the sample size was further increased in order to enhance the reliability of the survey results. The increase in both the number of PSUs and households was about eleven percent.

Comparative figures depicting the sample size for the first and the second NLFS surveys are presented in Table 1.0. In NLFS II, equal primary sampling units (400) were selected in the first stage from urban and rural strata. In the second stage, 20 households from each PSUs were selected with systematic sampling technique. Further stratification was done to create 6 strata comprising 3 urban and 3 rural areas. The total sample size combining both the urban and rural areas comprised of 800 PSUs covering 16,000 households distributed over the entire country.

**Table 1.0: Comparative sample schemes between two rounds of NLFS Survey.**

<i>Description</i>	<i>Nepal Labour Force Survey</i>	
	<i>1998/99</i>	<i>2008</i>
<b>Survey period</b>	<b>May 1998 - May 1999</b>	<b>Jan. – Dec. 2008</b>
<b>Number of PSUs selected</b>	<b>720</b>	<b>800</b>
<i>Urban</i>	360	400
<i>Rural</i>	360	400
<b>Number of households selected</b>	<b>14400</b>	<b>16000</b>
<i>Urban</i>	7200	8000
<i>Rural</i>	7200	8000
<b>PSUs (households) enumerated</b>	<b>720</b>	<b>799</b>
<i>Urban</i>	360	400
<i>Rural</i>	360	399
<b>Households enumerated</b>	<b>14335</b>	<b>15976</b>
<i>Urban</i>	7189	7996
<i>Rural</i>	7166	7980

## 1.1 Introduction

As in the past, the survey has also used standard definitions of economic activity as recommended by ILO to enable international comparisons. The collection of data on both a current and usual status was maintained. Likewise the data collection was spread over a 12-month period to capture the seasonal variations in the activity. A new feature of the 2008 survey was the addition of questions to identify informal employment. The international standards on the measurement of informal employment were only adopted by the International Conference of Labour Statisticians in 2003.

In its Tenth Five Year Development Plan, covering the period 2002-2007, the Government of Nepal gave high priority to the alleviation of poverty through employment generation, skill enhancement and rural development. The government is also committed in achieving the Millennium Development Goals (MDGs) and includes among others generating labour statistics on a regular basis to monitor the level of employment and labour market conditions. This initiated a strong need for conducting the second round of Nepal Labour Force Survey (NLFS- II) to use the results to monitor and evaluate the impacts of various government policies and programs on employment in the country.

The launching of the second round of NLFS (NLFS II) survey was approved by the government and preliminary activities were undertaken from fiscal year (2006-07) primarily to update the previous set of information on employment, unemployment, underemployment, child labour and informal sector activities and also to cover information on extended economic activities of households. The Household Survey Section (HSS) of the CBS carried out NLFS II with additional technical assistance from International Labour Organization (ILO) and funding received from United Nations Development Programme (UNDP).

This time as well, for the sake of providing guidance to the survey team in planning and conducting the survey, a high level Steering Committee was established, with representatives from several key interest groups. This Steering Committee provided valuable inputs to the design of the questionnaire and sampling scheme and to the planned outputs from the survey.



The structure of the NLFS II report is laid down as follows: Chapter I as usual provides a detailed description of the methodology adopted for the survey. It covers such issues like the scope and coverage of the survey, the questionnaire, sample design, organisation of fieldwork, and data processing. Chapter 2 presents brief definitions of the key terms used in this report. In Chapter 3, the household conditions are analysed in respect of available facilities, energy used for lighting and cooking, and size of agriculture land. Chapter 4 gives a summary of the demographic characteristics of the population, while Chapter 5 covers education and training. Chapter 6 to 9 deal with different aspects of 'current' activity: the economically active and inactive (6), the employed (7), the underemployed (8), and the unemployed (9). Chapter 10 examines activity on a 'usual' as opposed to a 'current' basis. Chapter 11 presents a range of employment, unemployment, underemployment and labour underutilization indicators at the sub-national level. Chapters 12 to 14 deal with three issues of special interest in the context of employment: activity in the informal sector and informal employment (12), the work activities of children (13), and the contribution of men, women and children to household chores (14). Chapter 15 discusses about seasonal variations in employment. Chapter 16 provides detailed information on absentees and migration. Chapter 17 presents the flow of remittances received by households and Chapter 18 shows the contribution of NLFS-II in monitoring the Millennium Development Goals (MDGs). Finally, Chapter 19 makes comparisons of results of the survey with labour statistics from the 2001 Population Census and with earlier surveys (such as the Household Budget Survey 2005-06 and Nepal Living Standards Survey 2003-04).

Annex A provides a detailed description of the sample design and its implementation. Annex B contains a copy of the questionnaire and Annex C is a flowchart of the questionnaire. Annex D shows the detailed codes used for the classifications of industry, occupation and educational attainment. Annex E lists the staff engaged in the survey and Annex F outlines how the results are being disseminated.

## **1.2 Scope and coverage**

The major aim of the NLFS-II was to update a set of comprehensive statistics on employment, unemployment, under-employment. As essential tools, such information play key role in assessing the impact of various government policies and programs planned for employment generation. Likewise, the results from the survey do provide information required for skill development, for managing the flow of migrant workers, for improving the status of women and children, and for assessing the role and importance of the informal sector. However, this time, the scope was further extended to generate information required to improve infrastructure of households and for appropriate management of remittances flowing into the country.

As in the NLFS-I, the survey covered entire country and no geographical areas were excluded. Similarly, all permanent residents of the country including foreign nationals were considered eligible for inclusion in the survey, but households of diplomatic missions and institutional households such as school hostels, prisons, army camps and hospitals were excluded. The homeless and those people living for six months or more away from the households were not considered eligible and hence were excluded from the survey.

### 1.3 Survey questionnaire

The NLFS-I questionnaire (which was developed on the basis of an ILO manual<sup>1</sup> and comprised of 77 questions) provided a concrete base for developing the NLFS-II questionnaire. The NLFS-II questionnaire was substantially expanded to 130 questions in eight sections. The questionnaire structure ensured that respondents (other than heads of households who also had a few additional questions) generally answered a maximum of about 80 questions and most were asked significantly fewer questions.

For the sake of maintaining comparability many questions that were asked in the NLFS-I were retained. However, some important additions were made to address some contemporary issues such as household amenities, absentee population and remittances flowing into the country. Some questions were modified in order to have better response than in the previous survey. The eight sections in the NLFS-II questionnaire were designed to capture data on general information, household information, current activities, unemployment, activity in last 12 months, past employment record, absentee information and remittances received by households. The sections on household information, absentee information and remittances were asked only to head of household.

As already indicated, some modifications were made on questions that aimed to collect accurate and reliable information on informal activity and usual activity. Questions relating to usual activity were asked to collect the number of months he/she had spent in three different categories of activity (working, not working but available for work, and not working and not available for work) over the last 12 months. A month was considered to be “worked” if the person spent most days in that month at work. A month was considered to be “not working but available for work” if the person spent most days in that month not working but available to work. This method of determining usual activity status is simpler than that used in the NLFS-I (see footnote 1) but remains comparable with the international standards on labour statistics. In the household information, some of the questions are intended to provide statistics for monitoring selected Millennium Development Goals. Furthermore, some questions that have been added relate to ownership of house, type of energy used for cooking, lighting source and size of agriculture land. A copy of the questionnaire is mentioned in Annex B, while Annex C contains a detailed flow chart which can be used to identify the paths followed through the questionnaire by people with different characteristics.

As in the NLFS-I, the lower age cut-off point for the questions on economic activity was maintained at 5 years. This enables in the collection of data on the economic activities of children. This time as well, the objective to make the questionnaire more gender sensitive has been retained. Information on those activities such as cooking, cleaning and childminding which are performed without pay for the household, mainly by women, was collected.

Initially, the draft questionnaire was presented to the Technical Committee and underwent several rounds of discussions. Improvements and modifications were made according to the suggestions and comments received from members of the Technical Committee representing various interest groups. The questionnaire thereafter was pre-tested several times and revised intensively in accordance to the feedback received from each pre-test. The pre-tests were carried out to cover a wide range of

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<sup>1</sup> Ralf Hussmanns, Farhad Mehran and Vijay Verma, *Surveys of economically active population, employment, unemployment and underemployment: An ILO manual on concepts and methods*, ILO, Geneva, 1990

areas and included different ecological zones, development regions and urban/rural areas. The questionnaire in the final Nepali version was translated into English to see if there were any misunderstandings likely to emerge. Probable confusions were removed in the final Nepali version of the questionnaire that was to be administered to the field for data collection so that there would be less chance of misunderstanding about the intended meaning of each question. At the same time an interviewers manual was prepared to elaborate the concept and objective of each question that led to collect reliable and accurate information.

## 1.4 Sample design

In the first round of Nepal Labour Force Survey 1998/99 the nationally representative sample size of 14,400 households was evenly divided between urban and rural areas. During the selection, a two-stage stratified sampling procedure based on probability proportional to size (PPS) was applied. In the first stage, wards (PSUs) were selected with PPS, where the number of households in the ward at the time of the Population Census 2001 provided the measure of size. In the second stage, from all the households listed in the selected PSUs, 20 households were selected from each on a systematic sampling basis. The 2001 population census provided the frame for the survey.

Overall, a similar process was followed for the sample design of the Nepal Labour Force Survey 2008. However, the sample size was increased in respect of both the number of PSUs and the households. Similarly, the number of strata in the country was also increased to six as compared to only two strata in NLFS I. More details of the sample design are given in Annex A.

<b>Box 1.1 Sample design for NLFS 2008</b>						
<b>Stratum</b>	<b>PSUs</b>	<b>'Take'</b>	<b>Households</b>	<b>Season I</b>	<b>Season II</b>	<b>Season III</b>
Mountain	34	20	680	200	240	240
KTM Valley Urban	131	20	2620	880	880	860
Other Hill Urban	99	20	1980	680	640	660
Rural Hill	179	20	3580	1220	1200	1160
Urban Terai	170	20	3400	1120	1140	1140
Rural Terai	187	20	3740	1240	1240	1260
<b>Total</b>	<b>800</b>		<b>16000</b>	<b>5340</b>	<b>5340</b>	<b>5320</b>

The survey was spread over a complete 12 months period from January 2008<sup>2</sup> until December 2008, splitting annual sample into three sub-groups for three seasons. Where, each sub-group was representing four months in the Nepalese calendar. The three seasons are as follows:

<b>Season</b>	<b>Characteristic</b>	<b>Nepalese calendar</b>	<b>Western calendar</b>
1	Dry	Magh, Falgun, Chaitra, Baishakh	Jan to May
2	Rainy	Jestha, Ashadh, Shrawan, Bhadra	May to Sep
3	Winter	Ashwin, Kartik, Mangsir, Poush	Sep to Jan

<sup>2</sup> Data collection actually started on 25 December 2007 but households enumerated in these first few days of the survey were classified as part of the sample for the "Dry" season.

Although extensive cartographic work had already been done in connection with the NLSS-II, the staff of NLFS-II carried out further cartographic work where it was considered necessary, so as to establish clear boundaries for the selected areas.

## **1.5 Organisation of fieldwork**

Altogether 20 field teams were formed to undertake fieldwork in different parts of the country. Each team was assigned particular areas to carry out the interviews. The field work assigned to teams were on the basis of geographical area and the purview of the Branch Statistical Offices (BSOs). Other factors considered were based on the workload and travelling time required. Each team, on an average was supposed to cover 40 PSUs. Manpower composition in each team consisted of a supervisor and three interviewers. All the field staffs were selected from the BSOs. A majority of them were males with only a few female staff. In many rural areas interviewing of young women by young men posed difficulties for cultural reasons. Consequently, data often had to be collected through proxies possibly affecting data quality to some extent. There were two teams assigned for Kathmandu due to the larger sample in this city.

Four master trainers who belonged to the Household Survey Section of the Central Bureau of Statistics were responsible for carrying out the training programme for the survey. In the beginning, a separate training programme was launched for the BSO officers so that they would be able to provide adequate supervision and support to the field staff wherever necessary. This was then followed by a three-week training course for supervisors and enumerators together at the Staff College in Kathmandu. Because of the large number of field staffs involved (22 supervisors plus 65 enumerators, allowing for some reserves), three separate training groups were run simultaneously. Two days were spent in discussion of the interviewers' duties and general issues relating to the fieldwork, and a further three days in clarifying the key concepts used in labour force surveys. Only after that did the classes move into detailed discussion of the questionnaire. Towards the end of the training class, all field staff spent a day in urban and rural areas, with each person being required to interview at least four households. The final day was spent on a debriefing of this fieldwork exercise.

A short questionnaire was administered towards the end of the training, to evaluate the quality of the training courses and find out which aspects were still unclear, and the results were used on the final day to re-emphasize certain points.

The Nepalese terrain has always provided challenges for data gathering because many areas cannot be reached by road. In addition, for this NLFS-I survey, there was a further challenge for field operations in the Terai due to social and political disruptions. As a result, three teams were formulated in such a way as to be representative of various communities, and to be familiar with local dialects. These teams were assigned to undertake interviews in sensitive districts of the Terai.

In designing the survey, there was a concern to keep interviews to a manageable length. There was an obvious desire not to impose unnecessary burden on household members, who were giving freely their time in responding to the questions asked. There was also the consideration that the interviews within each household should not take too long, so that interviewers could complete their work load of 20 households and move on to the next PSU. Despite the increase in the number of questions when compared with the NLFS-I (see earlier), the interviews with each selected person normally took about

20 minutes, with the result that interviews with the whole household were usually completed within two hours. Only in exceptional circumstances where a household was very large did it take longer than two hours to complete a household.

Day to day control of each team was in the hands of the supervisor who was a member of the team, but additional supervisory visits were made by staff from the headquarters of the Central Bureau of Statistics and the National Planning Commission Secretariat. These visits were particularly important in the early stages of the field period, when interviewers were still not very familiar with the questionnaire. Thus the extensive field supervision both from the centre and from the districts (BSOs) was carried out during the survey period. Moreover the central supervision was carried out not only by the core team member of household survey section but also by the Director General and Deputy Director General of the Bureau. In addition, district level supervision was also made by the statistical officers of the BSOs.

Fieldwork continued throughout the survey year, but was curtailed for one month from mid-April 2008 because of an impending constitution assembly election. The delay in data collection was recovered within the following two months, but there may be some effect on sample allocation as between the "Dry" season and "Rainy" season as a result.

## **1.6 Non-response and weighting**

There was very little non-response on the survey, with data not collected for only 24 households out of 16,000. Twenty of these households are accounted for by one PSU in the Far-western region. This PSU could not be covered in the third season because the selected households had been evicted to other wards of next VDC in order to declare it a wildlife conservation area. The eviction had taken place after the 2001 Population Census. The weights for the two other PSUs selected in that area were therefore adjusted at the analysis stage to compensate for the 20 missing households.

Because of the way the sample has been designed, it is possible (as shown in Table 1.1) to use all the information arising from the survey to estimate the total number of households and total household population of Nepal. Indeed, because the sample for each season is fully representative, this exercise can be done separately for each season. As discussed in Annex A, the population estimates were remarkably consistent at around 23.5 million people, but this is appreciably lower than the current population estimate (about 26.4 millions). In this report we have preferred to report the results exactly as they arise, without making any adjustments to the figures.<sup>3</sup>

As indicated in Table 1.1, the overall raising factor for the survey is 315. This means that, on average, the NLFS II conducted interviews with 1 in 315 of the population of all age. Because of the importance of the urban sector and its relatively small size and greater heterogeneity, an interviewing rate of 1 in 103 was used in the Kathmandu urban area, 1 in 103 in Other Hill Urban and 1 in 100 in Terai Urban compared with 1 in 482 in the rural sector of Mountain area, 1 in 473 in Rural Hill and 1 in 535 in Rural Terai.

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<sup>3</sup> Those wishing to adjust the figures to bring them into line with the current population estimates would need to multiply all absolute values (but not averages or percentages) in this NLFS II report by 15 percent.

**Table 1.1: Distribution of achieved sample, and corresponding population estimates**

	Nepal	Mountain	Kathmandu Urban	Other Hill Urban	Rural Hill	Urban Terai	Rural Terai
<b>Sample</b>							
Households interviewed	15976	680	2,619	1,978	3,580	3,399	3,720
Household members	74688	3,288	11,027	7,976	17,286	15,995	19,116
<b>Estimates for Nepal</b>							
Households	4,825,116	332,248	270,855	206,869	1,693,690	342,988	1,978,465
Persons in households	23,543,505	1,584,196	1,132,521	821,952	8,183,361	1,594,871	10,226,604
Raising factor	315	482	103	103	473	100	535

In analysing the data from the NLFS II, we use the stratum classification<sup>4</sup> as the main geographical breakdown, since the degree of urbanisation has a major impact on patterns of employment. The sample size is not large enough to support detailed analysis at the district level, but analysis is possible by development region and by ecological belt, and by various combinations of these (see Annex A). Table 1.2 shows the development region and ecological belt for each of the 75 districts. The number shown alongside each district in Table 1.2 can be used to locate its position on the map of Nepal (see following pages) The associated maps also show the boundaries of the development regions and ecological belts.

## 1.7 Data processing

A centralised data processing system was used for this survey. There could have been some advantages in using decentralised processing, since it would have permitted field editing immediately after the fieldwork. However, as in the past, the need to maintain a careful control over data entry and verification of all coding, especially of difficult topics such as occupation, industry, and subject of training was difficult to resolve in the field.

As usual, the Census and Survey Processing System (CSPPro) package was used for data management in the NLFS II. Staffs of Household Survey Section had previous experience of using statistical package (STATA) for preparing output from Census & Surveys. So the required tables for NLFS II were produced using STATA.

The data entry exercise in whole was carried out by at most three data entry operators for 12 months simultaneously with the field work. The data entry activity was supervised by an experienced computer officer in the section. Labour force surveys generally use very technical definitions of key terms (such as the 'currently active') and as in the past, special programs were therefore written in

<sup>4</sup> The NLFS II used the Nepal standard geographic concepts for urban and rural as outlined in more detail in Section 2.

CSPro to produce these derived variables, based on how each person responded to various different questions.

The experience of the NLFS-I had shown that the sample size was not sufficiently large to provide information on the employment of foreign nationals in Nepal. Although the sample size was increased for this NLFS-II, only just over one percent of the sample admitted to being foreign nationals and this is therefore too small to enable us to present meaningful tables cross-classified by the person's nationality.

## **1.8 Lessons learned**

Over time the quality of national survey data will improve, as long as the lessons learned from each survey are incorporated into the planning of future surveys. We record here some of the major lessons learned from this survey, as a guide for the future.

Because of the traditional nature of much of Nepalese society, it is often difficult to collect information directly from women. Data can be collected directly from women in Chhetry and Brahmin households (the two largest groups), but for many of the other ethnic groups, especially in the Terai, information has to be collected by proxy from the male member of household. The report of the NLFS-I survey recommended that future surveys should include in each team at least one female staff. Although this was not possible for the NLFS-II survey for which only three of the field staff were female (two in the Kathmandu Valley and one in Chitwan district), the recommendation remains valid and should be pursued in future surveys.

The report of the NLFS-I recommended that more practice of dummy interviews be carried out before full-scale operations commenced. However once again this was not possible due to time and resource constraints. In general the classroom training provided for the field staff was adequate, but it would have been better if resources had permitted much more field practice before the main survey began.

As with the NLFS-I, the sampling aspects worked well (see Annex A). The cartographic work already done in municipal areas for the NLSS II proved invaluable, even though the size estimates for Pokhara and Kathmandu proved somewhat unreliable. Supervisors and their teams did not appear to have any serious difficulties in carrying out a listing operation in the field and then selecting 20 households for interview.

The questionnaire proved a success. The report of the NLFS-I had recommended that the section on "usual activity" be reconsidered since it required a great deal of interview time. As a result, this section was revised for the NLFS-II (see earlier) to reduce the effort required for reporting and moving closer to comparability with the 2001 Nepal Population Census (but still retaining comparability with international statistical standards). Since, the survey covers a full 12 months (all seasons), the collection of usual activity data may not be justified and consideration should be given to eliminating this section from future surveys. The questionnaire structure would also be simplified as a result. As in NLFS-I, interviewers coped well with recording work and non-work activities in questions 36 and 37. The one area of the questionnaire which may require reconsideration in the future is the section

dealing with remittance. It was noted that remittance data is collected gross (that is that outlays by the households to others are excluded). It would be useful to measure remittances net of outlays, including money sent for those children permanently<sup>5</sup> living outside the household and attending school. (Children temporarily absent for less than 6 months are still household members and funds sent to them are intra-household transfers that are excluded from remittances.)

Finally it is felt that the NLFS-II questionnaire was too long. Consideration should be given to reducing the number of questions significantly. It has been suggested that the NLFS should be expanded in the future to cover poverty and maternal health issues so that the relationships between these issues and economic activity could be measured. However, it is recommended that this sort of analysis is the focus of the Nepal Living Standards Surveys and that the Nepal Labour Force Surveys should focus solely on economic activity issues.

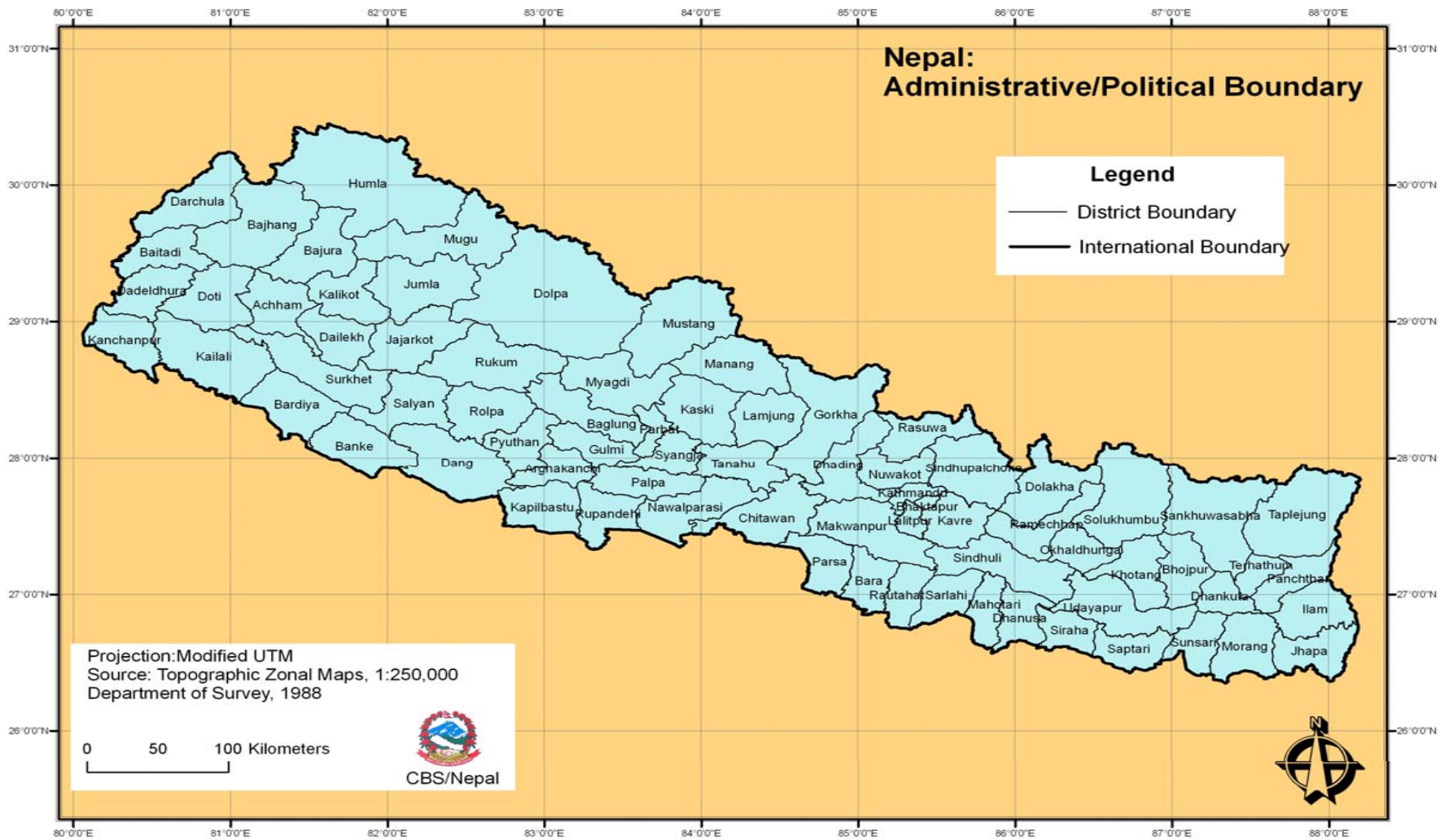
The data processing arrangements worked out well. CSPPro and STATA were convenient packages for data entry and tabulation respectively.

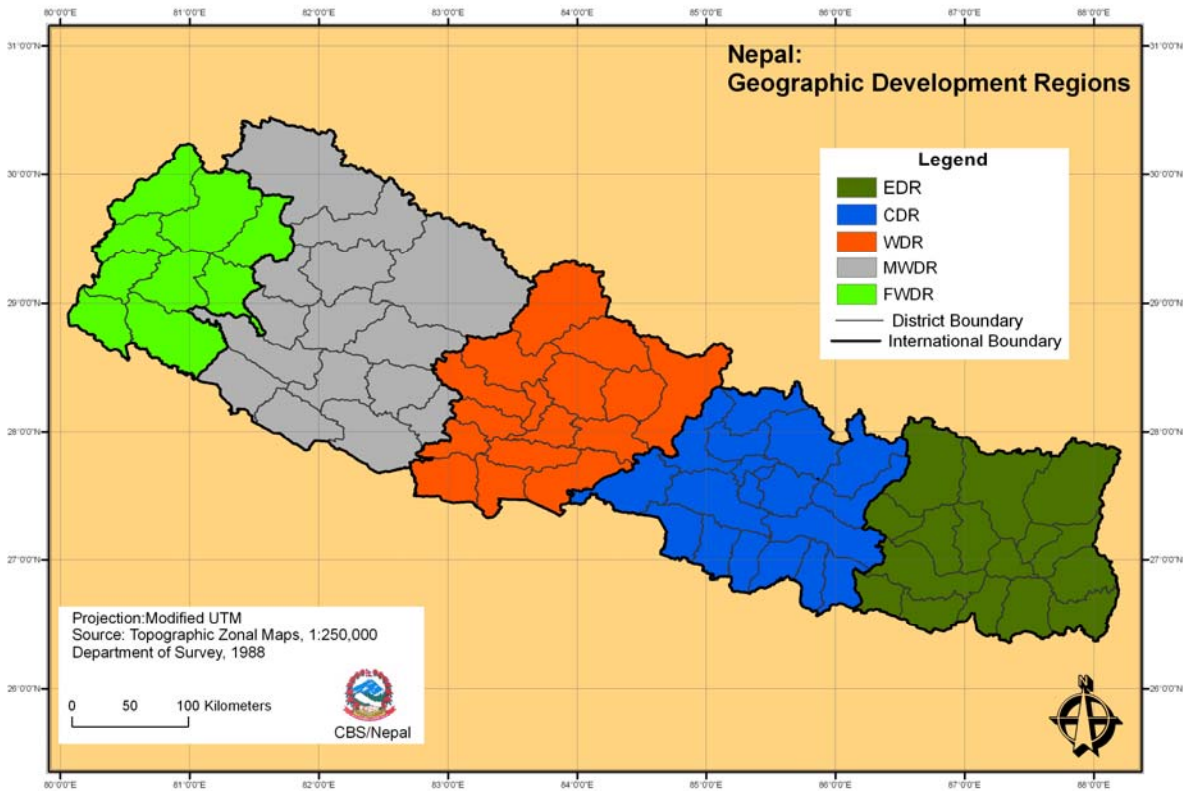
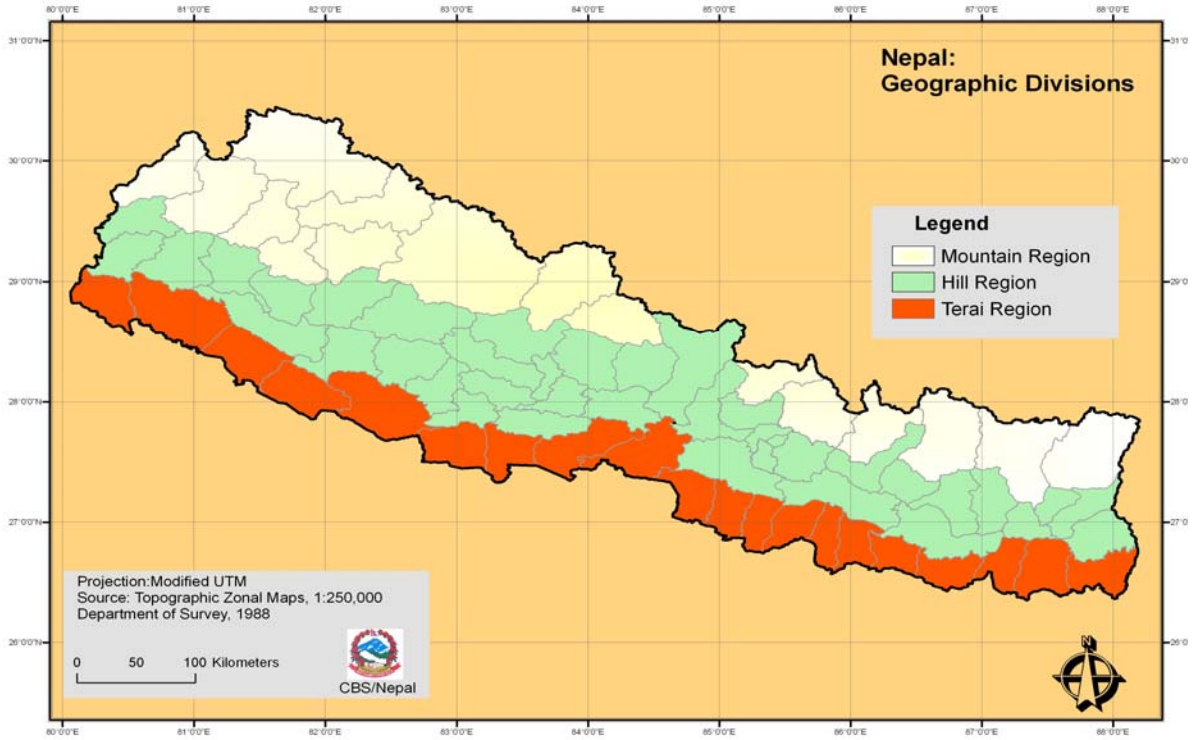
**Table 1.2 Distribution of the 75 districts by development region and ecological belt**

Development region Ecological belt	Far-western	Mid-western	Western	Central	Eastern	Total
Mountain	67. Bajura 68. Bajhang 75. Darchula	65. Mugu 62. Dolpa 66. Humla 63. Jumla 64. Kalikot	41. Manang 42. Mustang	22. Dolakha 23. Sindhupalchok 29. Rasuwa	1. Taplejung 11. Solu-khumbu 9. Sankhuwasabha	16
Hill	69. Achham 70. Doti 74. Baitadi 73. Dadeldhura	54. Rukum 53. Rolpa 55. Salyan 52. Pyuthan 60. Dailekh 61. Jajarkot 59. Surkhet	43. Myagdi 45. Baglung 44. Parbat 37. Lamjung 38. Tanahu 40. Kaski 36. Gorkha 39. Syangja 47. Palpa 46. Gulmi 51. Arghakhanchi	21. Ramechhap 20. Sindhuli 24. Kabhre-palanchok 28. Nuwakot 26. Bhaktapur 25. Lalitpur 27. Kathmandu 31. Makawanpur 30. Dhading	2. Panchathar 3. Ilam 8. Terhathum 7. Dhankuta 10. Bhojpur 12. Okhaldhunga 13. Khotang 14. Udayapur	39
Terai	71. Kailali 72. Kanchanpur	56. Dang 57. Banke 58. Bardiya	48. Nawal Parasi 49. Rupandehi 50. Kapilbastu	17. Dhanusha 18. Mahottari 19. Sarlahi 32. Rautahat 33. Bara 34. Parsa 35. Chitwan	4. Jhapa 5. Morang 6. Sunsari 15. Saptari 16. Siraha	20
Total	9	15	16	19	16	75

<sup>5</sup> Including those absent for more than 6 months.

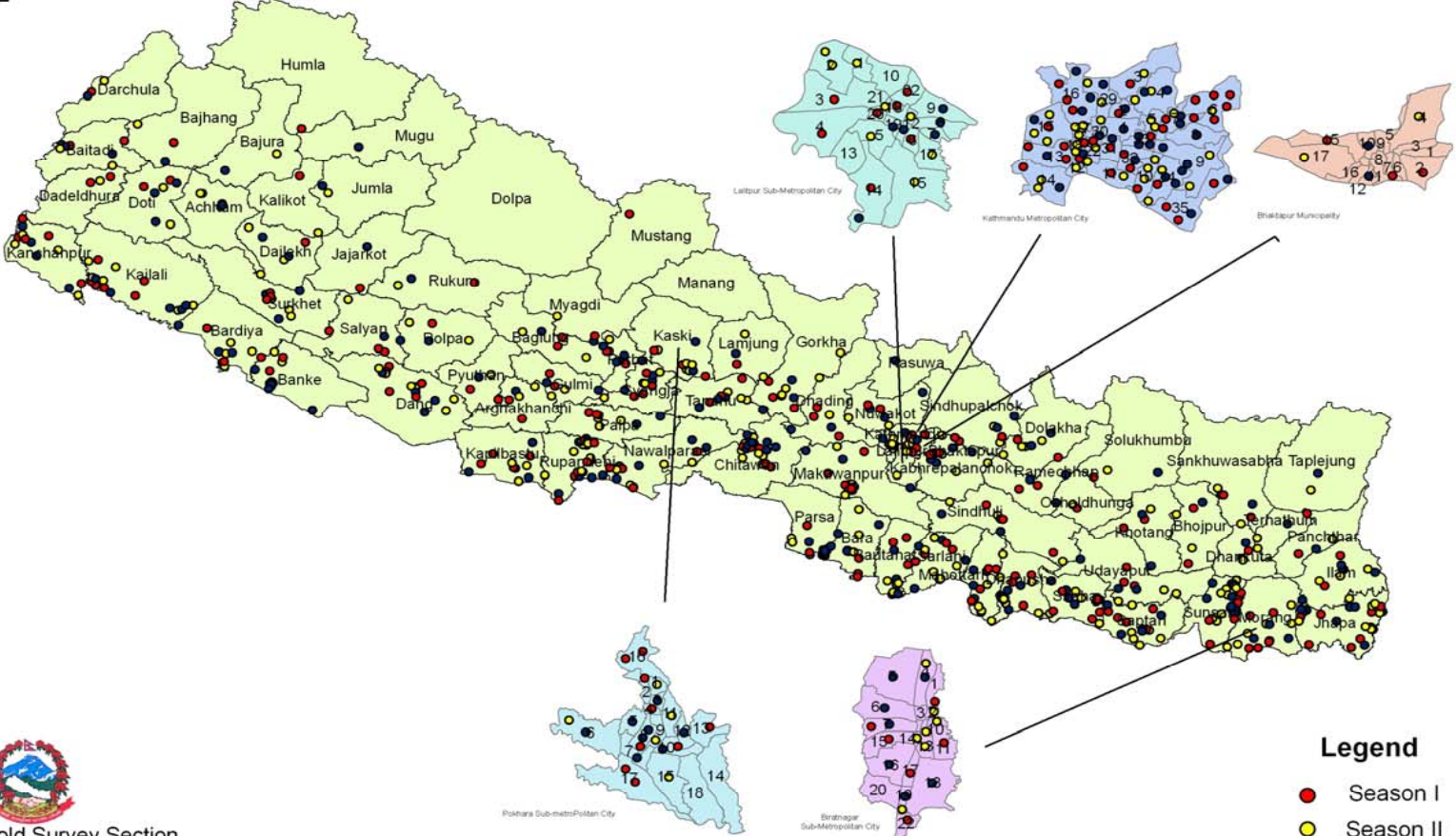








# Nepal Labor Force Survey 2007/08 Distribution of PSUs



Household Survey Section  
Central Bureau of Statistics

0 50 100 Kilometers

- Legend**
- Season I
  - Season II
  - Season III

# CHAPTER 2: CONCEPTS AND DEFINITIONS

## 2.1 Introduction

The concepts and definitions used in the Nepal Labour Force Survey 2008 (NLFS II) are generally the same as those used in the Nepal Labour Force Survey 1998/99 (NLFS I). The main exceptions to this are (i) the simplification of the measurement of usual activity status by using months worked or available to work rather than days used in NLFS-I, (ii) the addition of questions to measure informal employment in accordance with the recommendations of the International Conference of Labour Statisticians in 2003; and (iii) the addition of questions on household facilities, absentees and remittances to provide information to update the relevant indicators of Nepal Living Standards Survey of 2003/04.

Although the concepts generally remain the same, it is essential that users be familiar with the concepts and definitions in order to be able to interpret the results from the survey. In this chapter, definitions and concepts are explained and references provided for further information if needed.

## 2.2 Reference period

In collecting data on work activities, two reference periods (short and long) have been used. A week (i.e. the seven days leading up to the interview) has been used as the short reference period, and a year (12 months leading up to the interview date) as the long reference period. The short reference period is used to measure current activity, while the long period is used to measure usual activity. For many people (for instance in the case of those in government service) the main economic activity of the short period will probably be the same as the usual activity of the longer period, unless they have recently changed their jobs. In addition, one month (last 30 days) is the reference period for unemployed and underemployed people to look for work or for more hours respectively. These reference periods (one week for current activity, one year for usual activity and one month for job search activity) are all in accordance with international statistical standards.<sup>1</sup>

## 2.3 Work

Labour force surveys collect data about work activities. However, not all surveys correctly include all work activities. The work activities included in the Nepal Labour Force Surveys 1998/99 (NLFS I) and 2008 (NLFS-II) are in line with the current ILO standards which in turn are based on the United Nations 1993 System of National Accounts.<sup>2</sup> The 1993 SNA greatly widened the production boundary for work and these changes have been retained in the latest updates of the SNA. These changes had

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<sup>1</sup> See Hussmanns et alia (1990) and Resolution concerning statistics of the economically active population, employment, unemployment and underemployment published in ILO: Current international recommendations on labour statistics, 2000 edition, ILO, Geneva, 2000. These have recently been updated in Hussmanns: Measurement of employment, unemployment and underemployment –Current international standards and issues in their application, published in the ILO's Bulletin of Labour Statistics, 2007.

<sup>2</sup> United Nations, System of National Accounts 1993, New York, 1993

major implications for those engaged in the household sector. For instance, the SNA now also includes within its production boundary all production of goods for own use. Therefore activities such as tailoring or making mats for the household, or collecting water or firewood, now count as 'work'. Box 2.1 illustrates the kinds of activity which count as 'work'.

### **Box 2.1: Examples of activities which count as 'work'**

#### **Wage job:**

Those persons, who are working for wage and salary in different sectors, such as factories, enterprises, agricultural farm, shop, government offices, hotel and restaurant, transport and communication etc are included in the categories. In addition, politicians, doctors and advocates are also fall under this category, if they are receiving remuneration for their work. Wage jobs of agriculture and non-agriculture are as follows.

- A. In Agriculture:** Jobs of the workers employed in farms, forestry and fishery, and other agricultural economic units engaged in the production of agricultural goods. Agricultural labourers for ploughing, planting and harvesting crops, fishing etc, are also considered as wage job of the agriculture sector.
- B. In non-agriculture:** Jobs of the workers employed in factories, business enterprises, shops, service undertakings, and other economic units engaged in the production of goods and services intended for sale on the market are jobs of the non-agriculture sector. It also includes jobs of employees of government and other social and cultural institutions, hotels, restaurants, transport and communication, politicians who get remuneration, lawyers, doctors, shopkeepers etc.

**Self-employed:** Managing one's own business whether or not involved in producing the output.

- C. Trade and business:** Managing one's own business and trade .
- D. Agriculture:** Growing or gathering field crops, fruits and vegetables, raising livestock and managing own livestock products such as egg, milk, food etc. Hunting animals and birds, catching fish, crabs and shellfish. Collection of berries or other uncultivated crops, Burning charcoal.
- E. Milling and other food processing:** Threshing and milling grain, making butter, ghee and cheese, slaughtering livestock, curing hides and skins, preserving meat and fish. Making beer and alcohol.
- F. Handicrafts:** Collecting thatching and weaving materials, making mats, weaving baskets and mats, making clay pots, weaving cloth, dressmaking and tailoring, making furniture.
- G. Construction and major repairs:** Construction of a dwelling, farm buildings, clearing land for construction, construction of a additional floor, or a major renovation of a dwelling, private roads, wells and other private facilities.
- H. Fetching water:** Collecting water for household use.
- I. Collecting firewood:** Cutting or collecting firewood.
- J. Other work activities:** Bonded labourer (i.e. work for an employer, a landlord or money lender to meet an obligation - usually a debt - without pay or with less than normal pay until the obligation has been settled), activities of a member of a religious order such as a monk or a priest, cooking food for labourers working on one's farm when food is provided as part of labourers' wage.

In contrast to the production of goods, the SNA still excludes all non-market services carried out within the household. The SNA manual makes the obvious point that

*“any further extension of the production boundary would have unacceptable consequences for labour force and employment statistics. According to the ILO guidelines, economically active persons are persons engaged in production included within the boundary of production of the System. If the boundary were to be extended to include the production of own-account household services, virtually the whole adult population would be economically active and unemployment eliminated. In practice, it would be necessary to revert to the existing boundary of production in the System, if only to obtain meaningful employment statistics.”<sup>3</sup>*

Although the production of own-account household services has been excluded from the concept of work, it was considered useful to collect information on various non-work activities (listed in Box 2.2) within the household. This was done by means of Question 37, addressed to everyone aged 5 and over. Information was also collected about ‘other voluntary and community services’, even though they might be performed outside the household.<sup>4</sup> It should be noted that the recorded hours are not intended to be duplicative. For example, if a person was engaged in cooking food while also caring for children, then the hours spent on non-economic activities would be recorded against “cooking/serving food for household” only and not repeated under “childminding”.

**Box 2.2: List of selected non-work activities/non-economic activities**

- A. Cooking/serving food for the household.
- B. Cleaning utensils/house.
- C. Minor household repairs.
- D. Shopping for the household.
- E. Caring old/sick/infirm.
- F. Childminding (including feeding, child care, taking to school, etc.)
- G. Other volunteer/community services.

<sup>3</sup> *ibid*, p.125, para 6.22. In fact, in the context of Nepal, there seems a risk that this type of scenario has already been reached, at least in rural areas. Since a very high proportion of the population living in rural areas have to collect their own firewood or carry water, the extension of the production boundary to include these two activities has resulted in the unemployment rates in rural areas falling to almost zero (see Chapter 8).

<sup>4</sup> In two respects the 1993 SNA was not followed. Volunteers providing services for profit-making enterprises are treated in the NLFS as not employed whereas this is within the SNA production boundary, and where paid domestic employees lived in with the households for which they worked, they were treated as members of the household, rather than as separate households.

## 2.4 Occupation

Occupation refers to the type of work done during the reference period by the person employed (or the kind of work done previously if unemployed), irrespective of the industry or the status in employment of the person. Information on occupation provides a description of a person's *job*. In the present context a job is defined as a set of tasks and duties which are carried out by, or can be assigned to, one person. Persons are classified by occupations through their relationship to a job.

A single job may have several different work activities or duties connected with it. For instance, different agricultural activities (weeding, herding cattle, and collecting water for cattle) are simply different aspects of the same job and do not count as separate jobs.

In Nepal, a special situation arises in the case of a farmer who does daily-paid work for different employers during the same week. Strictly speaking, these should be regarded as being separate jobs, but this is difficult to measure in practice. Nepalese regard this as one job, not several. Therefore it was agreed to accept this practice for farmers, and count all this activity as one job.

It should be recalled that (as in the NLFS-I) farmers and other home-based workers who did not work in the reference week, but who had a job attachment such as agriculture were treated as 'employed'. In contrast, contributing family members who did not work in the reference week were reclassified out of the 'employed' category and into the inactive category, in accordance with international standards.

All jobs were classified according to their occupation (see Annex D) using Nepal Standard Classification of Occupations (NSCO), with coding being done at the three-digit level.<sup>5</sup> The coding scheme proposed in NSCO was followed exactly. The NSCO classification was based on the production boundary as defined in the 1993 SNA, and it therefore provide adequate codes for fetching water and collecting firewood. Where these activities were done as part of a number of tasks in elementary occupation, code 916 (collecting firewood and fetching water) was used.

The Nepal Standard Classification of Occupation (NSCO) follows international standards in which broad skill levels are assigned to different occupations. Elementary occupations (major group 9) are at the first skill level, since they require no more than primary education. Jobs in major groups 4, 5, 6, 7 and 8 are at the second skill level, usually requiring some amount of secondary education. Technicians and associate professionals (major group 3) are at the third skill level, since their jobs usually require some further education after secondary school, but not to degree level. Finally, professionals (major group 2) are at the fourth skill level, since these jobs usually require training to degree-level. No attempt was made to assign skill levels to major groups 1 or 0.

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<sup>5</sup> Central Bureau of Statistics (CBS), Nepal Standard Classification of Occupations, NSCO, Nepal 2001. Note that ISCO-88 (the international classification) was used for the 1998/99 NLFS.

## 2.5 Industry

The term industry is used to refer to the activity of the establishment in which an employed person worked during the survey reference period, or last worked if unemployed. This activity is defined in terms of the kind of goods produced or services supplied by the unit in which the person works. An important feature of the classification system is that the branch of economic activity of a person does not depend on the specific duties or functions of the person's job, but on the characteristics of the economic unit in which he or she works. Thus, two persons working in the same economic unit have the same branch of economic activity, no matter what their jobs in that establishment.

All jobs were classified according to their industry (see Annex D) using the Nepal Standard Industrial Classification (NSIC), with coding being done at the two-digit level.<sup>6</sup> Initially during the first season Code 02 (Forestry, Logging and related activities) was used not just for forestry workers, but also for those collecting cow dung for household use. After the first season, Code 01 (Agriculture and related activities) was used for collecting cow dung after discussion held in central office. Code 96 was used to classify non-responses.

## 2.6 Status in employment

Information was also collected (in questions 44, 59, 94 and 108) on each person's status in employment. Status in employment refers to the type of explicit or implicit contract of employment of the person with other persons or organisations. The interviewer had five possible codes to use:

1. Paid employees
2. Operating own business or farm *with* regular paid employees
3. Operating own business or farm *without* regular paid employees
4. Contributing family member without pay, and
5. Others (specify).

These groups are very similar to the ones recommended in the International Classification of Status in Employment (ICSE-93), except that there is no special code for members of producers' co-operatives.<sup>7</sup> Such people would be coded into the 'other' category. The major distinction in this classification is between paid employees (code 1) and the self-employed (all other codes). Persons in paid employment are typically remunerated by wages and salaries, but may be paid by commission from sales, by piece-rates, bonuses or in-kind payments such as food, housing or training.

Self-employed jobs, on the other hand, are those jobs where the remuneration is directly dependent upon profits (or the potential for profits) derived from the goods and services produced.

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<sup>6</sup> CBS, Nepal Standard Industrial Classification of All Economic Activities, Nepal, 2000.

<sup>7</sup> See ILO, Resolution concerning the International Classification of Status in Employment (ICSE), which is in Annex III of the Report of the 15<sup>th</sup> International Conference of Labour Statisticians, 1993.



In the context of Nepal, certain employment situations prove difficult to code. For instance, in rural areas people often move from household to household providing agricultural or other labour inputs. Such people have been classified as 'paid employees' rather than 'self-employed'. In cases where two people exchange labour without pay, they are neither paid employees nor in their own business, and have been coded into the 'other' category.

## **2.7 Institutional sector of employment**

For paid employees only, information was also collected (in questions 49, 100 and 109), on the institutional sector in which they worked. The interviewer was required to code all paid employees into one of six codes:

1. In government service
2. In financial public corporation
3. In non-financial public corporation
4. In NGOs/INGOs
5. In private registered financial company
6. In private registered non-financial company
7. In private unregistered organisation
8. Others (specify)

## **2.8 Currently employed**

There are two situations in which a person can be defined as being currently employed. Either the person is actually working (as defined above) in the reference week, or he or she has an attachment to a job or business but did not work during the reference week.

This second group (those with a job attachment) was identified by asking three questions, as shown in the flowchart in Annex C. Those with a job attachment are defined as those who have a job to return to (code 1 in Question 38) provided they either were receiving pay or some return from business while not at work (code 1 in Q.39) or (if not receiving anything) had been absent from the job for less than two months (code 1 in Q.40).

## **2.9 Currently unemployed**

The strict international standard definition of unemployment is based on three criteria which must be satisfied simultaneously. These criteria are: 'without work', 'currently available for work', and 'seeking work'. However, the 'seeking work' criterion is usually considered too restrictive and is often relaxed for countries in which the labour market is not well developed. Accordingly, in the Nepal Labour Force Survey the currently unemployed is made up of those people who did not have a job or business or were not employed (as defined above), and who did one of the following:

either they looked for work in the last 30 days before the interview;

or they did not look for work in the last 30 days, but were available to work and did not look for work because they thought no work was available, or they were awaiting the results of previous enquiries, or waiting to start work, or considered that it was the off-season for fishing or agriculture.

In operational terms, the unemployed were defined as the sum of two groups: all those who were coded 1 on question 77 (looked for work in the last 30 days), together with those who were coded 2 on that question as long as they did not give 'not available' in response to question 82 as their reason for not looking for work. In order to achieve international comparability, estimates are available for these two groups separately.

The unemployment rate is that proportion of the currently economically active (that is the employed and unemployed) who are unemployed, expressed as a percentage.

## **2.10 Current economic activity status**

Current activity status is a key concept in any labour force surveys. The currently economically active population (also known as the labour force) comprises all those who are currently employed or currently unemployed, as defined above.

In contrast, the currently inactive comprise all those who are not currently active (i.e. are not currently employed or currently unemployed). This group therefore includes those who are studying or doing household duties (*Ghardhanda*). It also includes selected marginal groups such as those who thought they had a job or business but have been unpaid for two months or more, and who say that they are not available for work or who have not looked for work because they are unavailable for work. The NLFS II collected details of the reasons for their inactivity.

In operational terms, the currently inactive were defined as those who answered no to question 76 (whether available for work during the last seven days) together with those who answered 'not available' in response to question 82 (why not looking for work).

Once the number of currently active and currently inactive persons has been established, it is helpful to calculate labour force participation rates. The labour force participation rates for instance by sex, age, and locality is defined as the proportion of the relevant group e.g. males aged 20-39 living in the Kathmandu Valley who are currently economic active.

## 2.11 Time-related underemployed

The concept of time-related underemployment<sup>8</sup> has been introduced to complement the statistics of unemployment. While unemployment represents a situation of total lack of work during the reference period, many other people may have jobs but suffer from partial lack of work.

The currently employed group can therefore be sub-classified as either in time-related underemployment or not. In order to make this distinction, we must first decide what to take as the normal duration of work. This is to a large extent an arbitrary choice. In the case of Government staff, for instance, their official hours of work vary from summer to winter. In summer time the standard working week is 40 hours, while in winter it is 35 hours. For the NLFS II 40 hours was chosen as the normal duration of work.<sup>9</sup> It should be noted that the hours of work refer to all hours actually worked during the week. If a person had more than one job, the actual hours of work in the different jobs must be summed to arrive at total hours.

Persons may be working less than normal duration for voluntary or involuntary reasons, but only persons *involuntarily* working less than normal duration are considered for inclusion among the time-related underemployed. Question 68 in the NLFS II attempted to distinguish between these two groups, for those working less than 40 hours.

Involuntary reasons given for not working more hours in the last seven days included the following: cannot find more work or lack of business, lack of finance or raw materials, machinery or electrical or other breakdown, off season inactivity, and strike or lay-off as the result of an industrial dispute.

All these involuntary reasons can be thought of as being economic in nature, and these people were classified as time-related underemployed.

In operational terms, the time-related underemployed were defined as those whose total actual hours in question 36T were less than 40 hours, and who gave involuntary reasons (codes 1 to 6) in response to question 68 about why they did not work more hours in the last week. It should be noted that, in defining the underemployed, no account is taken of whether these people had actually been looking for additional work, though information on this topic was collected as part of the survey (questions 70 to 74).

An indication of the quantum of underemployment (amongst those working less than 40 hours) can be determined by looking at the responses to question 38 (how many more hours the underemployed wanted to work).

In contrast, persons actually working at least 40 hours a week were counted as being fully employed in terms of their hours of work and were not asked any questions about time-related underemployment. Also included in the fully employed category in terms of hours of work were those

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<sup>8</sup> See ILO Resolution concerning the measurement of underemployment and inadequate employment situations published in: Current international recommendations on labour statistics, 2000 edition, ILO, Geneva, 2000.

<sup>9</sup> At the time of the survey the official hours for government staff were 10-5 (Sun-Thu) and 10-3 (Fri) during the summer and 10-4 (Sun-Thu) and 10-3 (Fri) during the winter.

people working less than 40 hours who gave voluntary reasons for not working more hours. Voluntary reasons given for not working more hours included responses such as: have sufficient work, household duties, students or unpaid training, illness or disability, vacation or family reason, and pregnancy or recent delivery.

## 2.12 Labour underutilization

Labour underutilization is a more comprehensive measure than the unemployment rate. In developing countries, the one-hour criterion defining employment leads to lower unemployment rates and complicates the interpretation on employment and unemployment statistics.

Labour underutilization consists of that population who have labour slack, low earnings and skill mismatched in employed population. In other words, the employed population might have time-related underemployed, low pay and skill mismatches which are aspects of labour underutilization.

A room document<sup>10</sup> provided to the 2008 International Conference of Labour Statisticians provided guidance on estimating labour underutilisation. In addition to the measurement of unemployment and time-related underemployment, the document proposed the use of LFS data on work-related income and matches of education attainment with occupation to assess other forms of labour underutilisation. In summary, there are four components of labour underutilisation:

- a) Unemployment
- b) Involuntary part-time work (time-related underemployment)
- c) Inadequate earnings
- d) Skill mismatch

Each of these categories is intended to be mutually exclusive. Hence if a person is identified as being unemployed or in time-related underemployment then (s)he is not considered when assessing whether (s)he has inadequate earnings, and if found to have inadequate earnings, then the person is not assessed for skills mismatch. As a result, the four groups are additive to arrive at a total estimate of labour underutilisation.

Categories (a) unemployment and (b) time-related underemployed have already been described above. The following gives details on how the 2008 NLFS II identifies inadequate earnings and skills mismatch.

**Inadequate earnings:** In principle, inadequate earnings should relate to both paid employees and the self-employed. However the 2008 survey did not collect data on income from self-employment because this is notoriously difficult to collect reliably in such surveys. Consequently, for the purposes of this analysis, labour underutilisation excludes the self-employed with inadequate earnings and relates only to paid employees with inadequate earnings.

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<sup>10</sup> ILO (2008): Beyond unemployment: Measurement of other forms of labour underutilization, ILO Working Group on Labour Underutilization, Room Document 13 at the International Conference of Labour Statisticians Nov-Dec 2008.

What do we mean by “inadequate earnings”? ILO (2008) proposes that the threshold<sup>11</sup> for inadequate earnings should be 50 percent of the median monthly earnings (cash and kind) of those who usually work 40 to 48 hours a week, or the hourly equivalent of this. In the NLFS-II, the median monthly earnings (cash and kind) for this group was Rupees X (assumed) per month, that is half of the sample observations were below Rs. X and half of the sample observations exceeded Rs. X per month. The monthly threshold earnings is therefore Rupees X/2 per month (half of the median). The average usual hours of work for those who usually work 40 to 48 hours a week was Y (assumed) hours, and the monthly equivalent of this is Z hours (that is,  $Y*52/12$ ). Therefore the hourly threshold earnings is Rupees X/Z per hour.

Therefore those in “inadequate earnings” are defined as:

- a) paid employees (who are not in time-related underemployment) who usually worked less than 40 hours and whose average hourly earnings are less than the hourly equivalent of the threshold earnings (Rupees 16.38 per hour);
- b) paid employees (who are not in time-related underemployment) who usually worked 40 to 48 hours and whose earnings are less than the threshold earnings (Rupees 3000 per month);
- c) paid employees (who are not in time-related underemployment) who usually worked over 48 hours and whose average hourly earnings are less than the hourly equivalent of the threshold earnings (Rupees 16.38 per hour); and
- d) paid employees (who are not in time-related underemployment) who usually worked over 48 hours and whose earnings are less than the threshold earnings (Rupees 3000 per month).

The aggregate of these four groups are those with inadequate earnings.

Skills mismatch: This group is defined as a mismatch between the level of education and occupation. In accordance with the ILO (2008) document, complicated procedures are avoided in making this assessment. Those in the skills mismatch group comprise all employed<sup>12</sup> who are not already classified to the time-related underemployment or inadequate earnings groups and who:

- a) have lower secondary or upper secondary education and are engaged in elementary occupations (NSCO major group 9);
- b) have first stage tertiary education and are engaged in occupations falling in NSCO major groups 4 to 9;
- c) have higher tertiary education and are engaged in occupations falling in NSCO major groups 3 to 9.

The aggregate of these three groups comprise those with skills mismatch.

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<sup>11</sup> The document recognises that other definitions are possible.

<sup>12</sup> The document states that, in the international standards, there is some component of the currently inactive population who have a labour force attachment (especially those who did not look for work because they thought that no work was available). However in Nepal, this latter group is classified as part of the passive unemployed, and therefore for the purposes of this analysis, none of the currently inactive has been classified as underutilised.

The aggregate of the four main groups (unemployed, time-related underemployed, those with inadequate earnings and those with skills mismatch) comprise the labour underutilised population.

As mentioned in a footnote, no labour underutilisation is identified in the currently inactive in Nepal. Therefore the labour underutilisation rate is that proportion of the currently economically active (that is the employed and unemployed) who are labour underutilised, expressed as a percentage.

## **2.13 Usual economic activity**

The discussion so far has been in terms of current activity, covering a short reference period, and this is the most common measure of work activity. But sometimes it is helpful to consider work activities over a longer time period such as a year. This gives rise to the concept of usual activity.

A person is classified as usually active or usually inactive on the basis of his or her work experience over the whole year. A person is considered to be usually active if the periods of time spent either working or available for work taken together during the last 12 months are greater than (or equal to) the periods of time that the person has not been available for work. As outlined earlier, the NLFS-II determined usual activity status based on the main activity<sup>13</sup> in each month of the 12 month reference period (and not on each day or each week as recommended in the international standards). In other words in NLFS-II, if the sum of the 'employed' months and the 'unemployed' months is greater than or equal to 6, then the person is classified as usually economically active. The usually economically active group can be further subdivided into the usually employed and the usually unemployed, depending on whether or not the length of the employed periods exceeded the unemployed periods.

In operational terms, the information on total months worked in the last year, derived from the responses to questions 85, 86 and 87, is used to determine each person's usual activity status.

A person is usually inactive if the periods in which he or she worked or was available for work amounted to less than 6 months in the last 12 months. The usually inactive group may be further classified as to whether each person was a student, home worker, disabled, and so on.

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<sup>13</sup> The main activity within each month was determined on the basis of the number of days in the month on employment, unemployment and inactivity.

## 2.14 Current versus usual

There are a few points worth noting about the distinction between current and usual measures of economic activity. First, the current approach involves a 'bottom-up' approach, whereas the usual approach involves a 'top-down' approach. In measuring economic activity on a current basis, we first find out whether the person did any work at all (one hour or more) during the short reference period. If so, the person counts as currently employed. We then identify those who were currently unemployed. Only then do we add the two together to get the currently active population. In measuring economic activity on a usual basis, we adopt the opposite approach. We look first at all activities over the whole year, and decide whether a person was usually active or usually inactive. Only after that has been done do we attempt to break down the usually active group into its two components, the usually employed and the usually unemployed.

Secondly, the currently unemployed may be a very different group of people from the usually unemployed. The currently unemployed have definitely done no work at all during the reference period and are available to work. Although the usually unemployed will also include people who have done no work during the year and are available for work, there will be many others who have done some work during the year, though they will have had more months unemployed than employed.

Thirdly, whereas the current activity concept is affected by seasonality (for instance due to changes in the amount of economic activity in the different agricultural seasons), the usual status concept has the merit that it avoids any possible effects of seasonality since it covers the whole year.

## 2.15 Informal sector

When presenting statistics on employment, it is helpful to provide a breakdown of employment as between the formal and informal sector. In many developing countries informal sector activities account for a significant proportion of total employment and income generation, and Nepal is no exception.

The NLFS II closely follows the ILO international standard definition of the informal sector.<sup>14</sup> Because of the difficulty of defining informal sector activities in the agricultural sector, the informal sector has been defined only in respect of non-agriculture. For operational purposes we have defined the informal sector as follows. In terms of current economic status, those currently active have been classified into one of three codes: 'agriculture', 'non-agriculture informal', 'and non-agriculture other sectors', based on the responses to each of three questions: employment status (Q.44), institutional sector of employment (Q.49) and number of employees (Q.50). A person whose main job is not in agriculture has been counted as working in the informal sector if his or her present job satisfies each of the conditions shown in a single row in Box 2.3.

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<sup>14</sup> International Labour Organization (Bureau of Statistics), Resolution concerning statistics of employment in the informal sector, adopted at the Fifteenth Conference of Labour Statisticians, Geneva, 1993

Box 2.3 Basis for classifying non-agricultural sector jobs as 'informal'		
Employment status	Institutional sector	Number of employees
Paid employee	Private unregistered company or Other	Less than 10
Operating own business with no employees	-	-
Operating own business with regular paid employees or Contributing family member without pay or Other	-	Less than 10

Where a person is not currently employed, the informal sector status is calculated on the basis of the main job in the last year or (if he or she did not work during the last year) the most recent job.

## 2.16 Informal employment <sup>15</sup>

In 2003, the International Conference of Labour Statisticians added a new concept to the set of international standards. This was the concept of informal employment. Whereas the determination of informal sector depends on the characteristics of the enterprise in which a person works, the determination of whether a person is in informal employment or not depends on the characteristics of the person's job.

The NLFS-II survey includes the measurement of this new concept. As summarised in Box 2.4, the informal employment includes the following:

- a) All own account workers without employees
- b) All employers in the informal sector
- c) All contributing family workers
- d) All employees in informal jobs (where an informal job is defined as not having paid annual leave or where the employer does not pay social security contributions for the worker).

Members of producer cooperatives are not separately identified in the NLFS-II and therefore are not included in the NLFS-II determination of informal employment.

<sup>15</sup> Hussmanns: Measuring the informal economy: From employment in the informal sector to informal employment (Working Paper 53), ILO Geneva December 2004 and ILO Guidelines concerning a statistical definition of informal employment, ILO 2003



Box 2.4 Basis for classifying jobs as informal employment or not									
Product-ion units by type	Jobs by status in employment								
	Own account workers		Employers		Contri- buting family members	Employees		Members of producers cooperatives	
	Informal	Formal	Informal	Formal	Informal	Informal	Formal	Informal	Formal
Formal sector enter-prises					1	2			
Informal sector enter-prises (a)	3		4		5	6		8	
House-holds (b)	9					10			

- (a) As defined by the 15<sup>th</sup> ICLS (excluding household employing paid domestic workers).
- (b) Households producing goods exclusively for their own final use and households employing paid domestic workers.

**Note:** Cells shaded in black refer to jobs, which, by definition, do not exist in the type of production unit in question. Cells shaded in light grey refer to formal jobs. Un-shaded cells represent the various types of informal jobs.

**Informal employment:** Cells 1 to 6 and 8 to 10.

**Employment in the informal sector:** Cells 3 to 6 & 8.

**Informal employment outside the informal sector:** Cells 1, 2, 9 and 10.

**Source:** Hussmanns: *Measuring the informal economy: From employment in the informal sector to informal employment (Working Paper 53)*, ILO Geneva December 2004 and ILO *Guidelines concerning a statistical definition of informal employment*, ILO 2003

## 2.17 Earnings of paid employees

It is difficult to collect good income data in a survey. For the purposes of the NLFS II, data on income were collected only in respect of:

- a) Earnings of paid employees, and
- b) Income to the household from remittances.

All other forms of income (earnings from self-employment, rental income, bank interest, etc.) were excluded.

Wage and salary earnings of paid employees can be of two types, in cash or in kind, and information was collected separately on each of them. Earnings paid in cash, or by cheque or direct bank deposit are 'cash' earnings. Other regular income was also included, but converted to a weekly or monthly basis as appropriate.<sup>16</sup> Earnings in kind include the regular supply of food, clothing, housing, water, electricity, fuel, transport, etc. on a free or subsidised basis. Non-regular earnings such as gifts in cash or kind were excluded. Earnings were recorded gross, that is before the deduction of tax, social security, or pension payments. All additional benefits, such as bonuses, tips or incentives, were included.

## 2.18 Household income from remittances

For this survey, household remittance income is collected as cash or kind received during the last 12 months from absent household members (called "absentees") as well as from other people rather than the person absent from the household.

### **Remittance income for absentees:**

#### **An absentee is:**

- i) Any person who the household considers to be a household member but who is absent for more than 6 months and is expected to return to the same household; or
- ii) Any person who the household considers to be a household member and is just become absent at the time of the interview and will not be returning for more than 6 months but is expected to return to the same household.

#### **Absentees exclude:**

- i) Household members who are (or expected to be) absent for less than 6 months. These continue to be household members and are not absentees;
- ii) Any person who the household considers to be a household member but who has left permanently (that is, he/she has settled in a different household). If providing a remittance, these should be counted as "other sources" – see below.
- iii) Any person who the household does not now consider to be a household member, even if they were once household members in the past. If providing a remittance, these should be counted as "other sources" – see below.

### **Remittance income from other sources:**

Other sources comprise people who provide a remittance from another country or within Nepal but are not "absentees" (as defined above).

Remittances paid out by the selected households are not collected in NLFS-II. Therefore the household remittance income is collected on a gross basis, and not net of remittance outlays (if any) by the household.

## 2.19 Vocational and professional training

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<sup>16</sup> An example is '*Dashain expenses*', a 13<sup>th</sup> month payment which is given to civil servants once a year.

The ability of people to function effectively in their jobs depends not just on their level of educational attainment, but also on any further training that they have received in areas directly related to the work they have to perform. Much of this training will be received on-the-job, but more formal training is often given. Everyone aged 14 and over was therefore asked whether they had received any formal vocational or professional training (Q.31). If they said they had, they were then asked what was the main subject of the training and its length. Interviewers were instructed to record as much detail about the nature of the training as possible and need to code, so as to facilitate verification of coding by headquarters staff at a later stage.

The subject of training was coded according to a set of codes (see Annex D) based on UNESCO's International Standard Classification of Education (ISCED-76).<sup>17</sup>

## **2.20 Household**

A household is defined as a group of people who normally live together and eat their meals together. For the NLFS 'normally' is taken to mean that the person concerned has lived in the household for at least six of the past 12 months. Thus the members of the household are identified on the basis of their 'usual place of residence'. A person living alone and making his or her own meal arrangements also counts as a separate household.

There were some exceptions to the rules. For instance, the following categories of persons are treated as household members even though they have lived less than six months in the household during the past 12 months:

- a) infants who are less than six months old;
- b) a newly married couple who have been living together for less than six months; and
- c) persons living together for less than six months but who are expected to live in the household permanently (or for long duration).

Lodgers and other permanent residents who live and take their meals with the household are counted as household members, even though they may have no blood relationship with the household head. Servants and other paid domestic employees are also counted as part of the household if they live with the household.

In contrast, people who have lived in the household for more than six out of the past 12 months but have permanently left the household are not considered to be members of the household.

## **2.21 Urban/rural**

In this survey an important distinction is made between urban and rural areas. The sample has been allocated equally to urban and rural areas, so that reliable employment estimates can be obtained for urban areas. If the sample had been allocated randomly around the country, the urban sample would

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<sup>17</sup> UNESCO, International Standard Classification of Education (ISCED-76), Paris, 1976

have been too small for analytical purposes. Further information on the selection of the urban and rural areas is given in Annex A.

The distinction between an urban and rural area is based on the official classifications made by the Ministry of Local Development (GoN). At the time of the 2001 Population Census there were 58 municipalities. One of them (Kathmandu) was designated as a metropolitan city, and three others (Lalitpur, Pokhara and Biratnagar) as sub-metropolitan cities. The location of these 58 municipalities by Development region and ecological belt is shown in Table 2.1. Within the Central Hills, the five municipalities that make up the urban area of the Kathmandu Valley have been shown separately.

**Table 2.1: Classification of municipalities, by region and ecological belt**

Development region Ecological belt	Far-western	Mid-western	Western	Central	Eastern
Mountain				Bhimeshwor	Khandbari
Hill	Dipayal Amargadhi Dasharathchanda	Birendranagar Narayan	Pokhara Tansen Byas Baglung Lekhnath Prithivinarayan Putalibazar Waling	Bhaktapur Kathmandu Lalitpur Kirtipur Madhyapur- Thimi Banepa Bidur Dhulikhel Hetauda Kamalamai Panauti	Dhankuta Ilam Trijuga
Terai	Dhangadhi Mahendranagar Tikapur	Nepalganj Tribhuvannagar Tulsipur Gulariya	Butawal Siddharthanagar Taulihawa Ramgram	Bharatpur Birganj Jaleswor Janakpur Kalaiya Malangwa Gaur Ratnanagar	Bhadrapur Biratnagar Damak Dharan Inaruwa Lahan Rajbiraj Itahari Mechinagar Siraha

Note: Municipalities existing at the time of the 2001 census.

## CHAPTER 3: HOUSEHOLD CHARACTERISTICS

### Summary

NLFS II estimates that a large proportion of households lived in their own dwelling units. In Table 3.0 about 89.2 percent of households lived in their own dwelling and 9.2 percent lived in rented dwellings. Majority (68.4 percent) of the households used wood as fuel for cooking. On the other hand, the proportion of households that used Liquefied Petroleum Gas (LPG) for cooking was 12.3 percent. Electricity as the main energy source for lighting was found to have reached 56.1 percent of the households. Around 33.0 percent households still use kerosene/oil/gas as the main fuel for lighting. About 45.0 percent of households used piped water and 39.1 percent of household use hand pump/boring. Only a quarter (25.4 percent) of households have a modern flushing toilet and 23.3 percent have an ordinary toilet. Most of the households (57.9 percent) had radio while 33.2 percent had a television set. A relatively high 28.3 percent had a cell phone, but only 9.8 percent had a land-line telephone and 3.1 percent had a computer. 78.4 percent of all households in the country had agriculture land.

**Table 3.0: Summary statistics**

<b>Description</b>	<b>Nepal Labour Force Survey 2008</b>
<i>Percent of households who reside in their own housing unit</i>	89.2
<i>Percent of households occupying housing units for rent</i>	9.2
<i>Percent of households using wood as a cooking fuel</i>	68.4
<i>Percent of households using LPG gas as a cooking fuel</i>	12.3
<i>Percent of households with access to electricity</i>	56.1
<i>Percent of households using kerosene/oil/gas for lighting</i>	33.0
<i>Percent of households having access to piped water</i>	45.0
<i>Percent of households having access to hand pump/boring water</i>	39.1
<i>Percent of households having modern toilet with flush system</i>	25.4
<i>Percent of households having ordinary toilet</i>	23.3
<i>Percent of households having radio</i>	57.9
<i>Percent of households having television</i>	33.2
<i>Percent of households having telephone</i>	9.8
<i>Percent of households having mobile phone</i>	28.3
<i>Percent of households having computer</i>	3.1
<i>Percent of households having agriculture land</i>	78.4

### 3.1 Introduction

Housing refers to a dwelling or a housing unit. This chapter looks at housing features in terms of ownership, source of drinking water, cooking fuel, main source of lighting, sanitary facilities, other facilities used and agriculture holding.

## 3.2 Occupancy status

Housing occupants are broadly categorized into owner, renter and others. Table 3.1 shows most of the households (89.2 percent) owned the housing unit that they occupied. Some (9.2%) households occupied their housing unit for rent and 1.7 percent occupied their housing unit in other ways. Around 35.7 percent of households in urban areas pay rent for their dwelling and the proportion is higher at 51.6 percent in the urban areas of Kathmandu valley. Among development regions, the central development region has the highest proportion of households renting dwellings (14 percent) and the mid-western development region has the lowest (5.2 percent).

**Table 3.1 Distribution of households by occupancy status**

	(in percentage)			
	Owned	Rented	Others	Total
<b>Nepal</b>	<b>89.2</b>	<b>9.2</b>	<b>1.7</b>	<b>100.0</b>
<b>Ecological belt</b>				
Mountain	90.2	7.4	2.4	100.0
Hill	85.9	12.5	1.6	100.0
Terai	92.0	6.3	1.6	100.0
<b>Development Region</b>				
Eastern	91.1	6.8	2.0	100.0
Central	84.5	14.0	1.4	100.0
Western	90.3	8.0	1.7	100.0
Mid-western	92.9	5.2	1.9	100.0
Far-western	93.7	5.3	1.1	100.0
<b>Urban</b>	<b>61.5</b>	<b>35.7</b>	<b>2.8</b>	<b>100.0</b>
Kathmandu Valley	46.6	51.6	1.8	100.0
Eastern/Central Hill/Mt.	70.0	26.6	3.5	100.0
“West” Hill/Mt.	61.3	35.7	3.0	100.0
Eastern Terai	70.6	25.2	4.3	100.0
Central Terai	70.1	27.8	2.2	100.0
“West” Terai	73.3	23.5	3.2	100.0
<b>Rural</b>	<b>94.8</b>	<b>3.8</b>	<b>1.4</b>	<b>100.0</b>
Eastern Hill/Mt.	95.0	3.1	1.9	100.0
Central Hill/Mt.	90.5	8.5	1.0	100.0
Western Hill/Mt.	96.0	2.3	1.7	100.0
Mid-Far-Western Hill/Mt.	95.2	3.3	1.5	100.0
Eastern Terai	94.5	4.0	1.5	100.0
Central Terai	97.5	1.2	1.3	100.0
“West” Terai	94.8	4.1	1.2	100.0

“West” refers to western, mid-western and far-western development region

NLFS 2008

## 3.3 Access to drinking water supply

By far piped water is considered the safest among the sources of drinking water. However, as shown in Table 3.2, less than half (45.0 percent) of households in Nepal have access to safe drinking water. Some 39.1 percent households have their drinking water drawn from hand pump/boring. A further 9.6 percent of households depend on spout/spring as their source of drinking water and 3.6 percent

depend on a well. Among development regions, the Western development region has the highest proportion of households having access to piped drinking water (59.8 percent) while the Far-Western development region has the lowest (30.7 percent). Among Ecological belts, households in Terai have the least access to piped water (16.1 percent), and about 78.2 percent of households in the Terai receive drinking water from hand pump/boring. Urban areas, as expected, have better access to safe water relative to rural areas (62.2 percent versus 41.5 percent). Among rural areas, those in the Hills/Mountains have high access to piped water.

Access to safe drinking water is an important indicator under the Millennium Development Goals (see Chapter 18).

**Table 3.2 Distribution of households by source of drinking water**

	(in percentage)					
	Piped water	Hand pump/Boring	Well	Spout/Spring water	Others	Total
<b>Nepal</b>	<b>45.0</b>	<b>39.1</b>	<b>3.6</b>	<b>9.6</b>	<b>2.7</b>	<b>100.0</b>
<b>Ecological belt</b>						
Mountain	77.3	0.3	0.1	18.9	3.5	100.0
Hill	71.0	3.3	3.3	17.5	4.9	100.0
Terai	16.1	78.2	4.3	0.9	0.5	100.0
<b>Development Region</b>						
Eastern	37.7	53.1	3.2	3.1	3.0	100.0
Central	45.4	39.4	5.4	6.5	3.4	100.0
Western	59.8	27.2	0.5	10.2	2.2	100.0
Mid-western	44.3	28.3	4.1	21.7	1.6	100.0
Far-western	30.7	44.0	3.5	19.7	1.9	100.0
<b>Urban</b>	<b>62.2</b>	<b>28.2</b>	<b>4.3</b>	<b>3.1</b>	<b>2.2</b>	<b>100.0</b>
Kathmandu Valley	78.3	5.5	7.8	3.6	4.7	100.0
Eastern/Central Hill/Mt.	75.0	14.9	2.5	4.6	2.9	100.0
"West" Hill/Mt.	87.3	1.6	1.1	8.1	1.9	100.0
Eastern Terai	45.3	52.8	1.7	0.2	0.1	100.0
Central Terai	25.3	72.7	2.0	0.0	0.0	100.0
"West" Terai	36.8	56.0	5.1	1.4	0.8	100.0
<b>Rural</b>	<b>41.5</b>	<b>41.3</b>	<b>3.4</b>	<b>11.0</b>	<b>2.8</b>	<b>100.0</b>
Eastern Hill/Mt.	75.8	5.1	2.2	8.3	8.6	100.0
Central Hill/Mt.	71.8	2.4	3.7	16.1	6.1	100.0
Western Hill/Mt.	77.8	0.8	0.4	17.3	3.7	100.0
Mid-Far-Western Hill/Mt.	57.0	1.1	2.8	36.7	2.4	100.0
Eastern Terai	11.6	83.9	4.0	0.5	0.0	100.0
Central Terai	9.8	82.0	6.5	0.5	1.1	100.0
"West" Terai	15.6	79.0	3.0	1.9	0.5	100.0

"West" refers to western, mid-western and far-western development region

NLFS 2008

### 3.4 Fuel used for cooking

Firewood still remains the main source of fuel for cooking purposes. Overall, two out of three households (68.4 percent) use firewood as their main source of fuel for cooking (Table 3.3). In order of frequency, this is followed by LPG (12.3 percent), cow-dung (10.7 percent), bio-gas (2.4 percent)

and kerosene (1.4 percent). However, LPG is the main source of fuel for cooking in urban areas (51.8 percent) and the proportion is even higher particularly in the urban areas of Kathmandu valley (82.9 percent). In rural areas, 75.1 percent household use firewood for cooking and the corresponding figure for urban areas is 35.8 percent.

Distribution of the data by ecological belt shows that, firewood is the major source of cooking fuel in Mountain (87.9 percent), Hill (76.2 percent) and Terai (58.3 percent). The second common source of cooking fuel in Hill and Mountain region is LP gas, which served 18.1 and 5.7 per cent households respectively, whereas in Terai region cowdung, served as cooking fuel to 21.3 percent of households.

Data by development regions show that wood remains the main source of fuel for cooking in all regions, and ranges from 53.3 percent in Central to as high as 91.2 per cent in Mid-Western.

**Table 3.3 Distribution of households by main fuel used for cooking**

	(in percentage)							
	Wood/ Firewood	Dung	Leaves /Straw	LPG gas	Kerosen e	Bio- gas	Others	Total
<b>Nepal</b>	<b>68.4</b>	<b>10.7</b>	<b>4.3</b>	<b>12.3</b>	<b>1.4</b>	<b>2.4</b>	<b>0.5</b>	<b>100.0</b>
<b>Ecological belt</b>								
Mountain	87.9	1.6	0.3	5.7	2.8	0.4	1.2	100.0
Hill	76.2	0.7	0.4	18.1	2.4	1.7	0.5	100.0
Terai	58.3	21.3	8.4	7.8	0.3	3.4	0.4	100.0
<b>Development region</b>								
Eastern	68.1	17.6	5.1	6.1	0.4	2.4	0.4	100.0
Central	53.3	11.9	7.6	21.5	2.7	2.3	0.8	100.0
Western	69.8	10.9	2.3	12.3	0.9	3.2	0.6	100.0
Mid-western	91.2	1.8	0.0	4.6	0.5	1.7	0.2	100.0
Far-western	90.7	1.1	0.0	3.9	2.1	2.0	0.2	100.0
<b>Urban</b>	<b>35.8</b>	<b>2.7</b>	<b>1.6</b>	<b>51.8</b>	<b>4.9</b>	<b>2.3</b>	<b>0.9</b>	<b>100.0</b>
Kathmandu Valley	5.9	0.1	1.4	82.9	9.1	0.1	0.4	100.0
Eastern/Central Hill/Mt.	63.9	1.7	0.1	25.0	4.3	2.5	2.6	100.0
"West" Hill/Mt.	36.1	0.8	0.1	51.4	5.0	5.2	1.4	100.0
Eastern Terai	52.7	6.9	3.8	32.5	1.7	1.7	0.6	100.0
Central Terai	44.1	5.7	3.7	42.2	1.3	2.8	0.3	100.0
"West" Terai	59.2	4.5	0.2	28.5	2.2	4.2	1.2	100.0
<b>Rural</b>	<b>75.1</b>	<b>12.4</b>	<b>4.8</b>	<b>4.2</b>	<b>0.7</b>	<b>2.4</b>	<b>0.4</b>	<b>100.0</b>
Eastern Hill/Mt.	97.9	1.0	0.1	0.7	0.1	0.1	0.1	100.0
Central Hill/Mt.	79.8	0.9	0.9	12.3	2.8	1.9	1.4	100.0
Western Hill/Mt.	92.5	1.2	0.2	2.8	0.3	2.8	0.3	100.0
Mid-Far-Western Hill/Mt.	95.2	0.6	0.0	2.2	1.7	0.3	0.0	100.0
Eastern Terai	53.0	31.1	8.7	2.9	0.0	4.0	0.5	100.0
Central Terai	50.7	27.3	16.6	1.8	0.2	3.3	0.2	100.0
"West" Terai	73.0	14.9	3.0	5.4	0.1	3.2	0.5	100.0

"West" refers to western, mid-western and far-western development region

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### 3.5 Main source used for lighting

A little more than half (56.1 percent) of households in the country now have access to electricity for lighting (Table 3.4). On the other hand 33.0 percent of households still depend on gas/oil/kerosene for lighting.

Almost all (99.7 percent) households in the urban areas of Kathmandu valley were found to have access to electricity. Among development regions, the Western development region has the highest proportion of households using electricity for lighting (63.0 percent) while the Mid-western development region has the lowest (34.4 percent). Of the ecological belts, the Mountains have the least proportion of households that used electricity for lighting (41.3 percent). Proportion of households using electricity in the Hills (55.5 percent) and Terai (58.8 percent) are slightly higher. Urban areas naturally used more electricity for lighting relative to rural areas (93.1 percent versus 48.5 percent).

**Table 3.4 Distribution of households by main source used for lighting** (in percentage)

	Electricity	Gas/Oil/ Kerosene	Others	Total
<b>Nepal</b>	<b>56.1</b>	<b>33.0</b>	<b>11.0</b>	<b>100.0</b>
<b>Ecological belt</b>				
Mountain	41.3	29.4	29.3	100.0
Hill	55.5	27.7	16.8	100.0
Terai	58.8	38.4	2.8	100.0
<b>Development region</b>				
Eastern	58.2	39.1	2.6	100.0
Central	62.2	33.8	4.0	100.0
Western	63.0	31.0	5.9	100.0
Mid-western	34.4	18.8	46.8	100.0
Far-western	43.7	39.1	17.3	100.0
<b>Urban</b>	<b>93.1</b>	<b>6.2</b>	<b>0.8</b>	<b>100.0</b>
Kathmandu Valley	99.7	0.3	0.0	100.0
Eastern/Central Hill/Mt.	91.6	7.5	0.9	100.0
"West" Hill/Mt.	95.4	2.9	1.8	100.0
Eastern Terai	89.8	10.0	0.3	100.0
Central Terai	89.8	9.7	0.5	100.0
"West" Terai	82.7	15.1	2.2	100.0
<b>Rural</b>	<b>48.5</b>	<b>38.5</b>	<b>13.0</b>	<b>100.0</b>
Eastern Hill/Mt.	39.4	53.3	7.3	100.0
Central Hill/Mt.	56.9	33.0	10.1	100.0
Western Hill/Mt.	56.7	33.0	10.3	100.0
Mid-Far-Western Hill/Mt.	19.4	23.1	57.5	100.0
Eastern Terai	61.1	38.6	0.3	100.0
Central Terai	46.2	52.6	1.2	100.0
"West" Terai	55.3	37.5	7.4	100.0

"West" refers to western, mid-western and far-western development region

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### **3.6 Toilet facilities available**

In this survey, data was collected on toilet facilities available in the households. Toilets were categorized into several types, such as flush system (connected to public drainage), flush system (connected to septic tank), ordinary, public and others. A toilet was classified to be modern if it had a flush system and was connected to a drainage or septic tank. Table 3.5 shows that 25.4 percent of household in Nepal had modern toilet with flush system. Similarly, around 23.3 percent households were equipped with ordinary toilets. Wide variations were found in the proportion of households having toilet facilities by development regions. The highest proportion of households with modern flush system toilet was found in Western development region (35.1 per cent) and the lowest proportion in Far-Western development region (15.5 per cent). On the other hand, 30.1 percent of households in Eastern development region and 16.0 per cent of households in Far-Western development region had ordinary toilets.

In the Mountains, only 6.9 percent of household were equipped with a modern flush system toilet, whereas 24.9 percent of Terai households and 29.0 percent of Hills households have a modern flush toilet. Some 40.8 percent of Mountain households used ordinary toilet and followed by 13.4 percent of households in Terai and 31.3 percent in Hill area.

Households in urban areas that have modern flush system toilet facility are nearly four times higher than households in rural areas (63.0 percent vs. 17.7 percent). 23.7 per cent of rural households have access to an ordinary toilet compared to 21.8 percent for urban households.

Around 50.8 percent of Nepali households do not have a toilet facility. While this proportions for urban and rural areas are 14.6 percent and 58.2 percent respectively. Comparatively larger proportions of households in Terai region (61.4 percent) do not have a toilet, and the case is more acute in rural parts of Central Terai where 75.4 percent of households are without a toilet.

Access to a toilet is an important indicator under the Millennium Development Goals (see Chapter 18).

**Table 3.5: Distribution of household by type of toilet used**

(in percentage)

	Flush Toilet (connected to public drainage)	Flush Toilet (connected to septic tank)	Ordinary	Communal	No Toilet	Total
<b>Nepal</b>	<b>4.3</b>	<b>21.1</b>	<b>23.3</b>	<b>0.5</b>	<b>50.8</b>	<b>100.0</b>
<b>Ecological belt</b>						
Mountain	0.0	6.9	40.8	0.6	51.7	100.0
Hill	9.0	20.0	31.3	0.5	39.3	100.0
Terai	0.6	24.3	13.4	0.4	61.4	100.0
<b>Development region</b>						
Eastern	0.5	21.3	30.1	0.5	47.7	100.0
Central	11.1	16.4	23.3	0.2	48.9	100.0
Western	1.2	33.9	23.1	0.8	41.0	100.0
Mid-western	0.5	17.8	16.8	0.5	64.4	100.0
Far-western	0.4	15.1	16.0	0.7	67.9	100.0
<b>Urban</b>	<b>20.3</b>	<b>42.7</b>	<b>21.8</b>	<b>0.6</b>	<b>14.6</b>	<b>100.0</b>
Kathmandu Valley	54.9	13.5	31.2	0.3	0.2	100.0
Eastern/Central Hill/Mt.	3.0	38.5	36.8	0.4	21.3	100.0
"West" Hill/Mt.	6.4	70.7	12.4	0.2	10.3	100.0
Eastern Terai	0.9	55.6	21.1	0.9	21.4	100.0
Central Terai	4.7	63.2	10.1	0.7	21.2	100.0
"West" Terai	1.9	51.6	10.5	1.5	34.6	100.0
<b>Rural</b>	<b>1.0</b>	<b>16.7</b>	<b>23.7</b>	<b>0.4</b>	<b>58.2</b>	<b>100.0</b>
Eastern Hill/Mt.	0.2	10.0	52.5	0.7	36.6	100.0
Central Hill/Mt.	5.0	11.5	36.4	0.2	47.0	100.0
Western Hill/Mt.	0.7	25.9	36.4	1.5	35.5	100.0
Mid-Far-Western Hill/Mt.	0.2	10.5	16.8	0.1	72.4	100.0
Eastern Terai	0.4	19.1	18.5	0.2	61.8	100.0
Central Terai	0.3	14.6	9.6	0.1	75.4	100.0
"West" Terai	0.1	22.5	12.2	0.6	64.6	100.0

"West" refers to western, mid-western and far-western development region

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### 3.7 Communication facilities available

Figures in Table 3.6 reveal that more than half (57.9 percent) of all households in the country had a radio. As shown in Table 3.6, the proportion of households with a radio in the urban area of Kathmandu valley was highest (72 percent). Of the ecological belts, the Hills had the highest (65.9 percent) and the Terai has the lowest (51.2 percent) proportion of households had a radio. Urban households having a radio was 65.9 percent, whereas it was 56.3 percent for rural households.

Around 33.2 percent of all households in the country were found equipped with television sets. Households with television facilities were found concentrated (87.3 percent) mostly in urban areas of Kathmandu valley. Among ecological belts, the proportion of households having televisions in the Terai and the Hills (35.4 and 34.1 percent) were nearly equal, while the proportion of households with television in Mountains was lowest (12.8 percent). A comparison of households in urban and rural areas shows that 70.9 urban households used that facility against 25.5 percent of rural households.

The global move towards the use of mobile telephones compared with landline telephones is also apparent in Nepal with only 9.8 percent of Nepal households having a fixed line telephone, compared with 28.3 percent having a mobile phone. As expected, these rates were considerably higher in urban areas of Kathmandu with 48.3 and 83.0 percent of households having fixed and mobile phones respectively. Rates were considerably lower in rural areas with only 5.4 percent of rural households having a fixed line telephone and 20.8 percent having a mobile phone.

Access to a computer at home was even more limited. Only 3.1 percent of Nepalese households had access to a computer at home. Rates for urban and rural households were 13.1 and 1.1 percent respectively. (Users should note that estimates for rural areas are based on few observations and should be used with caution.) There was a relatively high rate of 25.6 percent of urban households in Kathmandu Valley having access to a computer at home.

Access to a telephone and a mobile phone are indicators under the Millennium Development Goals (see Chapter 18). Access to internet is also an indicator under the Millennium Development Goals but was not measured in this survey.

**Table 3.6: Distribution of households by facilities used**

	(percentage)				
	Radio	Television	Telephone	Mobile phone	Computer
<b>Nepal</b>	<b>57.9</b>	<b>33.2</b>	<b>9.8</b>	<b>28.3</b>	<b>3.1</b>
<b>Ecological belt</b>					
Mountain	53.3	12.8	3.8	12.1	0.5
Hill	65.9	34.1	12.9	30.6	5.1
Terai	51.2	35.4	7.8	28.6	1.7
<b>Development Region</b>					
Eastern	55.2	33.9	8.5	24.4	1.2
Central	58.8	41.9	14.8	37.9	6.6
Western	60.0	32.5	7.8	33.2	1.9
Mid-western	57.5	19.4	5.2	14.5	1.1
Far-western	57.7	19.7	5.2	11.1	0.2
<b>Urban</b>	<b>65.9</b>	<b>70.9</b>	<b>31.2</b>	<b>65.0</b>	<b>13.1</b>
Kathmandu Valley	72.0	87.3	48.3	83.0	25.6
Eastern/Central Hill/Mt.	68.1	60.0	18.8	53.4	7.1
"West" Hill/Mt.	66.6	65.1	24.5	65.2	8.3
Eastern Terai	60.8	66.6	24.0	54.4	6.6
Central Terai	62.5	65.3	25.4	61.4	8.6
"West" Terai	58.1	55.9	20.5	46.0	4.3
<b>Rural</b>	<b>56.3</b>	<b>25.5</b>	<b>5.4</b>	<b>20.8</b>	<b>1.1</b>
Eastern Hill/Mt.	64.2	14.8	6.0	10.9	0.2
Central Hill/Mt.	64.1	32.9	9.9	28.3	3.7
Western Hill/Mt.	66.6	23.5	3.7	21.3	0.6
Mid-Far-Western Hill/Mt.	56.9	8.5	2.8	6.8	0.0
Eastern Terai	47.5	37.3	5.9	24.9	0.4
Central Terai	48.1	27.0	3.9	23.6	1.1
"West" Terai	52.9	28.6	5.8	24.5	1.0

"West" refers to western, mid-western and far-western development region

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### 3.8 Agriculture holding

Out of all households in the country, 78.4 percent households have agricultural land (Table 3.7). In urban areas, only 40.6 percent had agricultural land, but the rate was 86.1 percent in rural areas. Rates were generally high in most areas with the exception of urban Kathmandu (20.3 percent) and urban Eastern Terai (36.3 percent).

The survey results may be combined to show the amount of agricultural land owned by the household and separately the amount of agricultural land operated by the household.

In respect of agricultural land ownership, 3.64 million households (75.7 percent of all households) owned land which is operated by themselves or by others. The average size of the land owned by

themselves (whether operated by themselves or others) was 0.6 Hectares. Rates of ownership and average size of land varied with only 37.9 percent (average 0.7 hectares) in urban areas and 83.3 percent (0.6 hectares) in rural areas.

In respect of land operated by the household (regardless of whether it was owned by them or others), the survey showed that there was 3.61 million households operating agricultural land with an average size of 0.7 hectare. Rates of land operation and average size of land varied with only 32.0 percent (average 0.5 hectares) in urban areas and 83.5 percent (0.7 hectares) in rural areas.

**Table 3.7: Distribution of household having agriculture land and mode of operation**

	HH having Agri. land (in thousand)	HH having Agri. land (in percent)	Land owned by HH			Land operated by HH		
			Total no. of HH having own land (in thousand)	Total owned and (in hectare)	Average owned land (in hectare)	Total no. of HH operating land (in thousand)	Total operated land (in hectare)	Average operated land (in hectare)
<b>Nepal</b>	<b>3782</b>	<b>78.4</b>	<b>3648</b>	<b>2360845</b>	<b>0.6</b>	<b>3607</b>	<b>2456489</b>	<b>0.7</b>
<b>Ecological belt</b>								
Mountain	308	88.6	304	181206	0.6	304	183410	0.6
Hill	1732	80.3	1699	980595	0.6	1670	992265	0.6
Terai	1743	75.1	1645	1199044	0.7	1633	1280815	0.8
<b>Development Region</b>								
Eastern	854	75.8	804	656489	0.8	812	733274	0.9
Central	1164	69.9	1109	677444	0.6	1096	661161	0.6
Western	818	85.2	799	459582	0.6	787	470558	0.6
Mid-western	568	88.1	563	356769	0.6	547	371274	0.7
Far-western	377	88.2	373	210562	0.6	364	220223	0.6
<b>Urban</b>								
Kathmandu Valley	55	20.3	50	37632	0.7	38	7973	0.2
Eastern/Central Hill/Mt.	49	63.0	47	20728	0.4	43	17254	0.4
"West" Hill/Mt.	63	49.2	58	23520	0.4	58	23501	0.4
Eastern Terai	49	36.3	45	38995	0.9	35	24268	0.7
Central Terai	44	50.6	42	34269	0.8	32	19805	0.6
"West" Terai	72	60.3	70	59634	0.9	59	43856	0.7
<b>Rural</b>								
Eastern Hill/Mt.	358	97.3	352	300345	0.9	352	328020	0.9
Central Hill/Mt.	494	86.3	489	247956	0.5	479	253299	0.5
Western Hill/Mt.	496	94.7	487	233240	0.5	488	243626	0.5
Mid-Far Western Hill/Mt.	523	93.2	520	298380	0.6	516	302001	0.6
Eastern Terai	426	71.8	387	306434	0.8	407	372166	0.9
Central Terai	542	79.0	501	347573	0.7	522	371649	0.7
"West" Terai	609	87.1	601	412139	0.7	579	449070	0.8

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"West" refers to western, mid-western and far-western development region.

# CHAPTER 4: DEMOGRAPHIC CHARACTERISTICS

## Summary

Some of the key demographic characteristics and a comparative analysis with demographic results of the previous NLFS I survey is mentioned here. The total number of households increased from 3.7 million recorded in 1998/99 to 4.8 million in 2008. In a span of almost one decade the proportion has increased by 29 percent. However, in contrast the average size of the household has decreased from 5.1 to 4.9 persons. Interestingly, NLFS 2008 reveals that the percent of population in 0-14 yrs age group has decreased slightly from 41.3 to 38.7 percent, whereas in 15-64 yrs age group the proportion has increased slightly from 54.6 to 56.5 percent. The population in 65 yrs and over age group has remained about the same over the last nine years. The age dependency ratio and sex ratio exhibited a decrease during the same period while the proportion of female headed households increased from 14 percent to 22 percent.

**Table 4.0: Summary statistics**

Description	Nepal labour force Survey	
	1998/99	2008
Total household (in thousands)	3739	4825
Mean Household size	5.1	4.9
Percent of population (0-14 years)	41.3	38.7
Percent of population (15-64 years)	54.6	56.5
Percent of population (65 years and above)	4.3	4.8
Sex ratio (number of males per 100 females)	97	90
Age dependency ratio (a)	0.84	0.77
Percent of female headed household	14.0	22.1

(a) Age dependency ratio is defined here as the ratio of people outside working age to those of working age (15-64 years). A different ratio called economic dependency ratio is used in Chapter 7 and is defined as the ratio of people who are not employed (including all those aged under 15 years regardless of employment) to the employed aged 15 years and above.

## 4.1 Household distribution

According to the results obtained from the NLFS-II survey, there are an estimated 4.8 million households in Nepal. It is estimated that the population living in these households is 23.5 million (Table 4.1).

Distribution of population geographically in Nepal is essential for analysis due to variation in climatic conditions and in the pattern of agricultural farming. The country is divided into three Ecological belts (Mountain, Hill and Terai) which vary in terms of resources and living conditions. Table 4.1 shows that the population is heavily concentrated in the Hills and Terai. About 10 million people (43 percent) live in the Hills and 11.8 million (50 percent) in the Terai, whereas only 1.6 million (7 percent) live in the Mountain area.

The distribution of the population by Development regions, show that Central region with about 8.1 million people (34.6 percent) and Eastern region with 5.4 million people (23.2 percent) are the most

heavily populated among the five regions. Figures in the table indicate that the other regions have smaller populations with the Western region estimated at around 4.4 million people (18.8 percent), Mid-Western region 3.3 million (14.2 percent) and Far- Western region 2.3 million (9.2 percent).

A large part of Nepal is rural. There are 4.0 million households in rural areas, containing about 20.0 million people (84.9 percent). With 0.8 million households, the urban areas contain 3.5 million people (15.1 percent).

Table 4.1 also shows how the households and population in Nepal are distributed across various combinations of Development regions, Ecological belts and separately for urban and rural areas. Given the sample size for this survey, the groups shown represent the lowest level of urban and rural geographic breakdown which is advisable to use. In the urban classification, the Kathmandu valley has been separated out because of its size and importance. On the other hand, it has been necessary to group Hill and Mountain, because the samples from the Mountain are too small to yield reliable data. Similarly the three Western regions have been joined together because their urban areas relatively small.

**Table 4.1: Distribution of households and persons by ecological belt, development region and urban/rural areas**

	House hold	Persons	Mean hh size		House hold	Persons	Mean hh size
	(in thousands)				(in thousands)		
<b>Nepal</b>	<b>4825</b>	<b>23544</b>	<b>4.9</b>	<b>Development region</b>			
				Eastern	1128	5439	4.8
<b>Ecological belt</b>				Central	1664	8106	4.9
Mountain	347	1633	4.7	Western	960	4419	4.6
Hill	2157	10089	4.7	Mid-western	644	3324	5.2
Terai	2321	11821	5.1	Far-western	428	2255	5.2
<b>Urban</b>	<b>821</b>	<b>3549</b>	<b>4.3</b>	<b>Rural</b>	<b>4004</b>	<b>19994</b>	<b>5.0</b>
Kathmandu Valley	271	1133	4.2	Eastern Hill/Mt.	368	1823	4.9
Eastern/Central Hill/Mt.	79	320	4.1	Central Hill/Mt.	572	2712	4.7
"West" Hill/Mt.	128	502	3.9	Western Hill/Mt.	524	2263	4.3
Eastern Terai	136	605	4.5	Mid-Far Western Hill/Mt.	562	2970	5.3
Central Terai	88	427	4.9	Eastern Terai	593	2887	4.9
"West" Terai	119	563	4.7	Central Terai	686	3639	5.3
				"West" Terai	700	3700	5.3

"West" refers to western, mid-western and far-western development regions

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## 4.2 Household composition

The definitions used in this survey required that a person needed to spend the greater part of the year living in the household in order to count as a household member. Table 4.1 showed that the average household size in Nepal is 4.9. It is slightly higher in rural areas (5.0) than in urban areas (4.3). Among ecological zones, the average household size is the highest in Terai (5.1) and it is same in Hill and Mountain (4.7). In development regions, the Mid and Far western region have the largest average household size with 5.2 while the Western region has the lowest with 4.6.

## 4.3 Household heads by sex

Table 4.2 presents information on the distribution of households by sex of the household head for different geographic areas. Over the whole country, 78 percent of households had a male head and only 22 percent had a female household head. Among the Ecological belts the Hill had the highest proportion of female household heads (24.0 percent) as compared to Terai and Mountain (both about 20 percent). Within the Development regions, Western development region had the highest (29.6 percent) and Central development region the lowest (18.9 percent) proportion of female household head). The urban households have a higher proportion of female heads (24.2 percent) as compared to the rural households (21.7 percent).

**Table 4.2: Percentage of households by sex of household head**

	Household head				Household head		
	Male	Female	Total		Male	Female	Total
	(in percentage)				(in percentage)		
<b>Nepal</b>	<b>77.9</b>	<b>22.1</b>	<b>100.0</b>	<b>Development region</b>			
				Eastern	80.8	19.3	100.0
<b>Ecological belt</b>				Central	81.1	18.9	100.0
Mountain	79.3	20.8	100.0	Western	70.4	29.6	100.0
Hill	76.0	24.0	100.0	Mid-western	78.5	21.5	100.0
Terai	79.5	20.5	100.0	Far-western	73.8	26.2	100.0
<b>Urban</b>	<b>75.8</b>	<b>24.2</b>	<b>100.0</b>	<b>Rural</b>	<b>78.4</b>	<b>21.7</b>	<b>100.0</b>
Kathmandu Valley	78.0	22.0	100.0	Eastern Hill/Mt.	83.5	16.5	100.0
Eastern/Central Hill/Mt.	74.1	25.9	100.0	Central Hill/Mt.	80.4	19.6	100.0
"West" Hill/Mt.	66.2	33.8	100.0	Western Hill/Mt.	66.8	33.2	100.0
Eastern Terai	76.8	23.2	100.0	Mid-Far Western Hill/Mt.	78.9	21.1	100.0
Central Terai	80.2	19.8	100.0	Eastern Terai	80.4	19.6	100.0
"West" Terai	78.0	22.0	100.0	Central Terai	83.5	16.5	100.0
				"West" Terai	75.4	24.6	100.0

"West" refers to western, mid-western and far-western development regions

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**Table 4.3: Distribution of household by age group of household head.**

Age group	Total			Urban			Rural		
	Male Household head	Female Household head	Total	Male Household head	Female Household head	Total	Male Household head	Female Household head	Total
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
10-14	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.1
15-19	0.9	2.2	1.2	2.1	3.6	2.5	0.7	1.9	1.0
20-24	3.8	9.8	5.1	6.1	12.1	7.5	3.3	9.3	4.6
25-29	7.8	14.1	9.2	8.6	14.7	10.1	7.6	14.0	9.0
30-34	9.8	16.6	11.3	11.9	16.4	13.0	9.4	16.6	11.0
35-39	12.7	15.8	13.4	13.7	12.3	13.4	12.5	16.6	13.4
40-44	12.2	10.2	11.8	13.3	10.0	12.5	12.0	10.2	11.6
45-49	13.0	8.5	12.0	11.5	7.3	10.5	13.3	8.8	12.4
50-54	11.6	5.9	10.4	10.8	6.0	9.7	11.8	5.8	10.5
55-59	8.6	4.5	7.7	7.2	5.0	6.7	8.8	4.4	7.9
60-64	7.9	4.7	7.2	6.2	5.5	6.0	8.3	4.5	7.5
65 and over	11.5	7.6	10.6	8.4	7.2	8.1	12.1	7.7	11.2

"West" refers to western, mid-western and far-western development regions

NLFS 2008

#### 4.4 Age and sex distribution

Distributions of population by sex reveal that in Nepal there are about 11.1 million males and 12.4 million females (Table 4.4). As in the past NLFS survey the number of males and females in the urban areas are about equal, at 1.8 million, but in rural areas females (at 10.6 million) outnumber males (9.4 million). In the working ages 15 to 45, number of females is greater than males, perhaps as a result of a large exodus of males to India and abroad for work.

There are about 9.1 million (38.7 percent) children in Nepal under the age of 15 and 1.1 million (4.8 percent) person above the age 65 years and above. In the country as a whole, the age dependency ratio (defined as the ratio of working age 15-64 years to those outside that age group) is 0.77. This means that 100 persons of working age (taken as being 15 to 64 years) support 77 persons who are outside that age group. In urban areas 100 persons of working age support 53, but in rural areas every 100 persons of working age support 82 persons outside the working age.

**Table 4.4: Distribution of population, by age, sex and locality**

Age group	Nepal			Urban			Rural		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	( in thousands)								
<b>Nepal</b>	<b>11119</b>	<b>12425</b>	<b>23544</b>	<b>1767</b>	<b>1783</b>	<b>3549</b>	<b>9352</b>	<b>10642</b>	<b>19994</b>
0-4	1467	1424	2891	161	144	306	1305	1280	2585
5 - 9	1510	1468	2978	191	163	355	1319	1305	2624
10-14	1690	1561	3250	219	202	421	1471	1359	2830
15-19	1138	1320	2459	217	201	418	921	1119	2041
20-24	741	1231	1971	184	217	401	556	1014	1570
25-29	642	969	1612	136	165	301	506	804	1311
30-34	557	802	1360	128	150	279	429	652	1081
35-39	601	777	1377	113	129	243	487	647	1135
40-44	518	650	1168	100	103	203	418	547	965
45-49	534	580	1113	80	82	162	453	498	951
50-54	467	456	923	75	63	138	393	392	785
55-59	347	328	675	49	47	95	298	282	580
60-64	332	308	639	43	41	84	289	267	556
65 and over	575	552	1127	69	76	145	506	476	982
	(in percentage)								
<b>Nepal</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
0-4	13.2	11.5	12.3	9.1	8.1	8.6	14.0	12.0	12.9
5-9	13.6	11.8	12.7	10.8	9.2	10.0	14.1	12.3	13.1
10-14	15.2	12.6	13.8	12.4	11.3	11.9	15.7	12.8	14.2
15-19	10.2	10.6	10.4	12.3	11.3	11.8	9.9	10.5	10.2
20-24	6.7	9.9	8.4	10.4	12.2	11.3	6.0	9.5	7.9
25-29	5.8	7.8	6.9	7.7	9.3	8.5	5.4	7.6	6.6
30-34	5.0	6.5	5.8	7.3	8.4	7.9	4.6	6.1	5.4
35-39	5.4	6.3	5.9	6.4	7.3	6.8	5.2	6.1	5.7
40-44	4.7	5.2	5.0	5.7	5.8	5.7	4.5	5.1	4.8
45-49	4.8	4.7	4.7	4.5	4.6	4.6	4.9	4.7	4.8
50-54	4.2	3.7	3.9	4.2	3.6	3.9	4.2	3.7	3.9
55-59	3.1	2.6	2.9	2.8	2.6	2.7	3.2	2.7	2.9
60-64	3.0	2.5	2.7	2.5	2.3	2.4	3.1	2.5	2.8
65 and over	5.2	4.4	4.8	3.9	4.2	4.1	5.4	4.5	4.9

"West" refers to western, mid-western and far-western development regions

NLFS 2008

## CHAPTER 5: EDUCATION AND TRAINING

### Summary

About 63.2 percent Nepalese aged 5 years and over in 2008 can read and write a simple message in any language. This is a substantial increase over the literacy rate (5 years and above) of 49.8 percent in NLFS 1998/99. The increases differed by sex with literacy rates improving from 64.5 percent to 74.7 percent for male and from 35.8 percent to 53.1 percent for female aged 5 years and above.

Similarly the adult (15 years and above) literacy rate also increased from 44.5 to 55.6 percent over this period.

There were also huge advances made in the proportions of the adult population who had attended school. In 2008, only 46.7 percent of persons aged 15 years and above had never attended school compared with 60.3 percent in the NLFS 1998/99. By sex, the rates improved from 43.7 percent of male aged 15 years and above never attending school to 32.4 percent in 2008, and for female from 75.4 percent to 58.2 percent. The proportions changed from 36.2 percent of urban residents aged 15 years and above having never attended school in 1998/99 to 25.0 percent in 2008, and for rural areas, from 63.8 percent to 51.1 percent.

**Table 5.0: Summary statistics**

Description	Nepal Labour Force Survey	
	1998/99	2008
Literacy rate, both sexes (5 years and above)	49.8	63.2
Male	64.5	74.7
Female	35.8	53.1
Adult literacy rate, both sexes (15 years and above)	44.5	55.6
Male	62.3	70.7
Female	28.2	43.3
Urban	67.8	77.2
Rural	41.1	51.1
Proportion of adults (15 years and above), both sexes, never attended school	60.3	46.7
Male	43.7	32.4
Female	75.4	58.2
Urban	36.2	25.0
Rural	63.8	51.1

### 5.1 Introduction

The country's development depends very much on having available a pool of skilled persons on which to draw for the jobs that need to be done. Skills are imparted through the education system, and also through further formal training which may be specifically related to the requirements of the job. On-

the-job training may also take place, but this is rather difficult to measure in a survey since no formal qualification is issued.

In the NLFS II two questions were asked about literacy. All members of the household aged 5 and over were first asked whether they could read. Being able to read was taken to mean the ability to read a simple story written in some language. Where people said they could read, they were then asked whether they could write. Being able to write was taken to mean being able to write a simple letter in some language. The interviewer relied on the informant's statement, and no reading or writing tests were administered. Literacy is taken here to be the ability to both read and write. Although the answers are inevitably subjective, they should provide a reasonable indication of the levels of literacy across the country.

## 5.2 Educational status

Table 5.1 shows the educational background of the population aged 15 and over. Out of the total 14.4 million population aged 15 years and above, only 6.7 million (46.7 percent) have never attended school, 1.5 million (10.7 percent) have not completed primary school, 1.9 million (13.5 percent) have completed primary level, 4.2 million (29.0 percent) have completed secondary school or higher levels..

The never-attendance rate is 32.4 percent for male population aged 15 years and above compared to 58.2 percent for adult female. Urban areas (25.0 percent of adults) have a much lower never-attendance rate than rural areas (51.1 percent).

Table 5.4 provides a more detailed breakdown of education levels, showing the educational level attained by the population aged 15 and over, separately for male and female in urban and rural areas.

## 5.3 Literacy rates

Literacy rates are shown in Table 5.2. This shows that 63.2 percent of the population aged 5 years and older is literate. The Western development region has the highest literacy rate for those aged 5 years and above (66.1 percent) while the Central has the lowest (60.8 percent). As one would expect, urban areas have higher literacy rates relative to rural areas (80.2 percent versus 60.0 percent). Male and female literacy rates for those aged 5 years and above stand at 74.7 and 53.1 percent respectively, implying a wide gender gap. These gaps are seen in all parts of the country.

Table 5.2 also includes adult literacy for population aged 15 years and over. Overall adult literacy rate is 55.6 percent. Literacy rate among male is higher (70.7 %) as compared with female (43.3 %) which are similar to those seen in literacy for those aged 5 years and above. As shown in table 5.3 there are encouraging signs of improvements in literacy, with youth (15 to 29 years) having very much higher rates of literacy than older people. Female literacy rates (43.3 percent) still lag behind those of male (70.7 percent), but there are clear indications of an improving situation among younger women. Literacy rates of urban population aged 15 and over (77.2%) are much higher than in rural areas (51.1%) and there are similar differences between urban and rural areas for men and women separately.

The literacy rates for youth aged 15 to 24 years are an important indicator for the Millennium Development Goals. (See Chapter 18. )

## 5.4 Vocational training

Vocational training outside the formal school system can play a useful role in developing the skills of the workforce. As in the NLFS 1998/99, everyone aged 14 and over was asked to state whether they had received any formal vocational or professional training, and if so, to give information about the subject and length of training. The subject of training was coded using a frame which is based on ISCED-76, as described in Chapter 2. Where a person had received more than one spell of training, only the training at the highest level was recorded.

It is estimated that just over a million (1030 thousand) people in Nepal have received formal training outside the school system (see Table 5.8). As indicated in Table 5.7, the major subjects of vocational and professional training are computers, dressmaking/tailoring, health-related training, agriculture and animal husbandry, teacher training, driving skills, handicrafts/spinning/weaving, electrical, hairdressing/beauty work, other craft, trade & industrial, cooking and food preparation, engineering and police (security) work. It is observed that the women's share is higher than men in hairdressing & beauty work, dressmaking, tailoring; handicrafts, spinning & weaving, and health related programmes.

Much of this training is relatively short. For just over 60 percent of cases, the training lasts for less than six months and 88 percent are for less than 12 months. Many of the courses in agriculture and in health-related topics last for less than a month. Table 5.8 provides more detail on the number of people attending each type of training, and the duration of the training.

**Table 5.1: Population aged 15 and over by sex, locality and level of completed education**

Completed education level	Total			Urban			Rural		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	(in thousands)								
<b>Total</b>	<b>6452</b>	<b>7972</b>	<b>14424</b>	<b>1195</b>	<b>1273</b>	<b>2468</b>	<b>5257</b>	<b>6699</b>	<b>11956</b>
Never attended	2090	4642	6732	172	446	618	1918	4196	6114
Less than primary	849	701	1550	100	98	198	749	602	1352
Primary	1077	869	1947	159	144	303	919	725	1644
Lower secondary	722	557	1279	145	116	261	577	441	1018
secondary	1099	830	1928	317	281	598	782	549	1331
Higher secondary	349	234	583	158	120	279	191	114	305
Degree level	215	71	286	133	54	187	82	17	99
Others	45	60	105	11	12	23	34	48	83
Not stated	7	8	14	1	1	2	6	7	12
	(in percentage)								
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Never attended	32.4	58.2	46.7	14.4	35.0	25.0	36.5	62.6	51.1
Less than primary	13.2	8.8	10.7	8.3	7.7	8.0	14.3	9.0	11.3
Primary	16.7	10.9	13.5	13.3	11.4	12.3	17.5	10.8	13.8
Lower secondary	11.2	7.0	8.9	12.1	9.1	10.6	11.0	6.6	8.5
secondary	17.0	10.4	13.4	26.5	22.0	24.2	14.9	8.2	11.1
Higher secondary	5.4	2.9	4.0	13.3	9.4	11.3	3.6	1.7	2.6
Degree level	3.3	0.9	2.0	11.1	4.3	7.6	1.6	0.3	0.8
Others	0.7	0.8	0.7	0.9	1.0	0.9	0.7	0.7	0.7
Not stated	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

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**Table 5.2: Literacy rates by sex (Percentages)**

	Population 5 years and over			Population 6 years and over			Population 15 years and over		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Nepal</b>	<b>74.7</b>	<b>53.1</b>	<b>63.2</b>	<b>75.6</b>	<b>53.3</b>	<b>63.7</b>	<b>70.7</b>	<b>43.3</b>	<b>55.6</b>
<b>Ecological Zone</b>									
Mountain	70.0	42.6	55.5	71.5	42.8	56.3	65	31.2	46.4
Hill	80.4	60.1	69.5	81.2	60.2	69.9	76.5	50.2	61.9
Terai	70.4	48.3	58.7	71.5	48.7	59.4	66.3	38.9	51.3
<b>Development Region</b>									
Eastern	75.7	54.7	64.5	76.7	55.1	65.2	71.9	45.2	57.2
Central	72.7	49.8	60.8	73.8	50.2	61.5	70.5	41.8	55.1
Western	76.5	57.5	66.1	77.0	57.5	66.3	70.4	48.1	57.5
Mid-western	74.5	52.9	62.9	75.5	52.8	63.3	68.1	39	52
Far-western	76.1	51.8	62.7	77.4	52.2	63.4	72.5	40.4	54.1
<b>Urban</b>									
Kathmandu Valley	93.9	79.9	87.1	94.3	79.9	87.3	93.6	76.3	85.2
Eastern/Central Hill/Mt.	88	70.2	78.6	88.8	70.6	79.1	86.5	64	74.3
"West" Hill/Mt.	91.9	73.7	82.1	92.4	73.7	82.4	90.4	67.7	77.8
Eastern Terai	83.9	67.4	75.3	85.1	67.6	76.0	83.5	61.6	72
Central Terai	84.6	65.2	75.2	85.4	65.9	75.9	85.1	61.2	73.1
"West" Terai	82.2	65.9	73.8	82.9	66.1	74.3	80.6	58.3	68.8
<b>Rural</b>									
Eastern Hill/Mt.	77.3	59.7	68	78.5	60.3	68.9	74.7	49.7	61.1
Central Hill/Mt.	73.1	50.9	61.2	73.7	51.0	61.6	67.8	38.8	51.8
Western Hill/Mt.	78.1	61.2	68.6	78.5	60.9	68.6	69.6	50.4	58
Mid-Far Western Hill/Mt.	75.9	47.6	60.5	77.2	47.7	61.1	70.7	33.9	49.8
Eastern Terai	72.2	48.1	59.2	73.0	48.4	59.8	66.8	37.9	50.7
Central Terai	62.2	36.8	48.9	63.9	37.2	49.9	58.8	28.1	42
"West" Terai	70.9	51.8	60.6	71.6	52.0	61.1	64.8	40.2	51.1

"West" refers to western, mid-western and far-western development regions

NLFS 2008

**Table 5.3 Literacy rates of population aged 15 and over, by sex, age group and locality (Percentages)**

Age groups	Total			Urban			Rural		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	(in percentage)								
All ages	70.7	43.3	55.6	88.1	67.0	77.2	66.7	38.8	51.1
15-19	92.8	81.2	86.6	96.0	93.7	94.9	92.0	79.0	84.9
20-24	88.2	70.1	76.9	95.7	88.7	91.9	85.7	66.1	73.0
25-29	83.2	56.4	67.0	93.2	80.5	86.2	80.5	51.4	62.6
30-34	79.3	44.2	58.6	92.4	73.2	82.0	75.4	37.5	52.6
35-39	70.7	30.5	48.0	88.5	60.7	73.7	66.5	24.4	42.5
40-44	67.1	24.4	43.4	87.4	55.0	71.0	62.3	18.6	37.6
45-49	61.5	16.2	37.9	80.1	43.1	61.5	58.2	11.8	33.9
50-54	55.3	12.4	34.1	78.5	39.0	60.3	50.9	8.1	29.5
55-59	51.3	11.7	32.0	77.1	32.0	55.1	47.0	8.3	28.2
60-64	44.1	6.4	26.0	73.0	23.9	49.3	39.8	3.7	22.5
65 and over	33.0	2.9	18.3	62.8	13.7	37.2	28.9	1.2	15.5

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**Table 5.4 Population aged 15 and over, by sex, locality and highest education grade**

Class	Total			Urban			Rural		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	(in thousands)								
Total	6452	7972	14424	1195	1273	2468	5257	6699	11956
Never attended	2090	4642	6732	172	446	618	1918	4196	6114
Pre-school	19	19	38	3	2	5	16	16	33
Class 1	51	49	99	6	5	11	44	44	88
Class 2	199	161	360	21	23	44	179	137	316
Class 3	263	223	486	29	30	59	234	193	427
Class 4	316	250	566	41	38	79	276	212	487
Class 5	475	368	843	73	57	130	402	311	713
Class 6	256	204	460	35	32	67	220	173	393
Class 7	347	297	644	51	55	106	296	242	538
Class 8	424	329	754	87	64	152	337	265	602
Class 9	297	228	525	58	52	109	239	176	416
Class 10	421	318	740	108	88	197	313	230	543
SLC	677	511	1189	209	192	401	469	319	788
Intermediate/12	349	234	583	158	120	279	191	114	305
Degree	215	71	286	133	54	187	82	17	99
Others	45	60	105	11	12	23	34	48	83
Not stated	7	8	14	1	1	2	6	7	12

NLFS 2008



**Table 5.5 Population aged 5 and over currently attending school, by sex, age group and level completed**

Class	Age group					Total
	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25 Years and over	
	(in thousands)					
<b>Total</b>	<b>2647</b>	<b>2931</b>	<b>1540</b>	<b>439</b>	<b>167</b>	<b>7723</b>
Pre-school	1053	58	1	0	0	1113
Class 1	814	151	6	1	3	974
Class 2	493	396	11	2	8	910
Class 3	201	540	21	1	3	765
Class 4	72	509	49	3	4	637
Class 5	14	458	78	4	8	562
Class 6	0	363	140	4	3	510
Class 7	0	247	200	6	5	457
Class 8	0	143	253	10	5	411
Class 9	0	57	253	17	4	331
Class 10	0	8	147	31	12	198
SLC	0	1	312	160	32	505
Intermediate/12	0	0	65	166	43	274
Degree	0	0	2	34	37	72
Others	0	0	0	1	2	3
<b>Male</b>	<b>1360</b>	<b>1570</b>	<b>807</b>	<b>218</b>	<b>99</b>	<b>4054</b>
Pre-school	553	33	1	0	0	587
Class 1	414	76	2	0	1	493
Class 2	239	209	5	1	2	456
Class 3	107	294	9	0	2	413
Class 4	40	269	21	2	3	335
Class 5	7	241	40	3	5	295
Class 6	0	203	78	2	1	285
Class 7	0	129	97	3	1	231
Class 8	0	80	132	3	3	219
Class 9	0	30	141	7	2	180
Class 10	0	5	81	14	5	104
SLC	0	0	169	81	18	268
Intermediate/12	0	0	30	83	29	142
Degree	0	0	1	18	26	46
Others	0	0	0	0	0	0
<b>Female</b>	<b>1287</b>	<b>1361</b>	<b>733</b>	<b>221</b>	<b>67</b>	<b>3669</b>
Pre-school	500	25	1	0	0	525
Class 1	400	75	3	0	2	481
Class 2	254	187	5	2	6	454
Class 3	93	246	12	0	1	353
Class 4	32	239	28	1	1	302
Class 5	7	217	39	1	3	267
Class 6	0	160	62	2	1	225
Class 7	0	118	103	2	3	226
Class 8	0	62	121	6	2	192
Class 9	0	28	112	10	1	151
Class 10	0	3	67	18	7	94
SLC	0	1	143	79	14	237
Intermediate/12	0	0	35	83	14	132
Degree	0	0	1	15	10	26
Others	0	0	0	1	2	3

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**Table 5.6 Population aged 5 and over not currently attending school, by sex, age group and level completed**

Class	Age group					Total
	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25 Years and over	
	(in thousands)					
<b>Total</b>	<b>332</b>	<b>319</b>	<b>919</b>	<b>1532</b>	<b>4657</b>	<b>7759</b>
Never attended	316	222	318	473	2140	3469
Pre-school	9	6	4	5	14	38
Class 1	4	8	12	9	39	73
Class 2	1	19	46	42	131	240
Class 3	1	17	67	70	181	336
Class 4	0	16	79	90	196	381
Class 5	0	15	116	142	306	579
Class 6	0	8	60	67	130	265
Class 7	0	3	64	103	190	360
Class 8	0	1	47	125	217	390
Class 9	0	1	23	71	118	212
Class 10	0	0	32	117	293	443
SLC	0	1	38	137	372	548
Intermediate/12	0	0	6	59	167	231
Degree	0	0	0	16	115	132
Others	0	1	5	7	41	54
Not stated	0	0	0	1	8	9
<b>Male</b>	<b>151</b>	<b>120</b>	<b>331</b>	<b>523</b>	<b>1911</b>	<b>3036</b>
Never attended	145	71	76	87	477	854
Pre-school	3	4	0	1	7	15
Class 1	3	2	3	2	18	28
Class 2	1	9	22	18	62	111
Class 3	0	9	24	28	84	145
Class 4	0	8	36	37	99	181
Class 5	0	8	51	57	169	285
Class 6	0	6	31	28	71	136
Class 7	0	1	31	47	105	184
Class 8	0	0	17	54	133	205
Class 9	0	1	10	27	78	115
Class 10	0	0	13	45	176	234
SLC	0	1	15	56	223	295
Intermediate/12	0	0	2	26	111	139
Degree	0	0	0	10	86	97
Others	0	0	0	0	9	9
Not stated	0	0	0	0	3	3
<b>Female</b>	<b>181</b>	<b>200</b>	<b>588</b>	<b>1009</b>	<b>2745</b>	<b>4723</b>
Never attended	172	152	242	386	1663	2615
Pre-school	7	2	4	3	7	23
Class 1	1	7	9	7	21	45
Class 2	0	10	25	24	70	128
Class 3	1	9	43	42	97	191
Class 4	0	8	43	52	97	200
Class 5	0	7	65	85	137	295
Class 6	0	2	29	39	59	129
Class 7	0	2	33	56	85	176
Class 8	0	1	30	71	84	185
Class 9	0	0	13	44	40	97
Class 10	0	0	20	72	117	209
SLC	0	0	23	81	149	253
Intermediate/12	0	0	4	33	56	92
Degree	0	0	0	6	29	35
Others	0	1	5	7	32	45
Not stated	0	0	0	1	5	5

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**Table 5.7: Main subjects (a) of Vocational and professional training**

Subjects (a)	Male	Female	Total
			(in thousands)
Teacher training	35.2	22.5	57.7
handicrafts, spinning, weaving	6.7	26.9	33.6
Computer science	153.3	96.5	249.8
health related programmes	37.4	54.4	91.9
electrician	24.5	0.5	25.1
dressmaking, tailoring	21.1	185.1	206.1
other craft, trade and industrial	14.9	1.2	16.1
engineering	13.0	0.5	13.5
agriculture, animal husbandry	51.7	24.0	75.6
driving skills and motor vehicle operati	40.2	0.9	41.1
cooking and food preparation	13.9	1.2	15.1
hairdressing, beauty work	1.1	20.8	22.0
police (security) work	10.9	0.6	11.6

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(a) Selected training subjects only. Does not add to total receiving vocational/professional training.

**Table 5.8: Persons aged 14 and over who received vocational/professional training, by topic and length of training**

Subject	Total					Male					Female				
	<1 month	1 < 6 month	6 mont < 1 yr	1 yr+	Total	<1 month	1 < 6 month	6 mont < 1 yr	1 yr+	Total	<1 month	1 < 6 month	6 mont < 1 yr	1 yr+	Total
	(in thousand)														
Total	112	517	278	124	1030	59	261	137	86	543	53	256	140	39	488
General	3	6	1	0	10	0	3	0	0	3	3	3	1	0	7
Teacher training	4	19	29	6	58	1	10	18	5	35	3	8	11	1	23
Fine & applied art	3	30	12	5	51	1	9	4	3	17	2	21	9	2	34
Humanities	0	1	0	1	3	0	1	0	0	2	0	0	0	1	1
Religion/theology	1	0	0	1	3	1	0	0	1	3	0	0	0	0	0
Social/behavioral	4	4	1	2	11	3	3	1	1	8	2	1	0	1	4
Commerce, etc.	8	5	4	1	18	4	4	2	1	11	4	1	2	0	7
Law	0	0	0	1	1	0	0	0	1	1	0	0	0	0	0
Natural sciences	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Math & computers	5	154	71	23	253	3	90	46	17	156	2	64	25	6	97
Health related	18	28	10	35	92	5	9	4	19	37	13	19	6	16	54
Constr. trades	5	26	13	5	48	4	23	12	4	43	1	3	1	0	5
Other craft, trade	7	133	85	19	244	2	25	16	10	53	5	108	69	9	191
Engineering	1	5	4	4	14	1	5	3	4	13	0	0	0	0	0
Architecture etc.	1	4	1	1	6	1	4	1	1	6	0	0	0	0	1
Agric.,forestry,fish	41	43	3	5	93	27	32	2	5	66	14	12	1	0	27
Home economics	0	1	0	0	2	0	0	0	0	0	0	1	0	0	2
Transport & comm..	3	24	13	4	44	2	24	13	4	43	0	1	0	0	1
Service trades	4	27	25	7	63	3	16	12	6	36	1	11	13	2	27
Mass communication	1	1	1	0	4	0	0	1	0	2	1	1	0	0	2
Others	2	3	4	4	13	1	2	2	4	9	1	2	1	0	4

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## CHAPTER 6: ECONOMIC ACTIVITY

### Summary

The current labour force participation rate (the proportion of population aged 15 years and above who were currently active) decreased marginally from 85.8 percent in 1998/99 to 83.4 percent in 2008. The decline in the current labour force participation rate (LFPR) was more marked in urban areas (from 73.3 percent to 67.3 percent) than in the rural areas.

There has been a sharp drop in the proportion of children engaged in economic activity. The proportion of children aged 5 to 14 years who were currently economically active has dropped from 40.9 percent in 1998/99 to 33.9 percent in 2008, with a greater fall in terms of percent points in rural areas than in urban areas.

In respect of the usual status (based on activities over the last 12 months), the participation rate increased only slightly over the decade for the 15 years and above population and for the 5 to 14 years population as well as in both urban and rural areas.

**Table 6.0: Summary statistics**

Major Indicators	Age Group	NLFS 1998/99			NLFS 2008		
		Total	Urban	Rural	Total	Urban	Rural
Current activity rate	Aged 5-14	40.9	19.0	43.6	33.9	14.3	36.7
	Aged 15+	85.8	73.3	87.7	83.4	67.3	86.8
Usual activity rate	Aged 5-14	20.0	9.0	21.4	24.0	9.7	26.0
	Aged 15+	81.7	68.7	83.6	82.1	65.4	85.6

### 6.1 Introduction

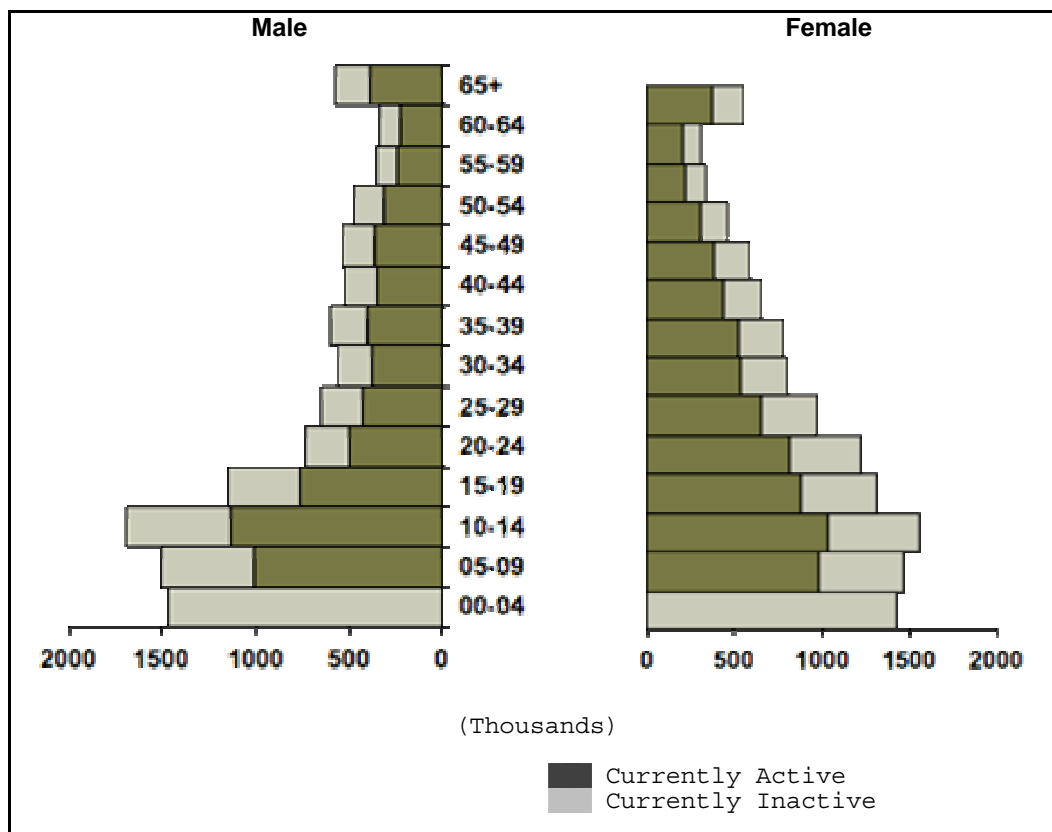
In this chapter, details of economic activities undertaken by persons aged 5 and over are presented. Economic activities of persons have been collected under two reference periods namely "activities done in a short time period" and "activities done over a longer time period". The former based on the "last week" gives the estimates for persons who are currently active and those who are currently inactive. The estimates for persons who are usually active and usually inactive are based on the longer period (last 12 months).

### 6.2 Current activity status

Estimates relating to current activity are key indicators that are generated by a labour force survey. As discussed in Chapter 2 on concepts and definitions, 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. In 2008, the population of Nepal aged 15 and over is estimated to be 14.4 million, of whom about 12.0 million were currently

active (Table 6.1) during the week before their interview. In addition, out of the 6.2 million children aged 5 to 14, 2.1 million were economically active in the week before their interview. (See Chart 1)

**Chart 1: Population pyramid showing currently active and inactive groups, by age and sex, Nepal, 2008**



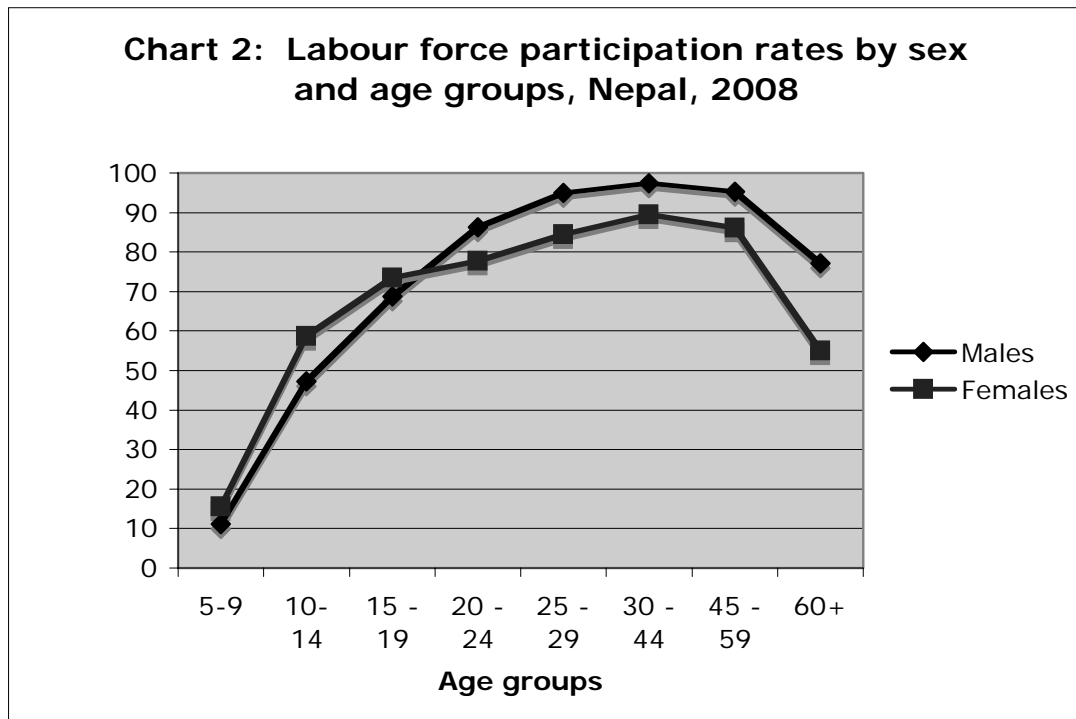
### 6.3 Current labour force participation rate (LFPR)

Labour force participation rate (LFPR) is one of the useful indicators derived from a labour force survey and also one of the indicators established to monitor progress towards the Millennium Development Goals. It measures the proportion of the working age population which is economically active. As shown at the foot of Table 6.1, the current labour force participation rate for those aged 15 years and over is 83.4 percent while it is 33.9 percent for children (5 -14 years of age). The figures sex-wise reveal that more male adults (87.5 %) are currently active compared to adult females (80.1%) while the proportion of currently active girls (37.8 %) outnumber the boys (30.2 %).

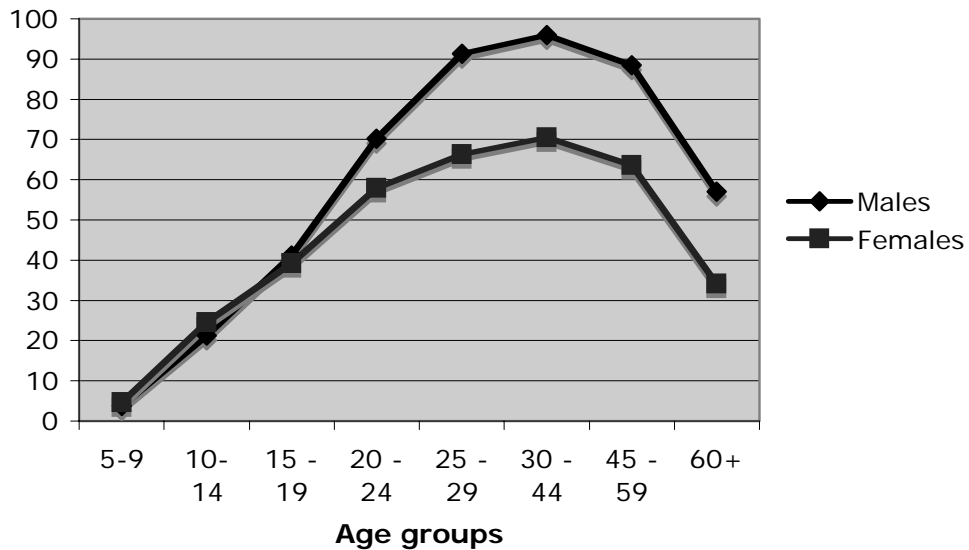
As indicated in Table 6.1, the rural area has the highest proportion of adult males (90.0 %) who are currently active. The difference between male and female activity rates is wider in urban areas (76.6 percent for men against only 58.5 percent for women) than it is in rural areas (90.0 for men against 84.2 percent for women).

Table 6.3 and Charts 2 to 4 show the variation in the current labour force participation rates for males and females in various age groups, for the country as a whole and separately for urban and rural areas. As shown in Table 6.3 and Charts 2 to 4, the labour force participation rates of children (5 to 9 years and 10 to 14 years) are higher for females than they are for males for both age groups and in urban and rural areas. It is common tradition in the country that parents prefer male child to female child and they engage girls more often in household chores than the boys whom they spare time for study. This trend is more marked in the age group 10 to 14, where nearly two-thirds (58.7 percent) of the girls as compared to only half (47.2 percent) of the boys were found to be currently economically active. It can also be observed that a significantly lesser proportion of children in the urban areas are seen economically active than they are in the rural areas (for example, an LFPR of 23.0 percent for urban children aged 10-14 compared with 57.1 percent for rural children of this age group).

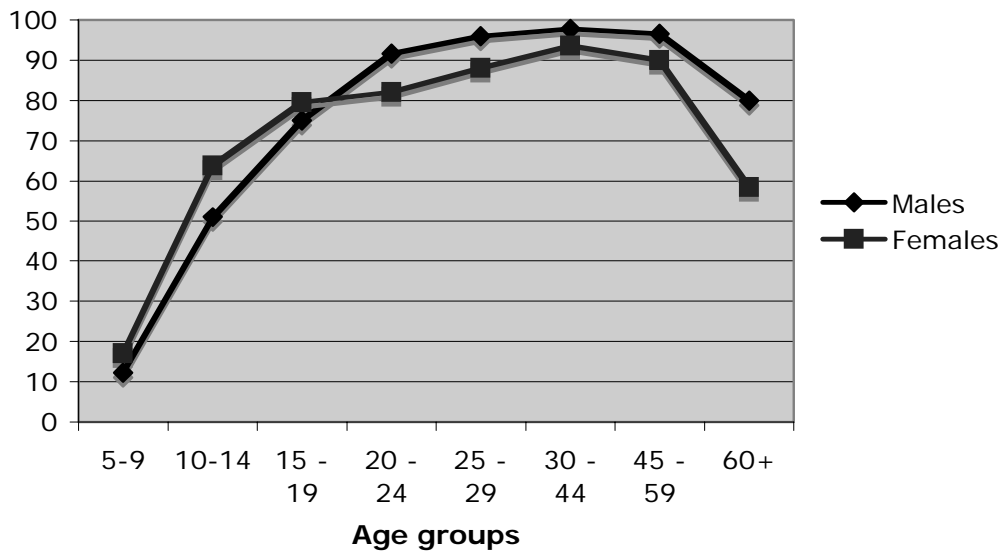
Above 15 years of age, the labour force participation rates of males compared to females are higher (rather than lower as for children). From 20 years and above age, male labour force participation rates in rural areas are higher than 90 percent and generally several percentage points higher than for females.



**Chart 3: Labour force participation rates by sex and age groups, urban areas, 2008**



**Chart 4: Labour force participation rates by sex and age groups, rural areas, 2008**



## 6.4 Reasons for inactivity

From Table 6.1, it can be seen that there are about 2.3 million people aged 15 and over who are currently economically inactive, that is they are not employed or unemployed and are not available for work. Table 6.4 gives the reasons for inactivity and estimated numbers with percentages for each reason. Of the total inactive population, nearly equal proportions of people are inactive because they are either attending school or they are too old and sick (31.8 percent and 30.4 percent respectively). The third most important reason for being inactive is being engaged in household duties, which accounts for 27.8 percent of the total inactive population (and 39.7 percent of inactive females). Out of the 52 thousand disabled people who are inactive, 82.7 percent live in rural areas.

Table 6.5 has further information by age group on the reasons for those who are inactive. As might be expected, 60.1 percent of persons aged 15 to 29 years were inactive because they were attending school (with 85.3 percent of inactive males and 43.9 percent of inactive females in this age group being inactive because of school attendance). Similarly, a high proportion (41.6 %) of inactive females in the same age group gave household duties as the reason for inactivity compared to only 3.4 percent for inactive males aged 15 to 29 years. Probably, this is in line to the social practice of not sending girls to school as compared to boys. In ages 30 years and higher, more males are inactive due to sickness or old age as compared to females.

## 6.5 Usual activity status

As in the past, the survey collected information about economic activity usually undertaken by people aged 5 years and above during the previous 12 months.

As shown in Table 6.6, there were 11.8 million persons aged 15 and over who were usually active while there were about 1.5 million children (aged 5 to 14 years) who were usually active. Comparable statistics on a current basis were respectively 12.0 million for those aged 15 years and above and 2.1 million for those aged 5 to 14 years (Table 6.1). The difference between currently active and usually active population is more noticeable in the case of children. This may be because many school-going children may do some work (for at least an hour) in the previous week (and therefore be classified as currently active) but they do not work sufficient number of months in the year to be counted as usually active.

## 6.6 Usual participation rates

Table 6.8 shows participation rates on usual activity basis for five-year age groups, separately for urban and rural areas. The patterns are very similar to those for current activity, except that the rates for adults are slightly lower and the rates for children very much lower. The absolute values upon which these proportions are based are given in Table 6.7.



**Table 6.1 Current activity status by age, sex and locality**

(in thousands)

	Nepal			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>All ages(a)</b>	<b>23544</b>	<b>11119</b>	<b>12425</b>	<b>3549</b>	<b>1767</b>	<b>1783</b>	<b>19994</b>	<b>9352</b>	<b>10642</b>
Currently active	14143	6612	7531	1771	969	802	12371	5643	6728
<i>Employed</i>	13876	6479	7397	1645	908	736	12231	5571	6661
<i>Unemployed</i>	267	133	134	127	61	66	140	72	68
Currently inactive	6404	3010	3394	1464	634	831	4940	2376	2563
Aged under 5	2891	1467	1424	306	161	144	2585	1305	1280
<b>Aged 15+(a)</b>	<b>14424</b>	<b>6452</b>	<b>7972</b>	<b>2468</b>	<b>1195</b>	<b>1273</b>	<b>11956</b>	<b>5257</b>	<b>6699</b>
Currently active	12032	5646	6385	1660	915	745	10372	4731	5640
<i>Employed</i>	11779	5519	6259	1535	855	680	10244	4664	5580
<i>Unemployed</i>	253	127	126	125	60	65	128	67	61
Currently inactive	2303	783	1520	801	277	524	1502	506	996
<b>Aged 5-14(a)</b>	<b>6229</b>	<b>3200</b>	<b>3029</b>	<b>775</b>	<b>410</b>	<b>365</b>	<b>5453</b>	<b>2790</b>	<b>2663</b>
Currently active	2111	966	1145	111	54	57	2000	912	1088
<i>Employed</i>	2097	960	1138	110	53	57	1987	907	1081
<i>Unemployed</i>	14	6	8	2	1	1	12	5	7
Currently inactive	4101	2227	1874	663	356	307	3438	1870	1568
<b>Proportion currently active:</b>									
Aged 15+	83.4	87.5	80.1	67.3	76.6	58.5	86.8	90.0	84.2
Aged 5-14	33.9	30.2	37.8	14.3	13.2	15.6	36.7	32.7	40.8

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(a) Also includes a small proportion of people who have insufficient information to classify them into one of the economic activity groups.

**Table 6.2: Population aged 5 and over by sex, age, locality and current economic activity status**

(in thousands)

Sex/Age group	Nepal			Urban			Rural			
	Total (a)	Currently Active	Currently Inactive	Total (a)	Currently Active	Currently Inactive	Total (a)	Currently Active	Currently Inactive	
<b>Both sexes</b>	20652	14143	6404	3243	1771	1464	1740	9	12371	4940
5 - 9	2978	398	2576	355	15	340	2624	383	2237	
10 - 14	3250	1713	1525	421	97	324	2830	1617	1201	
15 - 19	2459	1750	685	418	168	248	2041	1582	438	
20 - 24	1971	1595	358	401	255	145	1570	1340	213	
25 - 29	1612	1428	171	301	234	66	1311	1194	105	
30 - 34	1360	1247	103	279	229	50	1081	1018	54	
35 - 39	1377	1292	83	243	205	38	1135	1088	45	
40 - 44	1168	1089	75	203	165	38	965	924	37	
45 - 49	1113	1030	79	162	128	33	951	902	46	
50 - 54	923	839	82	138	104	34	785	735	48	
55 - 59	675	589	82	95	69	26	580	520	57	
60 - 64	639	527	112	84	51	33	556	476	79	
65+	1127	646	473	145	53	91	982	594	381	
<b>Male</b>	9652	6612	3010	1605	969	634	8047	5643	2376	
5 - 9	1510	169	1341	191	7	184	1319	161	1156	
10 - 14	1690	797	886	219	47	172	1471	750	714	
15-19	1138	782	347	217	89	127	921	692	220	
20-24	741	639	98	184	130	54	556	510	44	
25-29	642	610	29	136	124	12	506	486	17	
30-34	557	541	14	128	124	5	429	417	9	
35-39	601	586	14	113	109	4	487	477	10	
40-44	518	505	12	100	95	5	418	410	7	
45-49	534	515	18	80	74	6	453	440	13	
50-54	467	448	19	75	66	9	393	382	10	
55-59	347	321	25	49	40	9	298	281	17	
60-64	332	299	33	43	30	13	289	269	20	
65+	575	401	173	69	34	35	506	366	138	
<b>Female</b>	11000	7531	3394	1638	802	831	9362	6728	2563	
5 - 9	1468	229	1236	163	8	155	1305	222	1080	
10 - 14	1561	916	639	202	50	152	1359	866	487	
15 - 19	1320	968	338	201	79	121	1119	890	217	
20 - 24	1231	956	259	217	125	91	1014	831	169	
25 - 29	969	818	142	165	109	55	804	709	88	
30 - 34	802	706	90	150	105	45	652	601	45	
35 - 39	777	706	69	129	95	34	647	610	35	
40 - 44	650	583	62	103	70	33	547	514	30	
45 - 49	580	515	61	82	54	27	498	461	33	
50 - 54	456	392	62	63	39	25	392	353	38	
55 - 59	328	267	57	47	29	17	282	238	40	
60 - 64	308	228	79	41	21	20	267	207	60	
65+	552	246	299	76	19	56	476	227	243	

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(a) Also includes a small proportion of people who have insufficient information to classify them into one of the economic activity groups.

**Table 6.3: Labour force participation rate of the population aged 5 and over by sex, age and locality**

Age Group	(in percentage)								
	Nepal			Urban			Rural		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
All	68.5	68.5	68.5	54.6	60.2	49.0	71.1	70.1	71.9
5-9	13.4	11.2	15.6	4.2	3.7	4.7	14.6	12.2	17.0
10-14	52.7	47.2	58.7	23.0	21.2	24.6	57.1	51.0	63.8
15 - 19	71.2	68.7	73.4	40.2	41.1	39.2	77.5	75.0	79.5
20 - 24	80.9	86.3	77.7	63.6	70.2	57.9	85.3	91.6	82.0
25 - 29	88.6	94.9	84.4	77.6	91.3	66.3	91.1	95.9	88.1
30 - 44	82.9	97.4	89.5	82.6	96.0	70.5	95.3	97.8	93.5
45 - 59	90.7	95.3	86.1	76.2	88.4	63.6	93.1	96.5	90.0
60+	66.4	77.1	55.1	45.4	57.0	34.1	69.5	80.0	58.4

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**Table 6.4: Currently inactive population aged 15 and over by sex and reason given for inactivity**

Reason given for inactive	Nepal			Urban			Rural		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
	(in thousands)								
<b>Total</b>	<b>2303</b>	<b>783</b>	<b>1520</b>	<b>801</b>	<b>277</b>	<b>524</b>	<b>1502</b>	<b>506</b>	<b>996</b>
Attending school	732	405	327	324	175	148	408	230	178
Household duties	640	36	604	275	16	259	365	20	345
Old, Sick	701	242	459	139	55	85	562	188	374
Disabled	52	29	23	8	4	4	43	24	19
Others	179	71	107	55	27	28	123	44	79
	(in percentage)								
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100</b>	<b>100</b>	<b>100</b>
Attending school	31.8	51.7	21.5	40.4	63.2	28.3	27.2	45.4	17.9
Household duties	27.8	4.6	39.7	34.3	5.7	49.4	24.3	4	34.6
Old, Sick	30.4	31.0	30.2	17.4	19.7	16.2	37.4	37.1	37.6
Disabled	2.2	3.7	1.5	1.0	1.6	0.8	2.9	4.8	1.9
Others	7.8	9.1	7.1	6.9	9.9	5.4	8.2	8.7	8

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**Table 6.5: Currently inactive population aged 15 and over by sex, age group and reason for inactivity**

Reason for inactivity	Age Group				
	All	15-29	30-44	45-59	60+
<b>Both Sexes</b>					
Total (thousands)	2303	1214	261	243	585
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Attending school (%)	31.8	60.1	1.0	0.0	0.0
Household duties (%)	27.8	26.7	70.6	41.1	5.4
Old, sick (%)	30.4	2.7	13.7	43.9	90.1
Disabled (%)	2.2	1.6	3.9	4.0	2.1
Others (%)	7.8	9.0	10.8	11.0	2.5
<b>Male</b>					
Total (thousands)	783	474	40	63	206
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Attending school (%)	51.7	85.3	1.6	0.0	0.0
Household duties (%)	4.6	3.4	17.7	14.1	1.7
Old, sick (%)	30.9	3.0	33.3	46.1	89.9
Disabled (%)	3.7	2.2	14.5	9.1	3.3
Others (%)	9.1	6.0	32.9	30.7	5.0
<b>Female</b>					
Total (thousands)	1520	740	221	180	379
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Attending school (%)	21.5	43.9	0.9	0	0
Household duties (%)	39.7	41.6	80.1	50.5	7.4
Old, sick (%)	30.2	2.4	10.1	43.1	90.1
Disabled (%)	1.5	1.2	2	2.28	1.4
Others (%)	7.1	10.9	6.8	4.12	1.1

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**Table 6.6: Usual activity status by age, sex and locality**

(in thousands)

	Nepal			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b><u>All ages</u></b>	<b>23544</b>	<b>11119</b>	<b>12425</b>	<b>3549</b>	<b>1767</b>	<b>1783</b>	<b>19994</b>	<b>9352</b>	<b>10642</b>
Usually active	13341	6197	7144	1691	932	759	11650	5265	6385
<i>Employed</i>	13017	6041	6976	1557	870	687	11460	5171	6289
<i>Unemployed</i>	324	156	168	133	62	72	191	94	96
Usually inactive	7311	3455	3856	1553	673	880	5759	2782	2977
Aged under 5	2891	1467	1424	306	161	144	2585	1305	1280
<b><u>Aged 15+</u></b>	<b>14424</b>	<b>6452</b>	<b>7972</b>	<b>2468</b>	<b>1195</b>	<b>1273</b>	<b>11956</b>	<b>5257</b>	<b>6699</b>
Usually active	11847	5526	6321	1616	897	719	10232	4629	5603
<i>Employed</i>	11551	5383	6168	1487	838	649	10063	4545	5518
<i>Unemployed</i>	297	143	154	129	59	69	168	84	84
Usually inactive	2576	926	1650	852	298	554	1724	628	1096
<b><u>Aged 5-14</u></b>	<b>6229</b>	<b>3200</b>	<b>3029</b>	<b>775</b>	<b>410</b>	<b>365</b>	<b>5453</b>	<b>2790</b>	<b>2663</b>
Usually active	1494	671	823	75	35	40	1419	636	783
<i>Employed</i>	1467	658	808	70	33	38	1396	626	770
<i>Unemployed</i>	27	13	14	5	3	2	22	10	12
Usually inactive	4735	2529	2206	700	375	325	4035	2154	1881

NLFS 2008

**Table 6.7: Population aged 5 and over by sex, age, locality and usual economic activity status**

Sex/ Age	(in thousands)								
	Nepal			Urban			Rural		
	Total	Usually Active	Usually Inactive	Total	Usually Active	Usually Inactive	Total	Usually Active	Usually Inactive
<b>Both sexes</b>	<b>20652</b>	<b>13341</b>	<b>7311</b>	<b>3243</b>	<b>1691</b>	<b>1553</b>	<b>17409</b>	<b>11650</b>	<b>5759</b>
5 - 9	2978	259	2719	355	11	344	2624	249	2375
10 - 14	3250	1235	2016	421	65	356	2830	1170	1660
15 - 19	2459	1548	910	418	144	274	2041	1404	636
20 - 24	1971	1574	397	401	242	159	1570	1333	238
25 - 29	1612	1448	163	301	232	69	1311	1216	95
30 - 34	1360	1256	104	279	226	53	1081	1030	51
35 - 39	1377	1300	77	243	205	38	1135	1096	39
40 - 44	1168	1097	71	203	164	39	965	933	32
45 - 49	1113	1043	70	162	130	32	951	913	39
50 - 54	923	845	78	138	105	33	785	740	45
55 - 59	675	593	82	95	68	27	580	525	55
60 - 64	639	525	115	84	49	35	556	475	80
65+	1127	618	508	145	50	95	982	568	414
<b>Male</b>	<b>9652</b>	<b>6197</b>	<b>3455</b>	<b>1605</b>	<b>932</b>	<b>673</b>	<b>8047</b>	<b>5265</b>	<b>2782</b>
5 - 9	1510	107	1404	191	5	187	1319	102	1217
10 - 14	1690	564	1125	219	31	188	1471	534	937
15-19	1138	676	462	217	77	140	921	599	322
20-24	741	621	119	184	124	60	556	497	59
25-29	642	616	26	136	124	12	506	493	14
30-34	557	542	15	128	123	5	429	419	9
35-39	601	590	10	113	110	3	487	480	7
40-44	518	507	11	100	94	5	418	412	6
45-49	534	517	17	80	74	6	453	443	11
50-54	467	449	18	75	67	8	393	382	10
55-59	347	323	23	49	40	8	298	283	15
60-64	332	296	35	43	30	14	289	267	22
65+	575	387	189	69	33	36	506	353	152
<b>Female</b>	<b>11000</b>	<b>7144</b>	<b>3856</b>	<b>1638</b>	<b>759</b>	<b>880</b>	<b>9362</b>	<b>6385</b>	<b>2977</b>
5 - 9	1468	153	1315	163	6	157	1305	147	1158
10 - 14	1561	670	891	202	34	168	1359	636	723
15 - 19	1320	872	448	201	67	134	1119	805	314
20 - 24	1231	953	278	217	118	99	1014	835	179
25 - 29	969	832	137	165	109	57	804	723	81
30 - 34	802	713	89	150	103	47	652	610	42
35 - 39	777	710	67	129	94	35	647	616	32
40 - 44	650	590	60	103	69	33	547	521	26
45 - 49	580	526	54	82	56	26	498	470	28
50 - 54	456	396	60	63	38	26	392	358	34
55 - 59	328	270	59	47	28	18	282	241	40
60 - 64	308	228	79	41	20	21	267	208	59
65+	552	232	320	76	17	59	476	215	261

NLFS 2008

**Table 6.8: Usual economic activity participation rate of the population aged 5 and over by sex, age and locality**

(in percent)

Age Group	Nepal			Urban			Rural		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
<b>All</b>	<b>64.6</b>	<b>64.2</b>	<b>64.9</b>	<b>52.1</b>	<b>58.1</b>	<b>46.3</b>	<b>66.9</b>	<b>65.4</b>	<b>68.2</b>
Aged 5-14	24.0	21.0	27.2	9.7	8.6	10.9	26.0	22.8	29.4
Aged 15+	82.1	85.6	79.3	65.5	75.1	56.4	85.6	88.0	83.7
5-14	24.0	21.0	27.2	9.8	8.8	11.0	26.0	22.8	29.4
15 - 19	63.0	59.4	66.1	34.4	35.5	33.3	68.8	65.0	71.9
20 - 24	79.9	83.8	77.4	60.3	67.4	54.4	84.9	89.4	82.3
25 - 29	89.8	96.0	85.9	77.1	91.2	66.1	92.8	97.4	89.9
30 - 44	93.5	97.1	90.3	82.1	94.7	69.6	96.2	97.9	94.6
45 - 59	91.5	96.2	87.4	76.7	90.5	63.5	94.0	97.3	91.2
60+	64.7	75.3	53.5	43.2	56.3	31.6	67.8	78.0	56.9

NLFS 2008

## CHAPTER 7: EMPLOYMENT

### **Summary**

*The total number of currently employed persons increased from 9463 thousand in NLFS 1998/99 to 11779 thousand in NLFS 2008 (Table 7.0). The employment-to-population ratio (the proportion of persons aged 15 and above who were employed in the survey reference week) has declined from 84.3 percent in 1998/99 to 81.7 percent in 2008. On the other hand the proportion of paid employees has increased from 16.0 percent in 1998/99 to 16.9 percent in 2008. Moreover based on the classification of industry 73.9 percent people work in the agriculture sector and 26.1 percent are engaged in non-agriculture sector.*

*Comparison of total time spent on all economic activities during the two survey periods for both adults and children is also presented. Total time spent by persons aged 15 and over have gone up to 517 million hours in 2008 from 413 million hours in 1998/99. Encouragingly, total time spent by children in economic activities has declined from 48 million hours in 1998/99 to 38 million hours in 2008.*

*Among the employed persons, 68 percent worked 40 hours and more, 20 percent 20-39 hours, 11 percent 1-19 hours and an insignificant proportion reported that they did not work in the reference week in 2008. Whereas the corresponding proportion were: 73, 17, 8 and 2 for 40 and more, 20-39, 1-19 and zero hours respectively in 1998/99.*

*Among those working less than 40 hours in the reference week, the percentage of people who did not work more hours due to involuntary reasons has increased from 15 percent to 21 percent in between 1998/99 and 2008, whereas due to voluntary reasons it has decreased from 83 percent to 79 percent during the same period.*

*Substantial increases between the two periods can be observed in average monthly earnings of paid employees. Monthly average income in cash and kind from paid employment in nominal (current price) terms registered in the current survey period as compared to the previous survey has increased almost two and half times. The same pattern has also been seen in the monthly average earnings of males and females as well. However, the discrepancy in earnings between the males (higher) and females (lower) still remains as before.*



**Table 7.0: Summary statistics**

<b>Major Indicators</b>	<b>Nepal Labour Force Survey</b>	
	<b>1998/99</b>	<b>2008</b>
<b>Total number of employed aged 15 years and above (thousands)</b>	<b>9463</b>	<b>11779</b>
<i>Male</i>	4736	5519
<i>Female</i>	4727	6259
<b>Employment to population ratio (15 years and more)</b>	<b>84.3</b>	<b>81.7</b>
<i>Male</i>	88.3	85.5
<i>Female</i>	80.5	78.5
<b>Paid employees as a percentage of total employed</b>	<b>16.0</b>	<b>16.9</b>
<i>Male</i>	76.0	73.9
<i>Female</i>	24.1	26.2
<b>Total time spent on all economic work activities (in million hours)</b>		
<i>Aged 15 years and more</i>	413	517
<i>Aged 5-14 years</i>	48	38
<b>Average hours per week in the main job (15 years and more)</b>	<b>39.4</b>	<b>38.7</b>
<i>Male</i>	42.6	43.1
<i>Female</i>	36.3	34.8
<b>Percentage of employed individuals aged 15 years and above by hours worked:</b>		
<i>0 hours</i>	2.0	0.6
<i>1-19 hours</i>	8.1	11.2
<i>20-39 hours</i>	17.3	19.9
<i>40 hours and above</i>	72.6	68.2
<b>Percentage of employed aged 15 years and above who worked less than 40 hours in last week by reason:</b>		
<i>Involuntary reason</i>	15.4	21.1
<i>Voluntary reason</i>	83.3	78.9
<b>Average monthly earnings (Rupees) (cash and kind combined) of paid employees (15 years and more)</b>	<b>2143</b>	<b>5117</b>
<i>Male</i>	2389	5721
<i>Female</i>	1368	3402

## 7.1 Introduction

As pointed out in the concepts and definitions chapter of this report (Chapter 2), a person is counted as currently employed if s/he did at least one hour's work in the previous seven days or if s/he did not work but had a job attachment. The first part of this Chapter deals with the time spent on various economic activities in the survey reference week.

The number and characteristics of currently employed persons (that is, those who worked in the reference week or had a job attachment) are then described in the second part of this chapter, including their occupation and industry status, their total hours of work, sectors of employment, etc. These are useful indicators for planning human resources.

## 7.2 Work activities

The current employment status of every person aged 5 years and over was determined by measuring the time they spent during the previous seven days in various activities that have been defined as “work” or “economic activities”. International statistical standards recommend the measurement of these economic activities for those aged 15 and over, but in order to measure the extent of child labour, we have taken the information for the group aged 5 to 14 years as well. The range of economic activities have been covered in concurrence with international concepts and have been adapted into our context. All economic activities are included in Question 36 of the questionnaire administered during the survey and annexed in this report.

**Table 7.1: Summary of work activities over the last seven days**

Economic activities	No of people involved (thousands)		Total time spent on activity in last seven days (million hours)	
	Persons aged 15+	Children aged 5-14	Persons aged 15+	Children aged 5-14
Wage Job-agriculture	543	20	21	1
Wage Job-Non agri.	1576	27	75	1
Own business	1502	76	69	1
Agriculture	8734	1731	292	28
Milling	2385	146	14	1
Handicrafts	354	9	5	0
Construction	187	8	4	0
Fetching water	1952	561	10	2
Collecting firewood	2563	383	24	3
Other 'work' activity	434	34	3	0

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Table 7.1 above gives separate numbers for adults and children who were involved in the last seven days in various economic activities and the total time spent in those activities. Of the various activities, the largest group (9.3 million) of people is engaged in agriculture and that includes more than half a million workers with wage job in agriculture sector. The next most important activities are milling, handicrafts, construction, fetching water, collecting firewood and other household activities where there are also significant numbers of children working.

Around 13.8 million (Table 7.2) people did some or more of these activities during the last seven days. This includes around 2.1 million children under the age of 15 leaving 11.7 million people aged 15 and over doing one or more of these activities (and hence classified as “currently employed”). Given the population of 14.4 million people aged 15 and over, it means that 81.3 percent of them were engaged in one of these activities in the last seven days. This employment-to-population ratio is an important indicator for monitoring the Millennium Development Goals.

Tables 7.1 and 7.3 also give the total and average number of hours spent by people in various activities over the last seven days. In all 13.8 million people aged 5 and over spent a total of 555

million hours in all of these activities in the last seven days. Of these, children aged 5-14 years spent around 38 million hours and those above 15 years spent around 517 million hours on these activities.

As in the past average hours spent is based on the total population and every person aged 5 and over spends on an average 26.9 hours a week on various economic activities (Table 7.3). But given the population that are engaged to be 67.0 percent (Table 7.2), the estimate that those carried out at least one of these activities spends an average of  $(26.9 \times 100/67.0)$ , or 40.1 hours a week in these activities. Similar figures can be derived for in respect of each particular activity by taking in the appropriate age-sex group in the two tables.

**Table 7.2: Number and percentage of population aged 5 years and above carrying out various economic activities in the last 7 days, by sex and age**

Age Group	Wage job-agri	Wage job-non agri	Own business	Agriculture	Milling	Handicrafts	Construction	Fetching water	Collecting firewood	Other 'work'	Any of these activities
Thousands											
<b>Total</b>	<b>563</b>	<b>1603</b>	<b>1577</b>	<b>10465</b>	<b>2531</b>	<b>363</b>	<b>195</b>	<b>2513</b>	<b>2946</b>	<b>468</b>	<b>13804</b>
5 – 9	1	1	11	310	11	0	1	118	49	3	395
10 -14	19	26	64	1421	135	9	7	443	334	31	1701
15 – 19	53	139	120	1337	277	45	14	350	362	38	1698
20 – 24	52	262	182	1039	356	49	20	293	350	37	1516
25 – 29	62	241	215	921	300	45	28	229	325	49	1362
30 – 44	222	596	577	2498	799	90	65	578	857	156	3543
45 – 59	120	295	315	1943	494	74	38	358	493	114	2430
60+	35	44	93	996	157	51	21	144	175	41	1160
<b>Male</b>	<b>299</b>	<b>1275</b>	<b>990</b>	<b>4423</b>	<b>448</b>	<b>118</b>	<b>143</b>	<b>771</b>	<b>859</b>	<b>218</b>	<b>6433</b>
5 – 9	0	1	5	138	2	0	1	45	17	2	167
10 -14	6	19	35	670	48	3	4	196	115	15	792
15 – 19	21	101	71	556	42	5	8	108	113	17	753
20 – 24	32	189	100	330	47	2	10	60	76	12	600
25 – 29	29	183	132	309	47	8	17	50	77	20	579
30 – 44	112	486	355	911	112	27	49	143	213	67	1589
45 – 59	76	259	221	931	105	38	33	112	167	61	1264
60+	24	37	71	578	45	35	20	57	80	24	689
<b>Female</b>	<b>264</b>	<b>328</b>	<b>588</b>	<b>6042</b>	<b>2083</b>	<b>244</b>	<b>52</b>	<b>1742</b>	<b>2087</b>	<b>250</b>	<b>7371</b>
5 – 9	1	0	7	172	9	0	0	74	32	1	228
10 -14	14	6	29	751	87	6	3	247	219	16	910
15 – 19	32	38	49	781	235	40	6	241	249	20	944
20 – 24	20	73	82	709	309	47	9	233	274	25	915
25 – 29	33	58	83	612	253	36	11	179	248	29	784
30 – 44	110	109	222	1587	688	63	16	435	644	89	1954
45 – 59	43	36	94	1012	389	36	5	246	326	53	1165
60+	11	7	22	417	112	16	2	87	95	17	471

Age Group	Wage job-agri	Wage job-non agri	Own business	Agriculture	Milling	Handicrafts	Construction	Fetching water	Collecting firewood	Other 'work'	Any of these activities
Percentage of total population aged 5 years and above											
<b>Total</b>	<b>2.7</b>	<b>7.8</b>	<b>7.7</b>	<b>50.8</b>	<b>12.3</b>	<b>1.8</b>	<b>0.9</b>	<b>12.2</b>	<b>14.3</b>	<b>2.3</b>	<b>67.0</b>
5 – 9	0.0	0.0	0.4	10.4	0.4	0.0	0.0	4.0	1.7	0.1	13.3
10 -14	0.6	0.8	2.0	43.8	4.2	0.3	0.2	13.7	10.3	1.0	52.5
15 – 19	2.2	5.7	4.9	54.5	11.3	1.9	0.6	14.2	14.8	1.5	69.2
20 – 24	2.6	13.3	9.2	52.8	18.1	2.5	1.0	14.9	17.8	1.9	77.0
25 – 29	3.8	14.9	13.3	57.2	18.6	2.8	1.7	14.2	20.2	3.0	84.6
30 – 44	5.7	15.3	14.8	64.1	20.5	2.3	1.7	14.8	22.0	4.0	90.9
45 – 59	4.4	10.9	11.6	71.7	18.2	2.7	1.4	13.2	18.2	4.2	89.6
60+	2.0	2.5	5.3	56.5	8.9	2.9	1.2	8.2	9.9	2.3	65.8
<b>Male</b>	<b>3.1</b>	<b>13.2</b>	<b>10.3</b>	<b>45.9</b>	<b>4.7</b>	<b>1.2</b>	<b>1.5</b>	<b>8.0</b>	<b>8.9</b>	<b>2.3</b>	<b>66.7</b>
5 – 9	0.0	0.0	0.3	9.1	0.1	0.0	0.0	3.0	1.2	0.1	11.1
10 -14	0.3	1.1	2.1	39.7	2.8	0.2	0.3	11.6	6.8	0.9	46.9
15 – 19	1.8	8.9	6.3	48.9	3.7	0.4	0.7	9.5	10.0	1.5	66.2
20 – 24	4.3	25.6	13.5	44.6	6.3	0.3	1.4	8.2	10.3	1.6	81.3
25 – 29	4.5	28.5	20.5	48.1	7.4	1.3	2.7	7.8	12.0	3.1	90.1
30 – 44	6.7	29.1	21.2	54.4	6.7	1.6	3.0	8.6	12.8	4.0	94.9
45 – 59	5.7	19.2	16.5	69.2	7.8	2.8	2.4	8.4	12.4	4.5	93.9
60+	2.6	4.1	7.8	63.9	5.0	3.8	2.2	6.3	8.9	2.7	76.1
<b>Female</b>	<b>2.4</b>	<b>3.0</b>	<b>5.4</b>	<b>55.0</b>	<b>19.0</b>	<b>2.2</b>	<b>0.5</b>	<b>15.9</b>	<b>19.0</b>	<b>2.3</b>	<b>67.1</b>
5 – 9	0.1	0.0	0.5	11.8	0.6	0.0	0.0	5.0	2.2	0.1	15.6
10 -14	0.9	0.4	1.9	48.2	5.6	0.4	0.2	15.9	14.1	1.0	58.4
15 – 19	2.5	2.9	3.7	59.3	17.9	3.1	0.5	18.3	18.9	1.5	71.7
20 – 24	1.6	6.0	6.7	57.7	25.2	3.8	0.8	18.9	22.3	2.0	74.5
25 – 29	3.4	5.9	8.6	63.2	26.1	3.7	1.1	18.5	25.6	3.0	80.9
30 – 44	4.9	4.9	10.0	71.4	30.9	2.8	0.7	19.6	29.0	4.0	87.8
45 – 59	3.2	2.7	6.9	74.2	28.5	2.6	0.4	18.0	23.9	3.9	85.4
60+	1.3	0.8	2.6	48.7	13.1	1.9	0.2	10.1	11.0	2.0	55.0

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**Table 7.3: Total hours and average hours spent carrying out various economic activities in the last 7 days, by sex and age: Nepal**

Age Group	Wage job-agri.	Wage job-non agri.	Own business	Agriculture	Milling	Handicrafts	Construction	Fetching water	Collecting firewood	Other 'work'	All activities
<b>Total hours (in thousands)</b>											
<b>Total</b>	<b>21706</b>	<b>75891</b>	<b>70843</b>	<b>319932</b>	<b>14609</b>	<b>4990</b>	<b>3944</b>	<b>12756</b>	<b>27064</b>	<b>3653</b>	<b>555388</b>
5 – 9	32	20	151	4121	42	0	4	466	343	12	5192
10 -14	585	1216	1246	23898	630	103	71	1899	2632	187	32467
15 – 19	2128	6775	3866	34147	1612	707	231	1679	3363	289	54798
20 – 24	2000	13046	7974	33529	2134	636	272	1570	3503	261	64924
25 – 29	2278	11600	10459	31747	1660	696	535	1321	3096	403	63796
30 – 44	8795	28054	28853	89625	4673	1150	1518	3301	8202	1210	175381
45 – 59	4666	13218	14534	71230	2936	995	847	1826	4472	907	115632
60+	1222	1960	3760	31634	922	704	465	694	1453	384	43198
<b>Male</b>	<b>12437</b>	<b>62053</b>	<b>47563</b>	<b>135205</b>	<b>2288</b>	<b>2053</b>	<b>3066</b>	<b>3529</b>	<b>7725</b>	<b>2083</b>	<b>278003</b>
5 – 9	0	9	69	1773	5	0	2	162	101	9	2130
10 -14	210	957	699	11001	220	62	48	816	779	84	14875
15 – 19	872	5115	2475	13640	252	194	143	504	1029	160	24384
20 – 24	1270	9887	4802	10632	229	12	164	288	752	96	28132
25 – 29	1210	9178	6839	10732	230	229	327	250	746	226	29967
30 – 44	4855	23507	19057	32504	528	431	1216	734	2114	655	85602
45 – 59	3125	11698	10752	35187	561	592	746	535	1480	573	65249
60+	896	1702	2870	19738	264	533	421	241	723	279	27665
<b>Female</b>	<b>9269</b>	<b>13838</b>	<b>23280</b>	<b>184727</b>	<b>12321</b>	<b>2937</b>	<b>878</b>	<b>9227</b>	<b>19339</b>	<b>1570</b>	<b>277384</b>
5 – 9	32	11	82	2348	38	0	2	304	242	3	3062
10 -14	375	259	548	12898	411	40	22	1083	1853	103	17593
15 – 19	1256	1660	1391	20507	1360	513	89	1175	2334	129	30414
20 – 24	730	3159	3172	22898	1904	624	109	1282	2750	164	36793
25 – 29	1069	2423	3620	21015	1430	467	208	1071	2350	177	33828
30 – 44	3940	4547	9796	57121	4145	719	302	2567	6087	554	89779
45 – 59	1541	1520	3782	36044	2375	403	101	1291	2992	334	50383
60+	326	258	890	11896	658	171	44	454	730	106	15532

Age Group	Wage job-agri.	Wage job-non agri.	Own business	Agriculture	Milling	Handicrafts	Construction	Fetching water	Collecting firewood	Other 'work'	All activities
<b>Average hours across whole population</b>											
<b>Total</b>	<b>1.1</b>	<b>3.7</b>	<b>3.4</b>	<b>15.5</b>	<b>0.7</b>	<b>0.2</b>	<b>0.2</b>	<b>0.6</b>	<b>1.3</b>	<b>0.2</b>	<b>26.9</b>
5 – 9	0.0	0.0	0.1	1.4	0.0	0.0	0.0	0.2	0.1	0.0	1.7
10 -14	0.2	0.4	0.4	7.4	0.2	0.0	0.0	0.6	0.8	0.1	10.0
15 – 19	0.9	2.8	1.6	13.9	0.7	0.3	0.1	0.7	1.4	0.1	22.3
20 – 24	1.0	6.6	4.0	17.0	1.1	0.3	0.1	0.8	1.8	0.1	32.9
25 – 29	1.4	7.2	6.5	19.7	1.0	0.4	0.3	0.8	1.9	0.3	39.6
30 – 44	2.3	7.2	7.4	23.0	1.2	0.3	0.4	0.8	2.1	0.3	44.9
45 – 59	1.7	4.9	5.4	26.3	1.1	0.4	0.3	0.7	1.6	0.3	42.6
60+	0.7	1.1	2.1	17.9	0.5	0.4	0.3	0.4	0.8	0.2	24.5
<b>Male</b>	<b>1.3</b>	<b>6.4</b>	<b>4.9</b>	<b>14.0</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.8</b>	<b>0.2</b>	<b>28.8</b>
5 – 9	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.1	0.1	0.0	1.4
10 -14	0.1	0.6	0.4	6.5	0.1	0.0	0.0	0.5	0.5	0.0	8.8
15 – 19	0.8	4.5	2.2	12.0	0.2	0.2	0.1	0.4	0.9	0.1	21.4
20 – 24	1.7	13.3	6.5	14.4	0.3	0.0	0.2	0.4	1.0	0.1	38.0
25 – 29	1.9	14.3	10.6	16.7	0.4	0.4	0.5	0.4	1.2	0.4	46.6
30 – 44	2.9	14.0	11.4	19.4	0.3	0.3	0.7	0.4	1.3	0.4	51.1
45 – 59	2.3	8.7	8.0	26.1	0.4	0.4	0.6	0.4	1.1	0.4	48.4
60+	1.0	1.9	3.2	21.8	0.3	0.6	0.5	0.3	0.8	0.3	30.5
<b>Female</b>	<b>0.8</b>	<b>1.3</b>	<b>2.1</b>	<b>16.8</b>	<b>1.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.8</b>	<b>1.8</b>	<b>0.1</b>	<b>25.2</b>
5 – 9	0.0	0.0	0.1	1.6	0.0	0.0	0.0	0.2	0.2	0.0	2.1
10 -14	0.2	0.2	0.4	8.3	0.3	0.0	0.0	0.7	1.2	0.1	11.3
15 – 19	1.0	1.3	1.1	15.5	1.0	0.4	0.1	0.9	1.8	0.1	23.0
20 – 24	0.6	2.6	2.6	18.6	1.5	0.5	0.1	1.0	2.2	0.1	29.9
25 – 29	1.1	2.5	3.7	21.7	1.5	0.5	0.2	1.1	2.4	0.2	34.9
30 – 44	1.8	2.0	4.4	25.6	1.9	0.3	0.1	1.2	2.7	0.2	40.3
45 – 59	1.1	1.1	2.8	26.4	1.7	0.3	0.1	0.9	2.2	0.2	36.9
60+	0.4	0.3	1.0	13.8	0.8	0.2	0.1	0.5	0.8	0.1	18.1

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### 7.3 Number of currently employed

Table 7.4 shows that there were a total of 11779 thousand people aged 15 years and above who were currently employed in the survey reference week with 5519 thousand (97.8 percent of males aged 15 years and above) males and 6259 thousand (98.0 percent) females. Most (87.0 percent) of the currently employed were in rural areas where the employment-to-population ratio was 98.8 percent.

In 2008, the economic dependency ratio (defined as the ratio of people who are not employed, including all those aged under 15 years regardless of employment) to the employed aged 15 years and above was 99.1 not employed persons for every 100 persons employed. In other words there were about equal numbers of persons employed aged 15 years and above to others in the total population.

**Table 7.4: Numbers of currently employed aged 15 and over and employment-to-population rates (15 years and over) by sex and urban-rural areas.**

Urban-rural	Number of employed (thousands)			Employment-to-population aged 15 years and above (Percentage)		
	Total	Male	Female	Total	Male	Female
<b>Nepal</b>	<b>11779</b>	<b>5,519</b>	<b>6,259</b>	<b>97.9</b>	<b>97.8</b>	<b>98.0</b>
Urban	1,535	855	680	92.5	93.4	91.3
Rural	10,244	4,664	5,580	98.8	98.6	98.9

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### 7.4 Employed: Occupation of main job

Table 7.5 estimates that there are 11.8 million people aged 15 and over who are currently employed. In the same table the total currently employed are given by major occupation group separately for males and females and by urban and rural areas. The one digit ISCO group occupation classification used in the previous survey has now been replaced with the NSCO classification.

**Table 7.5: Numbers of currently employed persons aged 15 years and over by sex, locality and occupation**

Occupation	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
	(in thousands)								
<b>Total</b>	<b>11,779</b>	<b>5,519</b>	<b>6,259</b>	<b>1,535</b>	<b>855</b>	<b>680</b>	<b>10,244</b>	<b>4,664</b>	<b>5,580</b>
Legislators, senior officials	71	58	13	29	23	6	42	35	7
Professionals	203	155	48	79	54	24	125	101	24
Technician and assoc. profess.	230	148	82	86	57	29	143	90	53
Clerks or office assistants	121	100	21	62	47	14	59	52	7
Service workers	859	515	345	352	209	143	508	306	202
Market agriculture	367	151	216	32	15	18	335	137	198
Subsistence agriculture	7,535	2,922	4,613	408	138	270	7,127	2,784	4,344
Craft and related trades workers	983	642	341	240	158	81	744	484	260
Plant and machine operators	160	150	10	52	47	4	109	103	6
Elementary occupation	1,241	671	569	191	101	90	1,050	570	479
Armed forces	8	7	0	5	5	0	3	2	0
	(in percentages)								
Total	100	100	100	100	100	100	100	100	100
Legislators, senior officials	0.6	1.1	0.2	1.9	2.7	0.9	0.4	0.8	0.1
Professionals	1.7	2.8	0.8	5.1	6.3	3.6	1.2	2.2	0.4
Technician and assoc. profess.	2.0	2.7	1.3	5.6	6.7	4.3	1.4	1.9	1.0
Clerks or office assistants	1.0	1.8	0.3	4.0	5.5	2.1	0.6	1.1	0.1
Service workers	7.3	9.3	5.5	22.9	24.4	21.0	5.0	6.6	3.6
Market agriculture	3.1	2.7	3.5	2.1	1.7	2.6	3.3	2.9	3.6
Subsistence agriculture	64.0	52.9	73.7	26.6	16.1	39.7	69.6	59.7	77.9
Craft and related trades workers	8.4	11.6	5.5	15.6	18.5	12.0	7.3	10.4	4.7
Plant and machine operators	1.4	2.7	0.2	3.4	5.6	0.6	1.1	2.2	0.1
Elementary occupation	10.5	12.2	9.1	12.4	11.8	13.3	10.3	12.2	8.6
Armed forces	0.1	0.1	0.0	0.4	0.6	0.0	0.0	0.1	0.0

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Note: Some estimates in this table are based on few observations and should be used with caution.



Figures in Table 7.5 indicate that out of the total 11.8 million currently employed people a large number (7.5 million or 64 percent of employment) are engaged in subsistence agriculture. The proportion of employed engaged in subsistence agriculture has however fallen slightly from the NLFS 1998/99 in which the proportion was 67 percent. However, in the "market" agriculture occupations which includes people working in forestry and fisheries, an additional 100 thousand people have joined this occupation during the two survey periods. The 1998/99 NLFS revealed that a sizable number of people in the urban areas were engaged in subsistence agriculture.

As in the past 'elementary occupations' is still the second major occupational group and engages 1.2 million people. But as compared to 1.3 million employed in 1998/99, the proportion in this occupation has declined slightly now from 13.6 percent to 10.5 percent of employed. Other important increases can be observed in the "craft and related trades". The number of people engaged in this occupation that stood at half a million in 1998/99 has surged to almost a million during a span of nine years.

In Table 7.6 persons engaged in economic activities have been classified by industry. As stated in Chapter 2, "industry" refers to the main goods and services produced at the work place where the person carries out his/her economic activity. Figures in Table 7.6 indicate that 8.7 million (73.9 percent) people work in the agriculture sector. As in the past, the other major sectors in terms of employment are 'manufacturing' with 773 thousand persons, 'wholesale and retail trade' with 692 thousand people and 'construction' with just over 367 thousand persons. Education sector now employs just over 285 thousand persons, 'hotels and restaurants' 197 thousand persons and 'transport storage and communication' 198 thousand persons. About 26 thousand persons were employed in the 'Electricity, gas and water supply' industry group in 1998/99. The survey estimates that this industry group now employs four times more to engage some 109 thousand persons, and that the number of persons working as private household workers (mainly women) has declined sharply from the 289 thousand to a mere 33 thousand persons. These compensating changes are because those who solely collect firewood have now been classified in the 'agriculture, hunting and forestry' group and those solely collecting water have been classified to 'electricity, gas and water' industry whereas they were classified to the 'Private household' industry group in the 1998/99 survey.

**Table 7.6: Currently employed persons aged 15 years and over by sex, locality and industry (in thousands)**

Industry	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Total</b>	<b>11779</b>	<b>5519</b>	<b>6259</b>	<b>1535</b>	<b>855</b>	<b>680</b>	<b>10244</b>	<b>4664</b>	<b>5580</b>
Agriculture and forestry	8701	3427	5274	494	170	324	8207	3257	4950
Fishing	3	2	1	0	0	0	3	2	1
Mining and quarrying	27	19	8	3	2	1	24	17	7
Manufacturing	773	469	305	214	133	82	559	336	223
Electricity, gas and water	109	39	70	32	13	19	77	27	51
Construction	367	326	41	75	65	10	292	261	31
Wholesale , retail & trade	692	447	245	264	169	95	428	278	150
Hotels and restaurants	197	94	103	93	46	47	104	47	56
Transport, storage & comm.	198	191	8	65	61	4	133	130	4
Financial intermediation	32	22	10	20	14	6	12	9	3
real state, renting & business	71	57	13	36	29	7	35	29	6
Public administration & defence	109	96	13	54	48	6	55	48	6
Education	285	189	96	88	50	38	198	139	58
Health and social work	77	46	31	30	17	13	47	29	18
Other community & social act.	99	77	23	44	31	13	55	46	9
Private households workers	33	14	19	21	7	14	12	7	5
Extra-territorial organization	5	4	1	2	1	1	3	3	0
							<b>(Percentage)</b>		
<b>Total</b>	<b>100</b>	100	100	<b>100</b>	100	100	<b>100</b>	100	100
Agriculture and forestry	73.9	62.1	84.3	32.2	19.9	47.7	80.1	69.8	88.7
Fishing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mining and quarrying	0.2	0.4	0.1	0.2	0.3	0.1	0.2	0.4	0.1
Manufacturing	6.6	8.5	4.9	14.0	15.5	12.0	5.5	7.2	4.0
Electricity, gas and water	0.9	0.7	1.1	2.1	1.5	2.8	0.8	0.6	0.9
Construction	3.1	5.9	0.7	4.9	7.6	1.4	2.9	5.6	0.6
Wholesale , retail & trade	5.9	8.1	3.9	17.2	19.7	14.0	4.2	6.0	2.7
Hotels and restaurants	1.7	1.7	1.7	6.1	5.4	6.9	1.0	1.0	1.0
Transport, storage & comm.	1.7	3.5	0.1	4.2	7.1	0.6	1.3	2.8	0.1
Financial intermediation	0.3	0.4	0.2	1.3	1.6	0.9	0.1	0.2	0.1
real state, renting & business	0.6	1.0	0.2	2.3	3.4	1.0	0.3	0.6	0.1
Public administration & defence	0.9	1.7	0.2	3.5	5.6	0.9	0.5	1.0	0.1
Education	2.4	3.4	1.5	5.7	5.8	5.6	1.9	3.0	1.1
Health and social work	0.7	0.8	0.5	2.0	2.0	1.8	0.5	0.6	0.3
Other community & social act.	0.8	1.4	0.4	2.9	3.6	2.0	0.5	1.0	0.2
Private households workers	0.3	0.3	0.3	1.4	0.8	2.1	0.1	0.2	0.1
Extra-territorial organization	0.0	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.0

NLFS 2008

Note: Some estimates in this table are based on few observations and should be used with caution.

## 7.5 Employed: Education levels

Figures available in Table 7.7 show that more than half the number of persons employed in the 'elementary occupation' and 'subsistence agriculture' have never attended school. And among those employed in the same sectors, more than two-thirds of female workers are found to never have attended school. In contrast, a large proportion (37%) of persons classified in the professionals has completed degree level education.

**Table 7.7: Currently employed persons aged 15 and over by sex, occupation and completed education level**

(in thousands)

Sex / Occupation	Completed education level								
	Total	Never attended	Less than primary	Pri- mary	Lower sec.	Higher sec.	Degree level	Others /Not stated	
<b>Total</b>	<b>11779</b>	<b>5684</b>	<b>1387</b>	<b>1638</b>	<b>970</b>	<b>1398</b>	<b>385</b>	<b>215</b>	<b>101</b>
Legislators, senior officials	71	12	8	10	8	14	7	13	0
Professionals	203	6	3	3	2	54	58	76	0
Technician and assoc. profess.	230	11	7	8	9	90	66	37	1
Clerks or office assistants	121	6	4	10	10	40	27	23	0
Service workers	859	210	92	127	101	226	69	25	9
Market agriculture	367	198	46	52	24	34	6	3	3
Subsistence agriculture	7535	4080	866	1041	624	722	113	23	67
Craft and related trades workers	983	402	164	178	79	118	24	9	10
Plant and machine operators	160	38	27	35	23	28	5	4	1
Elementary occupation	1241	720	170	174	87	70	8	2	10
Armed forces	8	0	0	1	2	2	2	1	0
<b>Male</b>	<b>5519</b>	<b>1860</b>	<b>794</b>	<b>960</b>	<b>571</b>	<b>857</b>	<b>258</b>	<b>176</b>	<b>44</b>
Legislators, senior officials	58	6	7	9	7	12	6	11	0
Professionals	155	5	2	2	1	40	39	66	0
Technician and assoc. profess.	148	6	5	7	5	53	43	27	1
Clerks or office assistants	100	5	4	8	8	33	21	20	0
Service workers	515	79	60	82	69	151	48	21	5
Market agriculture	151	50	26	29	13	24	5	2	2
Subsistence agriculture	2922	1123	426	546	322	392	70	18	24
Craft and related trades workers	642	223	130	128	59	75	15	6	5
Plant and machine operators	150	33	27	34	22	26	4	3	1
Elementary occupation	671	329	107	113	62	49	5	1	5
Armed forces	7	0	0	1	2	2	2	1	0
<b>Female</b>	<b>6259</b>	<b>3824</b>	<b>594</b>	<b>679</b>	<b>399</b>	<b>541</b>	<b>127</b>	<b>38</b>	<b>57</b>
Legislators, senior officials	13	7	1	1	1	1	1	2	0
Professionals	48	1	1	1	1	14	20	11	0
Technician and assoc. profess.	82	5	2	2	4	37	23	10	0
Clerks or office assistants	21	1	0	2	2	7	6	3	0
Service workers	345	131	33	45	32	75	20	4	4
Market agriculture	216	149	20	23	11	10	2	0	2
Subsistence agriculture	4613	2956	440	495	302	329	43	5	43
Craft and related trades workers	341	179	34	49	20	43	9	2	5
Plant and machine operators	10	5	0	0	1	2	0	1	0
Elementary occupation	569	391	63	61	25	21	3	1	4
Armed forces	0	0	0	0	0	0	0	0	0

NLFS 2008

Note: Some estimates in this table are based on few observations and should be used with caution.

## 7.6 Employed: Paid and self-employment

It is always interesting to note the distinction that lie between the paid and self-employed. As can be seen in Table 7.8 that out of 11.8 million persons that are currently employed only around 2 million are paid employees and 9.8 million are self-employed. Of the total 9.8 million self-employed, there are 115 thousand employers that have regular employees working for them, another 4.3 million self-employed do not have any regular employees and 5.4 million work as contributing family members without pay. Some 19 thousand persons classified in some other status are also included in the self-employed group.

The number of males as paid employees are 1.5 million and the female paid employees is just over half a million. Of the total paid employees, half a million males and around quarter of a million females are in the elementary occupations. Similarly, while there are around 116 thousand male employees as technicians, there are only 74 thousand female employees who are technicians.

**Table 7.8: Currently employed population aged 15 and over by sex, occupation and employment status**

Sex / Occupation	(in thousands)					
	Total	Paid employee	Self-employed			
			With regular employees	Without regular employees	Family members without pay	Others
<b>Total</b>	<b>11779</b>	<b>1991</b>	<b>115</b>	<b>4265</b>	<b>5387</b>	<b>19</b>
Legislators, senior officials	71	11	14	39	7	0
Professionals	203	186	4	11	1	1
Technician and assoc. profess.	230	190	5	29	4	1
Clerks or office assistants	121	111	1	6	2	0
Service workers	859	111	32	472	245	0
Market agriculture	367	18	8	200	141	1
Subsistence agriculture	7535	23	12	2945	4554	1
Craft and related trades workers	983	432	29	317	195	10
Plant and machine operators	160	125	6	23	7	0
Elementary occupation	1241	777	4	224	231	5
Armed forces	8	8	0		0	0
<b>Male</b>	<b>5519</b>	<b>1471</b>	<b>95</b>	<b>2588</b>	<b>1354</b>	<b>12</b>
Legislators, senior officials	58	9	14	34	2	0
Professionals	155	140	4	10	0	1
Technician and assoc. profess.	148	116	4	26	2	1
Clerks or office assistants	100	93	1	5	1	0
Service workers	515	89	25	322	79	0
Market agriculture	151	16	5	98	32	0
Subsistence agriculture	2922	12	7	1782	1120	0
Craft and related trades workers	642	383	27	175	50	7
Plant and machine operators	150	118	6	21	5	0
Elementary occupation	671	487	3	116	63	2
Armed forces	7	7	0		0	0

(in thousands)

Sex / Occupation	Total	Paid employee	Self-employed			
			With regular employees	Without regular employees	Family members without pay	Others
<b>Female</b>	<b>6259</b>	<b>521</b>	<b>20</b>	<b>1678</b>	<b>4034</b>	<b>8</b>
Legislators, senior officials	13	2	0	6	5	0
Professionals	48	46	0	1	1	0
Technician and assoc. profess.	82	74	1	4	3	0
Clerks or office assistants	21	19	0	0	2	0
Service workers	345	22	7	150	166	0
Market agriculture	216	2	3	102	109	1
Subsistence agriculture	4613	11	5	1163	3434	1
Craft and related trades workers	341	49	3	142	145	3
Plant and machine operators	10	6	0	2	2	0
Elementary occupation	569	289	1	108	168	2
Armed forces	0	0	0		0	0

NLFS 2008

Note: Some estimates in this table are based on few observations and should be used with caution.

## 7.7 Employed: Institutional sector of employment

All paid employees were classified according to the institutions they worked and separate estimates are also given for males and females. There were around 338 thousand employees who worked in the government organizations. While around 18 thousand paid employees worked in the financial public corporation, another 55 thousand worked for non-financial corporations. Of the total paid employees, around 38 percent constituting 753 thousand persons were found to be working in private companies. Among those paid employees in private companies around two-thirds were working in the registered companies and around one-third in the non-registered enterprises. Furthermore, around 57 thousand paid employees were found to be working in non-government organizations operating at international and national levels.

**Table 7.9: Currently employed population aged 15 and over in paid employment by sex, occupation and institutional sector of employment**

(in thousands)

Sex / Occupation	Total	Govt.	Public corp.		NGO/ INGO	Private company			Others
			Finan- cial	Non- finan- cial		Regd. financial	Regd. non- financial	Unregis- tered	
<b>Total</b>	<b>1991</b>	<b>338</b>	<b>18</b>	<b>55</b>	<b>57</b>	<b>24</b>	<b>450</b>	<b>279</b>	<b>772</b>
Legislators, senior officials	11	1	1	1	3	2	3	0	0
Professionals	186	121	1	6	9	2	39	4	3
Technician and assoc. profess.	190	84	2	10	21	5	56	5	7
Clerks or office assistants	111	47	6	10	9	8	29	0	1
Service workers	111	22	1	2	2	1	49	17	17
Market agriculture	18	2	0	2	1	0	5	2	5
Subsistence agriculture	23	1	0	1	0	0	1	3	18
Craft and related trades workers	432	8	0	6	3	3	88	122	202
Plant and machine operators	125	5	0	4	5	2	55	20	34
Elementary occupation	777	39	6	13	4	2	124	105	483
Armed forces	8	8	0	0	0	0	0	0	0
<b>Male</b>	<b>1471</b>	<b>266</b>	<b>14</b>	<b>45</b>	<b>41</b>	<b>16</b>	<b>333</b>	<b>213</b>	<b>542</b>
Legislators, senior officials	9	1	1	1	3	1	3	0	0
Professionals	140	97	1	5	6	1	25	3	3
Technician and assoc. profess.	116	54	2	7	12	3	29	4	5
Clerks or office assistants	93	43	5	8	8	5	22	0	1
Service workers	89	19	1	1	1	1	39	13	13
Market agriculture	16	2	0	1	1	0	5	1	5
Subsistence agriculture	12	0	0	1	0	0	1	2	9
Craft and related trades workers	383	7	0	5	3	2	70	107	188
Plant and machine operators	118	4	0	4	4	1	54	17	34
Elementary occupation	487	30	5	11	3	2	85	67	284
Armed forces	7	7	0	0	0	0	0	0	0
<b>Female</b>	<b>521</b>	<b>72</b>	<b>4</b>	<b>9</b>	<b>16</b>	<b>7</b>	<b>118</b>	<b>65</b>	<b>230</b>
Legislators, senior officials	2	0	0	0	0	1	0	0	0
Professionals	46	24	0	1	3	1	14	2	0
Technician and assoc. profess.	74	30	0	2	9	2	27	1	3
Clerks or office assistants	19	4	2	2	1	3	7	0	0
Service workers	22	3	0	0	0	0	10	4	4
Market agriculture	2	1	0	0	0	0	0	1	0
Subsistence agriculture	11	0	0	0	0	0	0	1	9
Craft and related trades workers	49	0	0	1	0	0	19	15	13
Plant and machine operators	6	1	0	0	1	0	1	3	1
Elementary occupation	289	8	1	2	1	0	39	38	199
Armed forces	0	0	0	0	0	0	0	0	0

NLFS 2008

Note: Some estimates in this table are based on few observations and should be used with caution.

## 7.8 Employed: Hours of work

Table 7.10 shows the average hours of work actually worked in the person's main job in the survey reference week by the currently employed aged 15 years and above. These were 38.7 hours for all employed and 43.1 hours and 34.8 hours per week for males and females respectively. Average hours were lower in rural areas (37.9 hours) than in urban areas (42.7 hours).

Table 8.1 in Chapter 8 also shows the distribution of the employed according to groupings of hours of work. Analysis of this table appears in that chapter.

**Table 7.10: Average hours per week in the main job of the currently employed population aged 15 and over who were actually at work by sex, locality and occupation**

Occupation	(average hours per week)								
	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Total</b>	<b>38.7</b>	<b>43.1</b>	<b>34.8</b>	<b>42.7</b>	<b>48.5</b>	<b>35.4</b>	<b>37.9</b>	<b>41.8</b>	<b>34.6</b>
Legislators, senior officials	55.1	55.2	54.5	51.8	52.2	50.1	55.8	55.3	58.4
Professionals	42.0	42.4	41.0	42.3	43.3	40.1	41.3	41.4	41.0
Technician and assoc. profess.	43.5	45.4	39.9	43.8	45.8	39.7	42.6	44.8	38.8
Clerks or office assistants	46.1	46.5	44.5	45.0	45.8	42.2	46.2	46.0	47.7
Service workers	52.1	55.2	47.6	53.6	56.9	48.8	50.5	53.3	46.3
Market agriculture	36.2	42.2	32.0	37.4	40.6	34.7	35.9	42.0	31.6
Subsistence agriculture	35.9	37.7	34.8	30.2	31.6	29.5	36.1	37.8	35.0
Craft and related trades workers	40.8	49.5	24.6	45.2	53.0	29.9	38.9	47.6	22.7
Plant and machine operators	58.6	59.3	48.0	58.0	58.8	48.3	57.8	58.6	44.8
Elementary occupation	39.9	46.3	32.3	40.2	48.2	31.4	39.6	45.7	32.3
Armed forces	45.8	46.0	42.6	43.9	43.7	54.0	31.3	29.7	40.0

NLFS 2008

Note: Some estimates in this table are based on few observations and should be used with caution.

**Table 7.11: Average hours per week in the main job of the currently employed population aged 15 and over who were actually at work by sex, locality and industry**

Industry	(average hours per week)								
	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Total</b>	<b>38.7</b>	<b>43.1</b>	<b>34.8</b>	<b>42.7</b>	<b>48.5</b>	<b>35.4</b>	<b>37.9</b>	<b>41.8</b>	<b>34.6</b>
Agriculture and forestry	35.9	38.4	34.3	30.4	32.9	29.1	36.1	38.5	34.5
Fishing	50.5	45.9	64.2	40.1	46.8	7.0	52.2	45.7	70.0
Mining and quarrying	46.1	49.7	37.7	48.0	47.2	50.2	45.6	49.5	36.4
Manufacturing	41.8	50.7	28.3	46.4	54.7	32.9	39.4	48.1	26.3
Electricity, gas and water	15.0	25.4	9.2	16.3	27.6	9.0	14.5	24.3	9.4
Construction	48.2	49.5	38.2	48.4	49.0	44.3	47.7	49.1	36.2
Wholesale , retail & trade	<b>51.9</b>	55.2	45.8	52.4	56.4	45.4	51.3	54.2	45.9
Hotels and restaurants	<b>57.5</b>	58.9	56.2	58.0	58.8	57.3	55.6	56.7	54.7
Transport, storage & comm.	<b>59.0</b>	59.5	44.2	57.9	58.6	47.5	58.0	58.7	32.8
Financial intermediation	45.8	46.3	44.6	43.5	44.8	40.8	48.8	48.6	49.4
real state, renting & business	49.1	51.7	37.5	48.7	50.8	39.6	49.1	52.2	35.2
Public administration & defense	45.2	45.5	42.7	44.7	44.9	43.2	43.1	43.6	39.1
Education	40.9	41.6	39.5	40.3	41.3	39.1	40.5	41.3	38.7
Health and social work	44.3	47.1	39.9	43.6	46.4	39.8	43.7	46.8	38.8
Other community & social act.	47.5	48.6	43.9	50.4	52.0	46.5	44.9	45.8	40.2
Private households workers	<b>52.0</b>	60.1	46.2	49.6	55.3	46.8	55.0	63.9	43.3
Extra-territorial organization	45.0	45.4	43.0	51.2	57.1	43.0	40.1	40.1	0

NLFS 2008

Note: Some estimates in this table are based on few observations and should be used with caution.

Tables 7.10 and 7.11 show average actual hours of work in the survey week by the currently employed in their main job. Average hours spent in activities are also given by Industry and occupation as well as by sex and urban/rural categories. On an average, currently employed population worked 39 hours. Figures indicate that males have worked longer hours (43 hrs) than females (35hrs). Males in the urban areas also work longer hours than males in the rural areas. However, contrary to this both males and females are found to work longer hours in the agricultural sector. The occupation where people reported working the longest hours were 'plant and machine operators' (59hrs), legislators and senior officials (55hrs) and service workers as well as 'private household workers' (52hrs). All of these hours of work are well above the average.

Similarly, the industry sectors where average hours were the highest were 'transport, storage and communications' (59hrs), 'hotels and restaurant' (58hrs) and 'wholesale and retail trade' (52hrs). On the other side, where average hours were the lowest were 'electricity, gas and water' just 15 hours and 'agriculture and forestry' (39hrs).



In Chapter 8, Table 8.2 presents the classification of people who work less than 40 hours in the reference week by citing reasons for working less than 40 hours. Further discussion of these results are shown in Chapter 8.

## **7.9 Employed: Income from paid employment**

As stated in Chapter 2, earnings data was only collected for paid employees and not for the self-employed. Table 7.12 shows the basis and frequency of payment in their main job for paid employees.

In Table 7.12 it can be seen that out of a total of 2 million paid employees almost 11 percent received their payments on a piece-rate basis. Workers in two major occupation groups of 'crafts and related trade' and 'elementary occupation' have been found to receive such payments often and the proportion is 32 and 28 percent respectively. Workers in the occupation that require low levels of skills are more likely to be paid on a daily basis as is shown for elementary occupation, subsistence agriculture and crafts and related trade occupations. Those likely to be paid on a monthly basis are professionals, technicians, clerks, and machine and plant operators.

Where information on earnings in the main job was not on a monthly basis, it was collected for the previous week and then converted into monthly basis. The top half of Table 7.13 shows the proportion of males and females in different occupation groups receiving cash and in-kind payments. Due to earnings received in both cash and in-kind payments, there is some likelihood of overlap between the two.

Average monthly earnings of paid employees in 2008 were slightly more than 5,000Rs. The average monthly earnings of males (5,700 Rs.) were much higher than that of females (3,400Rs). In some occupations the difference in the earnings between males and females was wide and in occupations like technicians and clerks it was roughly comparable. In occupations like agriculture, crafts and related trades and in elementary occupations, females remained at a disadvantage. The discrepancy in monthly earnings between the sexes has emerged partly on account of differences in hours of work.

**Table 7.12: Number of paid employees (main job) aged 15 and over and currently employed by sex, occupation and basis and frequency of payment**

Occupation	Total	Piece-rate basis	(in thousands)			
			Time rate			
			Daily	Weekly	Monthly	Others
<b>Both sexes</b>	<b>1991</b>	<b>208</b>	<b>749</b>	<b>108</b>	<b>916</b>	<b>10</b>
Legislators, senior officials	11	0	0	1	10	0
Professionals	186	4	2	1	178	2
Technician and assoc. profess.	190	5	1	1	182	1
Clerks or office assistants	111	1	1	2	108	0
Service workers	111	6	7	1	97	1
Market agriculture	18	2	8	1	6	1
Subsistence agriculture	23	6	13	1	2	0
Craft and related trades workers	432	87	216	42	84	2
Plant and machine operators	125	11	13	7	93	0
Elementary occupation	777	86	488	50	149	3
Armed forces	8	0	0	0	8	0
<b>Male</b>	<b>1470</b>	<b>150</b>	<b>525</b>	<b>84</b>	<b>703</b>	<b>9</b>
Legislators, senior officials	9	0	0	1	8	0
Professionals	140	3	1	1	134	1
Technician and assoc. profess.	115	3	1	0	110	1
Clerks or office assistants	93	0	0	2	90	0
Service workers	89	5	6	1	77	1
Market agriculture	16	2	7	1	5	1
Subsistence agriculture	12	4	6	1	2	0
Craft and related trades workers	383	66	206	39	70	2
Plant and machine operators	118	9	13	6	90	0
Elementary occupation	487	58	286	32	109	2
Armed forces	7	0	0	0	7	0
<b>Female</b>	<b>521</b>	<b>58</b>	<b>224</b>	<b>24</b>	<b>214</b>	<b>2</b>
Legislators, senior officials	2	0	0	0	2	0
Professionals	46	1	0	0	44	1
Technician and assoc. profess.	74	2	0	1	71	0
Clerks or office assistants	19	0	0	0	18	0
Service workers	22	1	1	0	20	0
Market agriculture	2	0	1	0	1	0
Subsistence agriculture	11	3	8	0	1	0
Craft and related trades workers	49	21	10	3	14	0
Plant and machine operators	6	1	0	1	3	0
Elementary occupation	289	28	202	289	18	1
Armed forces	0	0	0	0	0	0

NLFS 2008

Note: Some estimates in this table are based on few observations and should be used with caution.

**Table 7.13: Paid employees receiving cash or in-kind earnings, and average monthly amounts received by occupation**

Occupation	Paid employees			Proportion receiving cash			Proportion receiving kind		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
	(in thousands)			(in percentage)					
<b>Total</b>	<b>1970</b>	<b>1457</b>	<b>513</b>	<b>96.3</b>	<b>96.9</b>	<b>94.6</b>	<b>23.5</b>	<b>23.3</b>	<b>24.3</b>
Legislators, senior officials	11	9	2	100.0	100.0	100.0	19.4	22.0	6.2
Professionals	185	140	46	99.6	99.5	99.8	2.2	2.6	1.2
Technician and assoc. prof.	187	114	74	99.7	100.0	99.3	7.0	8.8	4.3
Clerks or office assistants	110	91	18	100.0	100.0	100.0	6.0	5.7	7.4
Service workers	109	87	22	99.0	98.7	100.0	36.7	36.0	39.4
Market agriculture	18	16	2	94.5	96.8	77.7	20.4	19.7	25.3
Subsistence agriculture	21	11	10	94.9	90.5	100.0	33.0	30.8	35.6
Craft and related trades workers	425	379	46	98.8	99.0	97.4	21.1	22.6	8.6
Plant and machine operators	124	117	6	98.5	98.5	100.0	25.5	26.9	0.0
Elementary occupation	772	485	287	92.0	92.5	91.1	34.0	32.8	35.9
Armed forces	8	7	0	100.0	100.0	100.0	47.6	50.9	0.0
Occupation	Average monthly earnings(cash and in-kind) by all paid employees			Average monthly cash earnings by those receiving cash			Average monthly in-kind earnings by those receiving payments in-kind		
	All	Male	Female	All	Male	Female	All	Male	Female
	Rupees								
<b>Total</b>	<b>5117</b>	<b>5721</b>	<b>3402</b>	<b>5477</b>	<b>3351</b>	<b>4933</b>	<b>412</b>	<b>229</b>	<b>364</b>
Legislators, senior officials	16142	16888	12313	16425	12221	15739	463	92	403
Professionals	9484	10468	6478	10421	6482	9448	95	9	73
Technician and assoc. profess.	6001	6878	4649	6764	4627	5927	112	53	89
Clerks or office assistants	7243	7566	5630	7479	5512	7151	86	116	91
Service workers	6246	6747	4251	5293	3696	4969	1484	554	1300
Market agriculture	4554	4847	2472	4824	2801	4619	175	296	190
Subsistence agriculture	4276	6085	2135	6420	2005	4288	253	117	190
Craft and related trades workers	5186	5390	3520	5180	3519	5002	261	86	242
Plant and machine operators	6248	6211	6928	5101	6928	5196	1179	0	1119
Elementary occupation	3032	3478	2278	3354	2139	2906	376	327	357
Armed forces	7222	7300	6077	6482	6077	6456	818	0	766

NLFS 2008

Note: Some estimates in this table are based on few observations and should be used with caution.

Additional tables on average monthly earnings of paid employees aged 15 years and above by industry and institutional sector are available on the CBS website ([www.cbs.gov.np](http://www.cbs.gov.np)).

**Table 7.14: Average hours per week of paid employees aged 15 and over in their main job by occupation**

Occupation	(average hours)		
	Both sexes	Male	Female
<b>All</b>	<b>47.9</b>	<b>49.9</b>	<b>42.4</b>
Legislators, senior officials	46.6	46.9	45.2
Professionals	41.4	41.6	40.9
Technician and associate professionals	42.6	43.9	40.5
Clerks or office assistants	46.3	46.5	45.2
Service workers	54.8	56.3	48.9
Market agriculture	46.9	50.1	24.5
Subsistence agriculture	41.7	45.9	36.6
Craft and related trades workers	51.7	51.9	49.5
Plant and machine operators	60.9	61.0	57.6
Elementary occupation	46.3	49.1	41.4
Armed forces	44.6	44.8	42.6

NLFS 2008

## 7.10 Employed: Second jobs

The survey estimated that 5.5 million of the 11.8 million currently employed persons aged 15 and over held second jobs in addition to their main job, and 6.3 million had no second job. Table 7.15 gives the type of occupation of the second job. The largest group of second jobs consists of 2.5 million persons whose second jobs are classified as being in the elementary occupation group. Figures in Table 7.15 reveal that almost 28 percent of those classified in subsistence agriculture as the main job are found to have elementary jobs as their second job. Around 20 percent of people engaged in the main job are found working in agricultural occupations as a second job. Of these elementary occupations, the major activities undertaken are fetching of water and collection of fire wood.

**Table 7.15: Comparison of the occupations of first and second jobs**

(in thousands)

Occupation of main job	Occupation of second job										
	Total	Legislators & Senior Professionals	Professionals	Technicians	Clerks	Service workers	Agri. & fishery workers	Craft & related trade	Plant & machine operators	Elementary occupations	No second job
<b>Total</b>	<b>11779</b>	<b>5</b>	<b>16</b>	<b>16</b>	<b>4</b>	<b>91</b>	<b>1,083</b>	<b>1,839</b>	<b>11</b>	<b>2,452</b>	<b>6,263</b>
		0	0	0	0	0	0	0	0	0	0
Legislators, senior officials	71	0	0	0	1	1	15	0	0	2	51
Professionals	203	1	6	1	0	5	68	2		1	119
Technician and assoc. professionals	230	1	1	2	0	4	59	4		9	149
Clerks or office assistants	121	0	0	0	0	4	22	1	0	2	90
Service workers	859	0	1	1	0	7	133	31	0	39	646
Market agriculture	367	0	0	0		1	36	68	0	83	181
Subsistence agriculture	7535	3	7	8	3	59	181	1,579	10	2,104	3,581
Craft and related trades workers	983	0	1	2		5	205	53		75	643
Plant and machine operators	160	0	0	0		1	19	2		3	136
Elementary occupation	1241	0	0	0		5	344	98	0	134	659
Armed forces	8	0	0	0		0	0	0	0	0	8

NLFS 2008

Note: Some estimates in this table are based on few observations and should be used with caution.

## CHAPTER 8: TIME-RELATED UNDEREMPLOYMENT AND LABOUR UNDERUTILISATION

### **Summary**

*The 2008 Nepal Labour Force Survey estimates the time-related underemployment rate, previously called visibly underemployment, and defined as the currently employed who worked less than 40 hours in the reference week and who wanted to work more but did not for involuntary reasons. The survey also included questions that to a large extent measured other aspects of inadequate employment and labour underutilisation.*

#### **Time-related underemployment:**

*The time-related underemployment rate, as a percentage of the labour force, for the population of 15 years and above is 6.7 percent in 2008 as compared to 4.1 percent in 1998/99. The time-related underemployment rate increased for all age groups in between these two survey periods. The time-related underemployment rate was found to be the highest for 20-25 and 25-29 years of age groups (around 8 percent) and the lowest for those aged 60 years and above age group (5 percent) in this survey.*

#### **Labour underutilisation:**

*A room document provided to the 2008 International Conference of Labour Statisticians provided guidance on estimating labour underutilisation. Labour underutilisation has four components: unemployment, time-related underemployment, those with inadequate earnings and those with skills mismatch. In the 2008 NLFS, earnings data were not collected in respect of the self-employed and therefore it is not possible to calculate an estimate of self-employed with inadequate earnings. Hence, the estimate of underutilisation is an under-count.*

*For the 2008 NLFS, 30.0 percent of the total currently economically active population was classified as underutilised (49.9 percent in urban areas and 26.9 percent in rural areas). For males, 32.2 percent of the economically active were underutilised and for females, 22.8 percent of the economically active were underutilised. The labour underutilisation rate was highest for the 20-24 years age group (46.0 percent).*

**Table 8.0: Summary statistics**

Description	Nepal Labour Force Survey	
	1998/99	2008
<b>Time-related underemployment rate, as a percentage of currently active population aged 15 years and above</b>	<b>4.1</b>	<b>6.7</b>
15 - 19 years	3.8	5.6
20 – 24 years	5.1	8.1
25 – 29 years	4.7	8.1
30 – 44 years	4.3	7.1
45 – 59 years	4.1	5.8
60 years and above	2.0	5.0
<b>Number of underutilised labour force aged 15 years and above (thousands) (b)</b>	<b>n.a. (a)</b>	<b>3,616</b>
<b>Labour underutilisation rate (underutilised as a percent of labour force) (b)</b>	<b>n.a. (a)</b>	<b>30.0%</b>
By sex: Male	n.a. (a)	38.2%
Female		22.8%
By age: 15 - 19 years	n.a. (a)	35.3%
20 – 24 years	n.a. (a)	46.0%
25 – 29 years	n.a. (a)	39.1%
30 – 44 years	n.a. (a)	30.9%
45 – 59 years	n.a. (a)	18.9%
60 years and above	n.a. (a)	10.5%
By location: Urban	n.a. (a)	49.9%
Rural		26.9%
By type: Unemployment	1.8	2.1%
Time-related underemployment	4.1	6.7%
Those with inadequate earnings (b)	n.a. (a)	8.1%
Those with skill mismatch	n.a. (a)	13.2

(a) These estimates are not published but can be calculated from the 1998/99 microdata file.

(b) In the 2008 NLFS, earnings data were not collected in respect of the self-employed and therefore it is not possible to calculate an estimate of self-employed with inadequate earnings. Hence, the estimate of underutilisation is an under-count.

## 8.1 Introduction

This chapter describes underemployment in terms of time-related underemployment, characteristics of underemployment and the number of hours worked in the survey reference week. This chapter also shows the actual hours worked by underemployed and actual hours of work looked for additional work. The chapter also has estimates of labour underutilisation in accordance with proposals made to the 2008 International Conference of Labour Statisticians.

## 8.2 Underemployment versus unemployment

The chapter 9 shows that the overall unemployment rates are very low. The notion of underemployment gives supplementary information for explanation of the low unemployment rates. Moreover, all the economically active people, who are not unemployed, are not fully employed. In other words, the group of people who are currently involved in some economic activities but inadequate and within the same period of time are seeking other or additional works are treated as the time-related underemployed. In this situation, the data on unemployment alone can not fully explain the employment situation of the nation and therefore, we should provide the data on time-related underemployment as supplementary information.

Table 8.1 presents the distribution of hours of work by individual in details, which is useful to define and understand time-related underemployment.

**Table 8.1: Persons aged 15 years and over currently employed, by sex, number of hours worked last week in all jobs, and employment status in the main job, 2008**

Employment status	Total	Number of hours worked last week in all jobs									
		0	1-9	10-19	20-29	30-39	40-49	50-59	60-69	70-79	80+
(in thousands)											
<b>Both sexes</b>	<b>11779</b>	<b>71</b>	<b>413</b>	<b>911</b>	<b>1363</b>	<b>983</b>	<b>3531</b>	<b>2126</b>	<b>1124</b>	<b>817</b>	<b>439</b>
Paid employee	1991	29	11	23	52	70	666	509	275	222	135
Family member w/o pay	5387	0	260	607	872	596	1546	808	403	214	81
Other self-employed	4400	42	142	281	439	317	1318	810	446	382	223
<b>Male</b>	<b>5519</b>	<b>45</b>	<b>131</b>	<b>342</b>	<b>523</b>	<b>316</b>	<b>1651</b>	<b>1085</b>	<b>600</b>	<b>530</b>	<b>296</b>
Paid employee	1471	19	7	12	27	36	468	390	220	179	113
Family member w/o pay	1354	0	80	215	260	141	366	149	73	55	14
Other self-employed	2695	25	45	114	235	140	816	547	307	296	169
<b>Female</b>	<b>6259</b>	<b>26</b>	<b>282</b>	<b>569</b>	<b>840</b>	<b>667</b>	<b>1880</b>	<b>1041</b>	<b>525</b>	<b>287</b>	<b>144</b>
Paid employee	521	9	5	10	24	34	198	119	55	43	22
Family member w/o pay	4034	0	180	392	611	455	1180	659	330	159	67
Other self-employed	1705	17	97	166	204	178	502	263	139	85	54
(in percentages)											
<b>Both sexes</b>	<b>100</b>	<b>0.6</b>	<b>3.5</b>	<b>7.7</b>	<b>11.6</b>	<b>8.4</b>	<b>30.0</b>	<b>18.1</b>	<b>9.6</b>	<b>6.9</b>	<b>3.7</b>
Paid employee	100	1.5	0.6	1.1	2.6	3.5	33.5	25.6	13.8	11.2	6.8
Family member w/o pay	100	0.0	4.8	11.3	16.2	11.1	28.7	15.0	7.5	4.0	1.5
Other self-employed	100	1.0	3.2	6.4	10.0	7.2	30.0	18.4	10.1	8.7	5.1
<b>Male</b>	<b>100</b>	<b>0.8</b>	<b>2.4</b>	<b>6.2</b>	<b>9.5</b>	<b>5.7</b>	<b>29.9</b>	<b>19.7</b>	<b>10.9</b>	<b>9.6</b>	<b>5.4</b>
Paid employee	100	1.3	0.5	0.8	1.9	2.4	31.9	26.5	14.9	12.2	7.7
Family member w/o pay	100	0.0	5.9	15.9	19.2	10.4	27.0	11.0	5.4	4.1	1.0
Other self-employed	100	0.9	1.7	4.3	8.7	5.2	30.3	20.3	11.4	11.0	6.3
<b>Female</b>	<b>100</b>	<b>1.5</b>	<b>4.5</b>	<b>9.0</b>	<b>13.3</b>	<b>10.5</b>	<b>29.7</b>	<b>16.4</b>	<b>8.3</b>	<b>4.5</b>	<b>2.3</b>
Paid employee	100	1.8	0.9	2.0	4.7	6.6	38.0	22.8	10.6	8.3	4.2
Family member w/o pay	100	1.6	4.4	9.6	14.9	11.1	28.8	16.1	8.1	3.9	1.6
Other self-employed	100	1.0	5.7	9.7	12.0	10.4	29.4	15.4	8.2	5.0	3.2

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Table 8.1 shows that 71 thousand people (0.6 percent) who, although classified as employed, did not work during the last week. This is the group of people who have job attachment but did not work last week. The group includes those not at work who have a job to return to, and those who are either receiving pay or other income while they are not working or (if not receiving anything) have been away from work for less than two months.

In considering whether a person is counted as time-related underemployed, it is necessary to first decide on a standard or norm for a full working week. For this survey we have used 40 hours as the cut-off point. We assume that everyone who works at least 40 hours is fully employed in terms of hours, even though they might like to have worked more hours last week. A vertical line has been placed in the table to separate those working less than 40 hours a week from those working 40 hours or more.

The figures given in Table 8.1 suggest that a large proportion of the currently employed people of aged 15 years and above have worked 40 hours or more in last week. However, there are 3.8 millions people (nearly one third of the currently employed population) who work less than 40 hours a week. More females (39 percent) than males (25 percent) work less than 40 hours on the reference week. There are great disparities on the proportion of employed population working less than 40 hours across the employment status. About 44 percent of the family members working without pay work 40 hours per week, whereas 28 percent of the self-employed and 9 percent of the paid employees work less than 40 hours a week. It needs to be remembered that, by definition, contributing family members (without pay) who did not work in the reference week were not classified as employed. Therefore, all contributing family members must have worked at least one hour in the reference week to be counted as employed.

### **8.3 Time-related underemployment**

Only some of those who work less than 40 hours will be considered as time-related underemployed. Amongst those working less than 40 hours in last week, we need to distinguish them into two groups, based on their reasons for not working more hours. Some people may have perfectly legitimate reasons for not wanting to work more hours. For instance, they may consider they have enough work to do already, or they may have household duties to perform which prevent them from taking on more work. Others giving special reasons for not wanting additional work may include those who are either studying or have an illness or disability. The other reasons might include going on vacation or some other family reason, as well as pregnancy and recent delivery in case of women. All these are examples of cases where people would not be counted as time-related underemployed, since they did not want to work more hours. Rather, they are counted as fully employed in terms of hours since they have worked as many hours as they want to work.

Time-related underemployment (previously called visibly underemployment) is where the person would like to work longer hours, but is prevented from doing so for economic reasons. Examples are people who look for additional work but cannot find any, or who do not work because they say there is a lack of business. Lack of finance or lack of raw materials is another reason why people might not be able to work more hours. Other involuntary reasons may result from an industrial dispute or from a breakdown of equipment, or because it is currently the off season. In all these cases, the person would be considered as being time-related underemployed.

Table 8.2 presents the classification of people who work less than 40 hours in the reference week by citing reasons for working less than 40 hours as a whole and in three different seasons. This table also helps us to illustrate how the classification changes over time.

As we noticed that out of 3.7 millions people who work less than 40 hours in the reference week, 3 millions give voluntary reasons for not working more hours, and they should not be classified as time-related underemployed. The main voluntary reason for not working more hours in the reference period is household duty (nearly 39 percent: 36 percent female and only 3 percent male), followed by student & unpaid training (nearly 31 percent), illness & disability (14 percent), have sufficient work (9 percent), pregnancy/delivery (3 percent), vacation (2 percent) and other voluntary reasons (3 percent).

Out of 3.7 millions people who work less than 40 hours in the reference week, only 801 thousand people give the involuntary reasons for not working longer hours, and they are classified as time-related underemployed. The survey shows that more males (409 thousand) working less than 40 hours than females (391 thousand) gives the involuntary reason for not working more hours in the reference week. Among the people working less than 40 hours, due to involuntary reasons, 41 percent report "can't find work", 56 percent report "off season activity" and only 3 percent report "other involuntary reason". The figures remain consistent across the three seasons, but there is a small variation in the component groups. The percentage of underemployed population reported that they do not work longer hours because of off season activity has higher in the dry season than in rainy season and winter season while the percentage of time-related underemployed population reported that they do not work longer hours because of can't find work has higher in the winter season than in rainy season and dry season.

**Table 8.2: Persons aged 15 and over working less than 40 hours in the last week, by sex, season and reason for not working more hours**

Reason for not working more hours in last 7 days	National estimates based on:											
	All the data			Rainy season data			Winter season data			Dry season data		
	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
	(in thousands)											
<b>Total</b>	<b>3741</b>	<b>1358</b>	<b>2383</b>	<b>3680</b>	<b>1339</b>	<b>2340</b>	<b>3718</b>	<b>1363</b>	<b>2355</b>	<b>3828</b>	<b>1371</b>	<b>2457</b>
<b>Involuntary reasons:</b>	<b>801</b>	<b>409</b>	<b>391</b>	<b>740</b>	<b>396</b>	<b>344</b>	<b>639</b>	<b>309</b>	<b>330</b>	<b>1024</b>	<b>524</b>	<b>500</b>
Can't find work	330	187	143	301	177	125	330	175	154	359	210	150
Off season inactivity	446	209	237	411	207	204	294	125	170	633	295	338
Other involuntary	25	13	11	28	13	15	15	9	6	32	19	13
<b>Voluntary reasons:</b>	<b>2940</b>	<b>948</b>	<b>1992</b>	<b>2939</b>	<b>943</b>	<b>1996</b>	<b>3079</b>	<b>1054</b>	<b>2025</b>	<b>2803</b>	<b>847</b>	<b>1956</b>
Have sufficient work	262	123	139	228	106	122	310	143	167	248	121	127
Household duties	1142	83	1060	1137	82	1055	1064	68	996	1226	97	1129
Student, unpaid training	902	456	446	946	483	463	1015	512	503	743	369	374
Illness, disability	423	207	217	430	214	216	467	243	224	374	164	211
Vacation	43	28	14	37	22	15	48	33	14	44	30	15
Pregnant/delivery	82	0	82	93	0	93	79	0	79	75	0	75
Other voluntary	85	52	34	68	35	33	95	53	42	93	67	26
	(in percentage)											
<b>Involuntary reasons:</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Can't find work	41.2	45.7	36.5	40.7	44.6	36.3	51.6	56.7	46.8	35.1	40.0	29.9
Off season inactivity	55.7	51.0	60.6	55.5	52.2	59.4	46.1	40.4	51.4	61.8	56.4	67.5
Other involuntary	3.1	3.3	2.9	3.7	3.2	4.3	2.3	2.9	1.8	3.1	3.6	2.6
<b>Voluntary reasons:</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Have sufficient work	8.9	13.0	7.0	7.8	11.3	6.1	10.1	13.6	8.3	8.8	14.2	6.5
Household duties	38.8	8.7	53.2	38.7	8.7	52.8	34.6	6.5	49.2	43.7	11.4	57.7
Student, unpaid training	30.7	48.1	22.4	32.2	51.2	23.2	33.0	48.6	24.8	26.5	43.6	19.1
Illness, disability	14.4	21.8	10.9	14.6	22.7	10.8	15.2	23.1	11.0	13.4	19.3	10.8
Vacation	1.5	3.0	0.7	1.2	2.3	0.7	1.5	3.2	0.7	1.6	3.5	0.7
Pregnant/delivery	2.8	0.0	4.1	3.2	0.0	4.7	2.6	0.0	3.9	2.7	0.0	3.8
Other voluntary	2.9	5.4	1.7	2.3	3.7	1.7	3.1	5.0	2.1	3.3	7.9	1.3

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Tables 8.3 and 8.4 show that 801 thousand (almost 7 percent of the labour force) is in time-related underemployment, i.e. working less than 40 hours in the reference week and wants to work more hours or available to work more hours. The time-related underemployment as a percentage of labour force is higher for males (7.2 percent) than that of females (6.1 percent) and this pattern holds true for all age groups excluding 15-19 years of age group across the whole country including rural areas. The scenario is just reverse in the urban areas. The percentage of time-related underemployed is found higher in rural areas as compared to urban areas. The time-related underemployment rate is

found to be higher for age groups 20-24 and 25-29 years in comparison to other age groups. This rate is found to be higher for age group 20-24 years in rural areas and 25-29 years in urban areas.

**Table 8.3: Time-related underemployed, as a percentage of the labour force, by sex, age group and locality**

Age group	Nepal			Urban			Rural		
	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
<b>All</b>	<b>6.7</b>	<b>7.2</b>	<b>6.1</b>	<b>6.3</b>	<b>5.2</b>	<b>7.6</b>	<b>6.7</b>	<b>7.6</b>	<b>5.9</b>
15 - 19	5.6	5.3	5.8	6.7	6.8	6.4	5.5	5.1	5.8
20 - 24	8.2	10.6	6.6	6.4	5.7	7.1	8.5	11.9	6.5
25 - 29	8.1	9.7	6.9	7.4	6.0	8.9	8.2	10.6	6.6
30 - 44	7.1	7.3	6.9	6.4	4.4	8.8	7.2	8.0	6.7
45 - 59	5.8	6.2	5.3	5.4	4.8	6.2	5.8	6.4	5.2
60 +	4.9	6.1	3.1	5.1	5.5	4.4	4.8	6.1	2.9

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## 8.4 Characteristics of the time-related underemployed

Table 8.4 shows that almost 90 percent (47 percent family workers without pay and 43 percent other self-employed) of the time-related underemployed are found to be self-employed and only 10 percent of the underemployed are found to be paid employees. Moreover, the share of time-related underemployed females as paid employees is further lower than that of males. As classified by occupation, 70 percent of the time-related underemployed report they do subsistence agriculture, 14 percent account for elementary occupations and only 16 percent account for other occupations. By industry, almost 84 percent (82 percent males and 87 percent females) of the time-related underemployed are engaged in agriculture, hunting and forestry and only 16 percent of the time-related underemployed are engaged in other sectors.

**Table 8.4: Characteristics of the time-related underemployed**

	Total	Male	Female	Total	Male	Female
	(in thousands)			(in percentages)		
<b>By employment status</b>	<b>801</b>	<b>409</b>	<b>391</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Paid employee	81	52	30	10.1	12.6	7.6
Family worker w/o pay	374	141	233	46.7	34.4	59.5
Other self-employed	346	217	129	43.2	53.0	33.0
<b>By occupation</b>	<b>801</b>	<b>409</b>	<b>391</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Subsistence agriculture	558	290	268	69.7	70.9	68.4
Elementary occupations	112	45	67	14.1	11.1	17.2
Other occupations	131	74	57	16.3	18.1	14.4
<b>By industry</b>	<b>801</b>	<b>409</b>	<b>391</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Agriculture, hunting, forestry	675	336	339	84.3	82.1	86.6
Private household workers	1	0	1	0.1	0.0	0.2
Other industries	125	73	52	15.6	17.9	13.2

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In the case of those giving involuntary reasons, we tried to find out how many more hours they would like to work, and what steps they had taken to find employment. Table 8.5 shows that, the time-related underemployed aged 15 years and above worked 18.3 million hours per week. Furthermore, the time-related underemployed aged 15 years and above worked an average of 23 hours per week per person. These figures remain nearly homogeneous across all age groups. The underemployed aged 15 years and above reported that they would like to work an additional 23.9 million hours per week or an average of 30 hours per person per week. In addition to this, the time-related underemployed of 25-29 years age group would like to do more hours of additional work compared to other age groups.

**Table 8.5: Total number of hours and average number of hours worked in the last 7 days by time-related underemployed aged 15 years and above; total number of hours and average number of hours more work wanted in the last 7 days by the time-related underemployed aged 15 years and above by age groups.**

Age group	Worked in last 7 days		More hours wanted in last 7 days	
	Total number of hours per week (in millions)	Average number of hours per week	Total number of extra hours wanted per week (in millions)	Average number of more hours wanted per week
All	18.3	22.9	23.9	29.9
15 - 19	2.2	22.0	2.9	29.5
20 - 24	2.9	22.1	4.2	32.2
25 - 29	2.6	22.4	3.8	32.5
30 - 44	6.1	23.7	7.7	30.0
45 - 59	3.3	23.4	3.9	27.5
60 +	1.3	22.4	1.4	25.4

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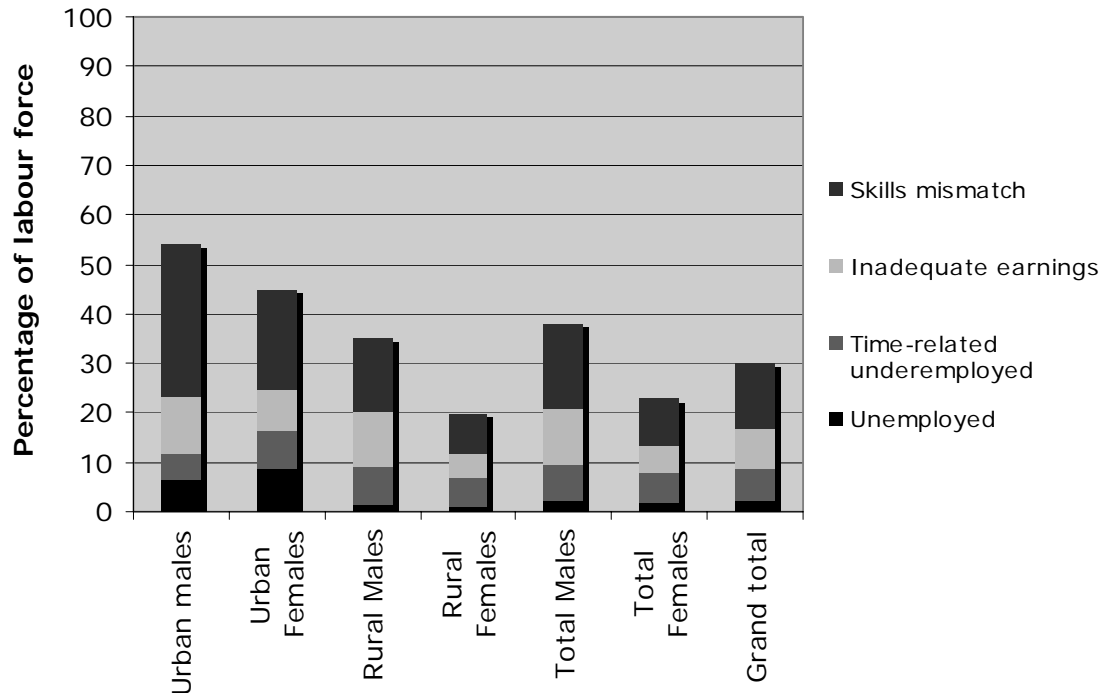
Table 8.6 presents how long the time-related underemployed had been available for more work, and what steps they had taken to find it. About 34 percent of the time-related underemployed aged 15 years and above had been available for more work for one to three months, 18 percent had been available for less than one month, 17 percent had been available for three to less than six months, 9 percent had been available for six to less than 12 months and 16 percent had been available for at least 2 years. More than one fourth of the time-related underemployed had actually looked for more work in the last 30 days. Of these, most (86 percent) had asked their friends/ relatives for help in finding work, a few (12 percent) applied to employers and some (20 percent) had taken action to start their own business.

**Table 8.6: Time-related underemployed persons aged 15 and over by sex, length of time available for more work, and whether looked for more work in the last 30 days: if looked, methods used for looking.**

	Number in thousands			Percentage		
	Total	Male	Female	Total	Male	Female
<b>How long been available for more work</b>						
<b>Total</b>	<b>801</b>	<b>409</b>	<b>391</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Less than 1 month	147	84	63	18.4	20.6	16.0
1 month, less than 3 months	274	134	140	34.3	32.8	35.8
3 months, less than 6 months	140	60	80	17.4	14.6	20.4
6 months, less than 12 months	71	41	30	8.9	10.0	7.7
1 year, less than 2 years	44	25	19	5.5	6.1	4.8
2 years or more	125	65	60	15.6	15.9	15.3
<b>Whether looked for more work</b>						
<b>Total</b>	<b>801</b>	<b>409</b>	<b>391</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Yes	216	137	79	27.0	33.5	20.1
No	585	272	313	73.0	66.5	79.9
<b>If yes, methods used:</b>						
				<b>Yes:</b>	<b>100.0</b>	<b>100.0</b>
Applied to employer	26	17	9	12.0	12.5	11.1
Asked friends/relatives	185	118	66	85.6	86.3	84.2
Took action to start own business	44	35	9	20.3	25.4	11.4
Looked in other ways	122	79	43	56.3	57.6	54.1

NLFS 2008

**Chart 5: Percentage of currently economically active population 15 years and above by type of underutilisation, sex and urban-rural, 2008**



Sex and Urban-Rural

## 8.5 Labour underutilisation

As explained in Chapter 2, there are four components of labour underutilisation identified in the 2008 NLFS:

- a) Unemployment
- b) Involuntary part-time work (time-related underemployment)
- c) Inadequate earnings
- d) Skill mismatch

The NLFS II found that out of a total of 3.6 million people aged 15 years and above who were classified as underutilised (30.0 percent of the labour force), 253 thousand were unemployed (2.1 percent of the labour force), 801 thousand were time-related underemployed (6.7 percent of the labour force), 974 thousand had inadequate earnings (8.1 percent of the labour force), and 1588 thousand had skills mismatch (13.2 percent of the labour force).

As shown in Table 8.7 and Chart 5, comparable underutilisation rates for males aged 15 years and above were 38.2 percent total male labour underutilisation, 2.2 percent unemployment rate, 7.2 percent time-related underemployed, 11.4 percent of the male labour force had inadequate earnings, and 17.3 percent had skills mismatch.

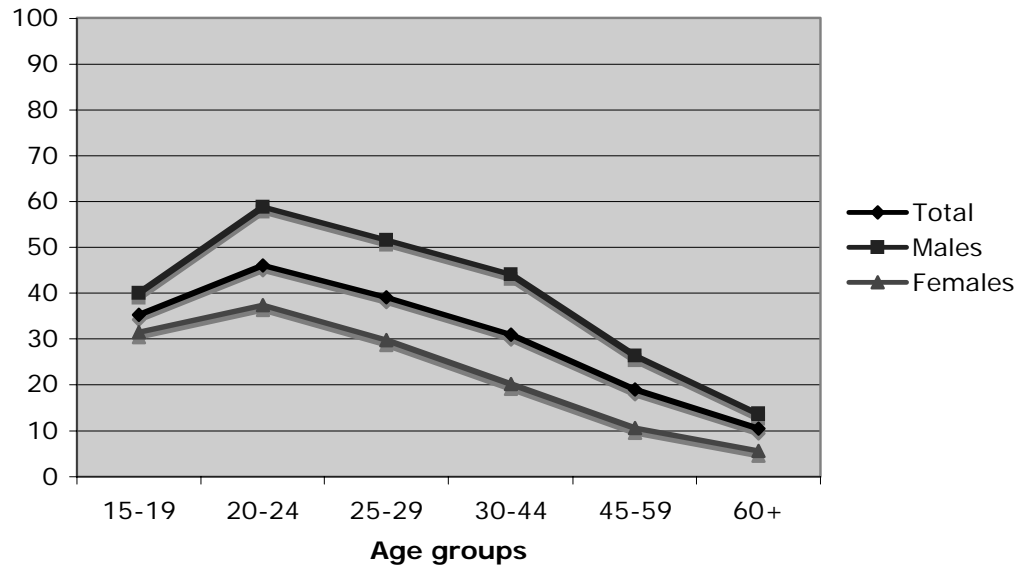
Comparable underutilisation rates for females aged 15 years and above were 22.8 percent total female labour underutilisation, 2.0 percent unemployment rate, 6.1 percent time-related underemployed, 5.2 percent of the female labour force had inadequate earnings, and 9.5 percent had skills mismatch.

Table 8.7 shows that in rural areas, the overall rural labour underutilisation rate was 26.9 percent, with 1.2 percent unemployment rate, 6.7 percent time-related underemployed, 7.8 percent of the rural labour force had inadequate earnings, and 11.1 percent had skills mismatch.

For urban areas, the overall urban labour underutilisation rate was 49.9 percent, with 7.5 percent unemployment rate, 6.3 percent time-related underemployed, 10.1 percent of the urban labour force had inadequate earnings, and 26.0 percent had skills mismatch.

By age group (Table 8.8 and Chart 6), the highest labour underutilisation rate was for the 20-24 years age group (46.0 percent), while it was 39.1 percent, 35.3 percent and 30.9 percent for ages 25-29 years, 15-19 years and 30-34 years respectively. The highest underutilisation rate by age and sex was for males aged 20-24 years (58.8 percent).

**Chart 6: Percentage of currently economically active population 15 years and above who were underutilised by sex and age, 2008**



For youths aged 15-19 years, the overall labour underutilisation rate was 35.3 percent, with 2.9 percent unemployment rate, 5.6 percent time-related underemployed, 7.4 percent of the labour force aged 15-19 years had inadequate earnings, and 19.4 percent had skills mismatch.

For youths aged 20-24 years, the overall labour underutilisation rate was 46.0 percent, with 4.2 percent unemployment rate, 8.2 percent time-related underemployed, 10.0 percent of the labour force aged 20-24 years had inadequate earnings, and 23.6 percent had skills mismatch.



**Table 8.7: Currently economically active population aged 15 years and above classified by type of underutilisation, sex and urban/rural**

Urban-rural	Sex	Type of underutilisation					Total under-utilised	Not under-utilised	Total labour force
		Unemployment	Time-related underemployment	Inadequate earnings	Skill mismatch				
(in thousands)									
<b>Nepal</b>	<b>Total</b>	<b>253</b>	<b>801</b>	<b>974</b>	<b>1588</b>	<b>3616</b>	<b>8416</b>	<b>12032</b>	
	Male	127	409	641	980	2157	3490	5646	
	Female	126	391	333	608	1459	4927	6385	
<b>Urban</b>	<b>Total</b>	<b>125</b>	<b>104</b>	<b>168</b>	<b>431</b>	<b>828</b>	<b>832</b>	<b>1660</b>	
	Male	60	48	104	281	493	422	915	
	Female	65	57	63	150	335	410	745	
<b>Rural</b>	<b>Total</b>	<b>128</b>	<b>696</b>	<b>807</b>	<b>1156</b>	<b>2787</b>	<b>7584</b>	<b>10372</b>	
	Male	67	362	537	698	1664	3068	4731	
	Female	61	335	270	458	1123	4517	5640	
(in percentages)									
<b>Nepal</b>	<b>Total</b>	<b>2.1</b>	<b>6.7</b>	<b>8.1</b>	<b>13.2</b>	<b>30.0</b>	<b>70.0</b>	<b>100.0</b>	
	Male	2.2	7.2	11.4	17.3	38.2	61.8	100.0	
	Female	2.0	6.1	5.2	9.5	22.8	77.2	100.0	
<b>Urban</b>	<b>Total</b>	<b>7.5</b>	<b>6.3</b>	<b>10.1</b>	<b>26.0</b>	<b>49.9</b>	<b>50.1</b>	<b>100.0</b>	
	Male	6.5	5.2	11.4	30.8	53.9	46.1	100.0	
	Female	8.8	7.6	8.5	20.1	45.0	55.0	100.0	
<b>Rural</b>	<b>Total</b>	<b>1.2</b>	<b>6.7</b>	<b>7.8</b>	<b>11.1</b>	<b>26.9</b>	<b>73.1</b>	<b>100.0</b>	
	Male	1.4	7.6	11.3	14.8	35.2	64.8	100.0	
	Female	1.1	5.9	4.8	8.1	19.9	80.1	100.0	

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**Table 8.8: Currently economically active population aged 15 years and above classified by type of underutilisation, sex and age groups**

Sex	Age group	Type of underutilisation						
		Unemployment	Time-related underemployment	Inadequate earnings	Skill mismatch	Total underutilised	Not underutilised	Total labour force
		(in thousands)						
<b>Nepal</b>	<b>Total</b>	<b>253</b>	<b>801</b>	<b>974</b>	<b>1588</b>	<b>3616</b>	<b>8416</b>	<b>12032</b>
	15-19	50	98	130	339	617	1133	1750
	20-24	66	131	159	377	733	862	1595
	25-29	55	115	130	258	559	869	1428
	30-44	63	257	347	453	1120	2507	3628
	45-59	15	142	168	138	463	1995	2458
	60+	4	57	39	23	123	1050	1173
<b>Male</b>	<b>Total</b>	<b>127</b>	<b>409</b>	<b>641</b>	<b>980</b>	<b>2157</b>	<b>3490</b>	<b>5646</b>
	15-19	26	41	79	166	313	469	782
	20-24	34	68	100	174	376	263	639
	25-29	25	59	81	150	315	295	610
	30-44	30	119	232	340	720	912	1633
	45-59	9	80	121	127	337	947	1284
	60+	3	42	28	22	96	604	700
<b>Female</b>	<b>Total</b>	<b>126</b>	<b>391</b>	<b>333</b>	<b>608</b>	<b>1459</b>	<b>4927</b>	<b>6385</b>
	15-19	24	57	51	173	304	664	968
	20-24	32	63	59	203	357	599	956
	25-29	30	57	50	108	244	574	818
	30-44	33	139	115	113	400	1595	1995
	45-59	6	62	47	10	126	1048	1174
	60+	0	15	11	1	27	447	473
		(in percentages)						
<b>Nepal</b>	<b>Total</b>	<b>2.1</b>	<b>6.7</b>	<b>8.1</b>	<b>13.2</b>	<b>30.0</b>	<b>70.0</b>	<b>100.0</b>
	15-19	2.9	5.6	7.4	19.4	35.3	64.7	100.0
	20-24	4.2	8.2	10.0	23.6	46.0	54.0	100.0
	25-29	3.8	8.1	9.1	18.1	39.1	60.9	100.0
	30-44	1.7	7.1	9.6	12.5	30.9	69.1	100.0
	45-59	0.6	5.8	6.9	5.6	18.9	81.1	100.0
	60+	0.3	4.9	3.4	1.9	10.5	89.5	100.0
<b>Male</b>	<b>Total</b>	<b>2.2</b>	<b>7.2</b>	<b>11.4</b>	<b>17.3</b>	<b>38.2</b>	<b>61.8</b>	<b>100.0</b>
	15-19	3.4	5.3	10.1	21.2	40.0	60.0	100.0
	20-24	5.3	10.6	15.6	27.2	58.8	41.2	100.0
	25-29	4.1	9.7	13.2	24.6	51.6	48.4	100.0
	30-44	1.8	7.3	14.2	20.8	44.1	55.9	100.0
	45-59	0.7	6.2	9.4	9.9	26.3	73.7	100.0
	60+	0.5	6.1	4.0	3.2	13.7	86.3	100.0
<b>Female</b>	<b>Total</b>	<b>2.0</b>	<b>6.1</b>	<b>5.2</b>	<b>9.5</b>	<b>22.8</b>	<b>77.2</b>	<b>100.0</b>
	15-19	2.4	5.8	5.3	17.8	31.4	68.6	100.0
	20-24	3.4	6.6	6.2	21.2	37.4	62.6	100.0
	25-29	3.6	6.9	6.1	13.2	29.8	70.2	100.0
	30-44	1.7	6.9	5.8	5.7	20.1	79.9	100.0
	45-59	0.5	5.3	4.0	0.9	10.7	89.3	100.0
	60+	0.1	3.1	2.4	0.1	5.6	94.4	100.0

NLFS 2008

**Table 8.9: Currently economically active population aged 15 years and above classified by type of underutilisation and locality**

Locality	Type of underutilisation					Not under-utilised	Total labour force
	Unemployment	Time-related underemployment	Inadequate earnings	Skill mismatch	Total under-utilised		
	(in thousands)						
<b>Nepal</b>	<b>253</b>	<b>801</b>	<b>974</b>	<b>1588</b>	<b>3616</b>	<b>8416</b>	<b>12032</b>
Ecological belt							
Mountain	10	47	33	75	165	719	883
Hill	102	250	266	767	1,385	3,866	5,251
Terai	141	504	675	746	2,066	3,832	5,897
	10	47	33	75	165	719	883
<b>Development region</b>							
Eastern	52	218	284	435	989	1,898	2,887
Central	117	214	427	560	1,318	2,639	3,958
Western	34	120	144	322	619	1,713	2,332
Mid-eastern	16	115	67	142	339	1,352	1,691
Far-eastern	34	134	52	129	350	814	1,164
<b>Urban</b>	<b>125</b>	<b>104</b>	<b>168</b>	<b>431</b>	<b>828</b>	<b>832</b>	<b>1,660</b>
Kathmandu Valley	54	18	50	167	288	212	500
Eastern/Central Hill/Mt.	6	10	14	38	68	98	166
West Hill/Mt.	17	18	15	66	116	135	252
Eastern Terai	21	22	42	63	147	136	283
Central Terai	14	9	21	47	92	95	187
West Terai	14	26	26	51	117	155	272
<b>Rural</b>	<b>128</b>	<b>696</b>	<b>807</b>	<b>1,156</b>	<b>2,787</b>	<b>7,584</b>	<b>10,372</b>
Eastern Hill/Mt.	3	45	37	139	223	808	1,032
Central Hill/Mt.	13	86	97	140	336	1,074	1,410
Western Hill/Mt.	6	42	47	170	265	1,017	1,283
Western Hill/Mt.	13	77	39	123	253	1,240	1,493
Eastern Terai	27	145	202	218	592	918	1,510
Central Terai	33	96	248	184	561	1,196	1,758
West Terai	33	205	135	183	557	1,331	1,888

NLFS 2008

## CHAPTER 9: UNEMPLOYMENT

### Summary

In the 1998/99 survey, there were 178 thousand people aged 15 years and above who were classified as currently unemployed. This corresponded to an unemployment rate of 1.8 percent. The NLFS-2008 has estimated a total of 253 thousand persons aged 15 years and above to be currently unemployed in Nepal, an increase of 42 percent over the decade. The current unemployment rate had increased slightly from 1.8 percent in 1998/99 to 2.1 percent in 2008, mainly for female aged 15 years and above (changing from 1.7 percent to 2.0 percent). Urban and rural unemployment rates were unchanged over the decade.

In summary therefore, the 2008 survey found that male unemployment rate (2.2 percent) was slightly higher than the female unemployment rate (2.0 percent). The unemployed rate in the urban areas was 7.5 percent and that in the rural areas was just over 1.2 percent.

The youth (15-24 years) unemployment rate was 3.5 percent for those aged 15-24 years. The comparable rates for those aged 15-24 years in urban and rural areas were 13.0 percent and 2.1 percent respectively).

**Table 9.0: Summary statistics**

Description	Nepal labour force Survey	
	1998/99	2008
<b>Number of currently unemployed aged 15 years and above (thousands), Nepal</b>	<b>178</b>	<b>253</b>
Male	98	127
Female	80	126
Urban	77	125
Rural	101	128
<b>Unemployment rate (current basis, for those aged 15 years and above) (Percentage), Nepal</b>	<b>1.8</b>	<b>2.1</b>
Male	2.0	2.2
Female	1.7	2.0
Urban	7.4	7.5
Rural	1.2	1.2
<b>Number of currently unemployed aged 15 years and above (strict definition – looking for work) (thousands), Nepal</b>	<b>104.0</b>	<b>157</b>
Male	72	89
Female	32	68
Urban	48	83
Rural	56	74
<b>Current unemployment rate (strict definition, for those aged 15 years and above) (Percentage), Nepal</b>	<b>1.1</b>	<b>1.3</b>
Male	1.5	1.6
Female	0.7	1.1
Urban	4.5	5.0
Rural	0.7	0.7
<b>Youth unemployment rate (current basis, 15-24 years) (Percentage), Nepal</b>	<b>2.4</b>	<b>3.5</b>
Male	3.3	4.2
Female	1.7	2.9
<b>Youth unemployment rate (15-24 years) (Percentage)</b>		
Urban	7.6	13.0
Rural	1.6	2.1

## 9.1 Introduction

Chapter 2 has described the concept of unemployment used in the Nepal Labour Force Survey programme. Nepal uses the “relaxed” definition of unemployment in preference to the “strict” definition (those who are looking for work) outlined in international standards.

In the 2008 NLFS, there were 253 thousand currently unemployed persons aged 15 years and above – an overall unemployment rate (using the relaxed definition) of 2.1 percent. The male unemployment rate (2.2 percent) was slightly higher than the female unemployment rate (2.0 percent). The unemployed rate in the urban areas was 7.5 percent and that in the rural areas was just over 1.2 percent.

**Table 9.1: Numbers and rates for the currently unemployed (relaxed definition) aged 15 and over by sex and urban-rural areas.**

	Number of unemployed			Unemployment rate		
	Total	Male	Female	Total	Male	Female
Nepal	252,789	126,949	125,841	2.1	2.2	2.0
Urban	124,990	59,661	65,329	7.5	6.5	8.8
Rural	127,800	67,288	60,512	1.2	1.4	1.1

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## 9.2 Strict unemployment - Looking for work

As previously mentioned, the currently unemployed groups were further asked if they looked for work in the previous four weeks. This is the “strict” definition of unemployment used internationally. In 2008, there were 157.0 thousand persons in this category (see Table 9.2), giving an unemployment rate on the strict definition of 1.3 percent.

Of the total that were available for work, 157 thousand said that they looked for work during the last 30 days. Table 9.3 provides details of the methods used in looking for work as well as reasons for not looking. Among those looking for work, the most frequently used method was asking friends and relatives for work (90%). Some 31 percent of those who looked for jobs had applied to an employer and 21 percent said that they had taken action to start own business. The proportion using this last method has more than doubled (from 24 percent in 1998/99) over the last decade. As stated in the footnote, a person may have used several methods to look for work and so these percentages are not additive. 64 percent of unemployed people looking for work used “other methods”.

**Table 9.2: Number and rates for unemployed (strict definition – looking for work) aged 15 and over by sex and urban-rural areas.**

	Number of unemployed who looked for work			Unemployment rate (strict definition)		
	Total	Male	Female	Total	Male	Female
Nepal	157	89	68	1.3	1.6	1.1
Urban	83	43	40	5.0	4.7	5.4
Rural	74	46	28	0.7	1.0	0.5

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Table 9.3 also shows the reasons that people gave for not looking for work. A majority of the people (68%) reported that they felt that work was not available. Proportion of people that gave other reasons for not seeking work like off season<sup>1</sup>, waiting replies and waiting to start arrange job/business can be seen to be evenly distributed (6 to 7 %). Some 5 percent of those that reported to be not available for work were reassigned to the inactive group.

### 9.3 Unemployment – Age distribution

Table 9.4 and Charts 7 to 9 show the distribution of the number of currently unemployed by age groups. 19.8 percent of the currently unemployed were aged 15 to 19 years and 67.6 percent (more than two-thirds of total unemployment) were aged under 30 years.

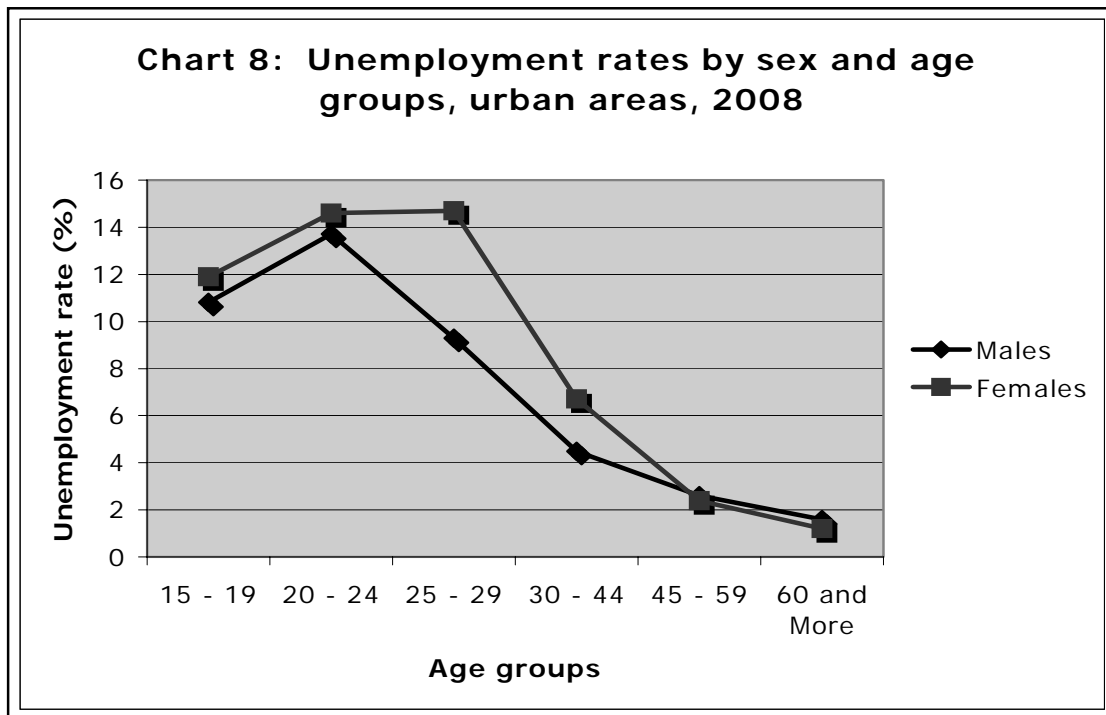
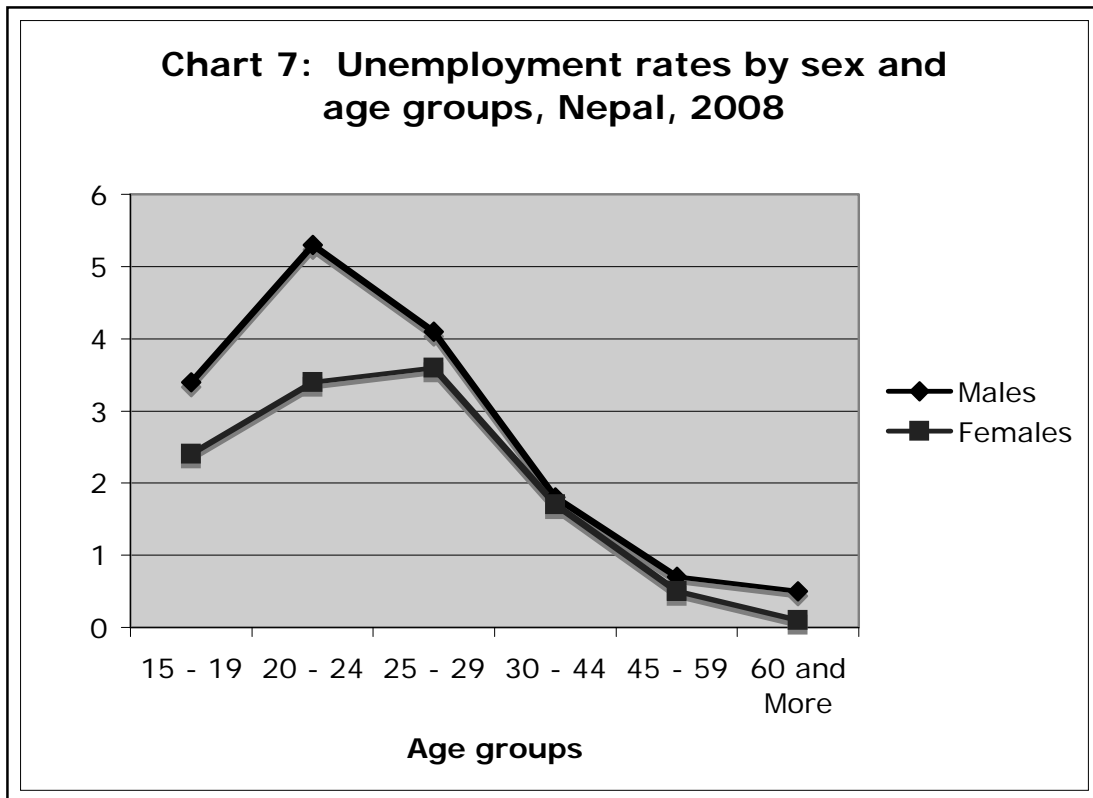
**Table 9.3: Number of persons aged 15 and over available for work in last 7 days, by sex and whether looked for work: if looked, methods used for looking in the last 30 days, and if not looking, reasons for not looking**

	Number of persons (in thousands)			Percentages		
	Total	Male	Female	Total	Male	Female
<b>Whether looking for work</b>	258	129	129	100.0	100.0	100.0
Yes	157	89	68	60.9	69.1	52.8
No	101	40	61	39.1	30.9	47.2
<b>If yes, methods used</b>				Yes:	(a)	(a)
Applied to employer	49	32	17	30.9	35.9	24.5
Asked friends/relatives	142	79	63	90.1	88.7	91.8
Took action to start own business	33	22	11	20.8	24.4	16.1
Looked in other ways	101	58	43	64.1	65.0	62.9
<b>If no, reason for not looking:</b>				No:	100.0	100.0
Thought no work available	69	21	48	68.2	52.5	78.3
Awaiting reply to earlier enquiries	6	5	1	6.0	11.9	2.2
Waiting to start new job/business	7	6	1	7.4	16.2	1.7
Off season	7	3	5	7.3	6.5	7.7
Not available	5	2	4	5.1	3.9	5.9
Other reason	6	4	3	6.1	9.0	4.2

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<sup>1</sup> The international statistical standards state that those who did not look for work because they thought no work was available (“discouraged workers”) should be classified as currently inactive (although they would be included in the labour underutilization concept (see Chapter 2). However the Nepal NLFS classifies them as part of the relaxed definition of the unemployed. The treatment of those who did not look for work because they are in the “off season” is more problematic. They have no current job attachment but are available to work and are therefore treated in the NLFS in the same way as the discouraged workers.

The percentages for method of looking for work do not add up to 100.0 because each question was asked separately and a person might have used several methods. Each percentage is the proportion of all people seeking work who used the method shown.





The proportion of the currently economically active who were unemployed (the unemployment rate) varied from a high of around 14.6 percent for urban female aged 20 to 24 years and urban female aged 25 to 29 years to insignificant levels for the elderly and for rural female aged over 45 years.

The youth unemployment rate (which is an important indicator to monitor the Millennium Development Goals) was 2.9 percent for those aged 15 to 19 years and 4.2 percent for those aged 20 to 24 years. Rates for these age groups in urban areas were 11.3 and 14.2 percent respectively, and as already indicated rates were higher for male than for female.



**Table 9.4: Numbers currently unemployed, and unemployment rates, by sex, age group and locality: relaxed definition**

Age group	Nepal			Urban			Rural		
	Both sex	Male	Female	Both sex	Male	Female	Both sex	Male	Female
Numbers unemployed (in thousands)									
<b>Total</b>	<b>253</b>	<b>127</b>	<b>126</b>	<b>125</b>	<b>60</b>	<b>65</b>	<b>128</b>	<b>67</b>	<b>61</b>
15 - 19	50	26	24	19	10	9	31	17	14
20 - 24	66	34	32	36	18	18	30	16	14
<b>Sub-total 15-24</b>	<b>116</b>	<b>60</b>	<b>56</b>	<b>55</b>	<b>28</b>	<b>27</b>	<b>61</b>	<b>33</b>	<b>28</b>
25 - 29	55	25	30	28	12	16	27	13	14
30 - 44	63	30	33	33	15	18	30	15	15
45 - 59	15	9	6	8	5	3	7	4	3
60 and above	4	3	0	2	1	0	2	2	0
Unemployment rates (in percentage)									
<b>Total</b>	<b>2.1</b>	<b>2.2</b>	<b>2.0</b>	<b>7.5</b>	<b>6.5</b>	<b>8.8</b>	<b>1.2</b>	<b>1.4</b>	<b>1.1</b>
15 - 19	2.9	3.4	2.4	11.3	10.8	11.9	2.0	2.4	1.6
20 - 24	4.2	5.3	3.4	14.2	13.7	14.6	2.3	3.2	1.7
<b>Sub-total 15-24</b>	<b>3.5</b>	<b>4.2</b>	<b>2.9</b>	<b>13.0</b>	<b>12.5</b>	<b>13.6</b>	<b>2.1</b>	<b>2.7</b>	<b>1.7</b>
25 - 29	3.8	4.1	3.6	11.8	9.3	14.7	2.3	2.7	1.9
30 - 44	1.7	1.8	1.7	5.5	4.5	6.7	1.0	1.1	0.9
45 - 59	0.6	0.7	0.5	2.5	2.6	2.4	0.3	0.4	0.3
60 and above	0.3	0.5	0.1	1.5	1.6	1.2	0.2	0.3	0.0

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## 9.4 Duration of unemployment

The survey also obtained information on the length of unemployment. Figures provided in Table 9.5 show that around 46.2 percent of the unemployed were found to be out of work for more than a year. 30.1 percent of the unemployed were out of work for at least two years.

**Table 9.5: Number of persons aged 15 and over who were currently unemployed by sex, locality and duration of unemployment: relaxed definition.**

Duration of unemployment	(in thousands)								
	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Total</b>	<b>253</b>	<b>127</b>	<b>126</b>	<b>125</b>	<b>60</b>	<b>65</b>	<b>128</b>	<b>67</b>	<b>61</b>
Less than 1 month	11	8	3	4	3	1	8	6	2
1 month < 3 months	43	22	21	11	6	5	31	16	16
3 months < 6 months	37	20	17	13	7	6	24	13	11
6 months < 1 year	45	20	25	26	13	13	19	7	11
1 year and < 2 years	39	21	18	26	13	13	13	8	5
2 years or more	78	35	43	45	18	27	33	17	16

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## 9.5 Unemployment – Characteristics of last job (if any)

In the 2008 survey, 81 thousand currently unemployed people aged 15 years and above (3.2 percent of total unemployment) reported that had never worked before and 172 thousand reported that they had previously worked. Tables 9.6 to 9.8 show the occupational, industrial and status in employment distributions of the current unemployed who reported that they had previously worked according to characteristics of their last job.

Most of the unemployed who had previously worked had been subsistence agricultural workers (72 thousand out of 172 thousand). By status in employment, 82 thousand out of 172 thousand were previously paid employees and 61 thousand were contributing family workers (predominantly female).

**Table 9.6: Number of currently unemployed aged 15 and over by sex and occupation**

Occupation groups (NSCO)	Number of unemployed who looked for work		
	Total	Male	Female
<b>Unemployed who had never worked</b>	<b>81</b>	<b>42</b>	<b>39</b>
<b>Unemployed who had worked before</b>	<b>172</b>	<b>85</b>	<b>87</b>
Legislators, Senior officials and manager	2	1	1
Professionals	4	3	1
Technician and associate professionals	10	4	6
Clerks or office assistants	5	3	2
Service workers and market sales	16	9	6
Market oriented skilled and semi-skilled	1	1	0
Subsistence agricultural and fishery	72	27	45
Craft and related trades workers	15	9	6
Plant and machine operators and assemblers	7	6	1
Elementary occupation	39	21	18
Armed forces	1	1	0

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Note: Some statistics are based on few observations and should be used with caution.

**Table 9.7: Number of currently unemployed aged 15 and over by sex and branch of economic activity (industry)**

Industry groups (NSIC)	Number of unemployed who looked for work		
	Total	Male	Female
<b>Unemployed who had never worked</b>	<b>81</b>	<b>42</b>	<b>39</b>
<b>Unemployed who had worked before</b>	<b>172</b>	<b>85</b>	<b>87</b>
Agriculture and forestry	100	40	60
Mining and quarrying	1	1	0
Manufacturing and recycling	15	8	8
Electricity, gas and water supply	1	0	0
Construction	8	7	1
Wholesale and retail trade	9	4	5
Hotels and restaurants	5	4	1
Transport, storage and communications	7	6	0
Financial intermediation	2	2	0
Real state, renting and business activity	3	2	1
Public administration and social security	6	5	1
Education	7	2	5
Health and social work	3	1	2
Other community, social and personal service	3	2	1
Private households with employed persons	3	2	1

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Note: Some statistics are based on few observations and should be used with caution.

**Table 9.8: Number of currently unemployed aged 15 and over by sex and status in employment**

Status in employment	Number of unemployed who looked for work		
	Total	Male	Female
<b>Unemployed who had never worked</b>	<b>81</b>	<b>42</b>	<b>39</b>
<b>Unemployed who had worked before</b>	<b>172</b>	<b>85</b>	<b>87</b>
Paid employed	82	49	33
Self-employed	29	16	13
Contributing family Member	61	21	40
Other	1	0	1

NLFS 2008

## CHAPTER 10: USUAL ACTIVITY

### Summary

A comparative analysis of current and usual activity<sup>1</sup> for the two survey periods of 1998/99 and 2008 is presented here. According to Nepal Labour Force Survey II, about 82 percent of the population aged 15 years and above are found to be usually active and 18 percent are usually inactive. The employment-to-population ratio on a usual basis was 80 percent and 2 percent of the population aged 15 years and above were usually unemployed. Between 1998/99 and 2008, the percentages of people classified as usually active and usually employed have remained remarkably stable. Out of usually employed people aged 15 years and above, share of currently employed is 97.7 percent, currently unemployed is 0.5 percent and currently inactive is 1.8 percent in 2008. This share respectively was 96.8 percent, 0.6 percent and 2.6 percent during the previous survey of 1998/99.

**Table 10.0: Summary statistics: Usual activity status for the population aged 15 and over.**

Description	Nepal Labour Force Survey	
	1998/99	2008
<b>Percentage of total population aged 15 years and above who were:</b>		
Usually active (usual LFPR)	81.7	82.1
Usually employed (usual employment-to-population ratio)	79.1	80.1
Usually unemployed	2.5	2.1
Usually inactive	18.3	17.9
<b>Percentage of usually employed by current activity status:</b>		
Currently active	97.4	97.6
Currently employed	96.8	97.7
Currently unemployed	0.6	0.5
Currently inactive	2.6	1.8

### 10.1 Introduction

In chapter 6 there is also focussed on those people who were usually economic active, predominantly employed. In this chapter, we will discuss on usual activity in more detail. As described in Chapter 2, the concept of usual activity was measured in a slightly different way in 2008 than that used in 1998/99. In 2008 NLFS, usual activity was determined on the basis of the number of months in the last 12 months in which a person spent most days employed or unemployed, whereas in 1998/99 usual activity was determined on the number of days in the last 12 months that the person was employed or unemployed.

<sup>1</sup> These concepts are defined in Chapter 2. The concept of usual activity differed slightly between the two surveys.

## 10.2 Comparison of current and usual activity status

Table 10.1 compares the population aged 15 and over in respect of their current and usual activity status. (Tables 10.2 and 10.3 provide similar information, but separately for urban and rural areas.) Most people retain the same status on both a current and usual basis, but there are some differences. The differences can be illustrated in respect of the currently employed. About 82 percent of the population were currently employed at the time of the survey. Of these currently employed in the survey week, 95 percent were usually employed in the last 12 months, 1 percent who were usually unemployed, and 4 percent who were classified as usually inactive. Similarly, while 80 percent of the population is classified as usually employed in the last 12 months, 98 percent of these were currently employed in the survey week, 2 percent were currently inactive and a negligible proportion were currently unemployed.

**Table 10.1: Comparison of current and usual activity status for the population aged 15 and over, by sex**

Sex / Current activity status	Usual activity status					Usual activity status				
	Total	Active	Emp-loyed	Unempl-oyed	In-active	Total	Active	Emp-loyed	Unempl-oyed	In-active
	(in thousands)					(Percentages of the total)				
<b>Total</b>	<b>14424</b>	<b>11847</b>	<b>11551</b>	<b>297</b>	<b>2576</b>	<b>100.0</b>	<b>82.1</b>	<b>80.1</b>	<b>2.1</b>	<b>17.9</b>
Currently active	12032	11549	11275	274	482	100.0	96.0	93.7	2.3	4.0
Currently employed	11779	11347	11216	131	431	100.0	96.3	95.2	1.1	3.7
Currently unemployed	253	202	59	143	51	100.0	79.8	23.2	56.7	20.2
Currently inactive	2303	223	202	21	2080	100.0	9.7	8.8	0.9	90.3
Not stated	89	75	73	2	14	100.0	84.0	82.3	1.7	16.0
<b>Male</b>	<b>6452</b>	<b>5526</b>	<b>5383</b>	<b>143</b>	<b>926</b>	<b>100.0</b>	<b>85.7</b>	<b>83.4</b>	<b>2.2</b>	<b>14.3</b>
Currently active	5646	5422	5289	133	224	100.0	96.0	93.7	2.4	4.0
Currently employed	5519	5319	5251	68	200	100.0	96.4	95.1	1.2	3.6
Currently unemployed	127	103	38	65	24	100.0	81.2	29.8	51.5	18.8
Currently inactive	783	85	76	9	699	100.0	10.8	9.6	1.2	89.2
Not stated	22	19	19	1	3	100.0	86.7	83.7	3.0	13.3
<b>Female</b>	<b>7972</b>	<b>6321</b>	<b>6168</b>	<b>154</b>	<b>1650</b>	<b>100.0</b>	<b>79.3</b>	<b>77.4</b>	<b>1.9</b>	<b>20.7</b>
Currently active	6385	6127	5986	141	258	100.0	96.0	93.8	2.2	4.0
Currently employed	6259	6028	5966	63	231	100.0	96.3	95.3	1.0	3.7
Currently unemployed	126	99	21	78	27	100.0	78.4	16.5	61.9	21.6
Currently inactive	1520	139	127	12	1381	100.0	9.1	8.3	0.8	90.9
Not stated	67	56	55	1	11	100.0	83.0	81.8	1.3	17.0

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It is of interest to look at the number of unemployed under the current and usual classification. We saw in Table 10.1 that, out of total population aged 15 years and above, 253 thousand people under the current classification are currently unemployed. Similarly, under the usual classification some 297

thousand people are found to be usually unemployed. Within these groups, 143 thousand were classified both as currently unemployed and usually unemployed. It can also be observed in Table 10.1 that 131 thousand people classified as usually unemployed were classified as currently employed.

### 10.3 Monthly activity over the year

As mentioned earlier, data collection for a longer period throughout the year was done on a monthly basis. To arrive at the number of months if a person was employed, unemployed or inactive, s/he was asked if they did any economic activity at least an hour a day. If a person did such an economic activity for most of the days in a month, that month was counted usually a working month. If the person did not work but looked for work for most days, the person was counted as usually a unemployed and if the person did not want to work for most days, the person was usually classified as inactive. Table 10.2 presents the average number of months in the past 12 months spent on doing work by usually employed, usually unemployed and usually inactive persons aged 15 years and above.

**Table 10.2: Average number of months spent in the last 12 months under employed, unemployed and inactive, by sex and usual activity status, for persons aged 15 years and over.**

	Persons (thousands)	Average number of months		
		Employed	Unemployed	Inactive
<u>Sex/Usual activity status</u>				
<b>Total</b>	<b>14424</b>	<b>9.3</b>	<b>0.4</b>	<b>2.3</b>
Usually active	11847	11.2	0.5	0.3
Usually employed	11551	11.4	0.2	0.3
Usually unemployed	297	2.0	9.4	0.6
Usually inactive	2576	0.7	0.0	11.3
<b>Male</b>	<b>6452</b>	<b>9.7</b>	<b>0.4</b>	<b>1.8</b>
Usually active	5526	11.2	0.5	0.3
Usually employed	5383	11.5	0.3	0.3
Usually unemployed	143	2.2	9.4	0.4
Usually inactive	926	0.8	0.1	11.1
<b>Female</b>	<b>7972</b>	<b>9.0</b>	<b>0.4</b>	<b>2.6</b>
Usually active	6321	11.2	0.4	0.4
Usually employed	6168	11.4	0.2	0.4
Usually unemployed	154	1.8	9.5	0.7
Usually inactive	1650	0.6	0.0	11.3

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On the average usually active people aged 15 years and above spent 11.2 months a year employed, 0.5 months a year unemployed and 0.3 months a year inactive. Within the usually active, those who are classified as usually unemployed spent on average 9.4 months a year unemployed but were employed for 2.2 months on average. In Table 10.2 such figures are presented for males and

females. Looking at the pattern by sex is almost similar except that the proportion of females classified in the usually inactive are slightly higher as compared to the males.

More tables are available on the CBS website ([www.cbs.gov.np](http://www.cbs.gov.np)) separately for urban and rural areas. The figures in the table indicate that the average number of days in employment is higher in the rural areas than in the urban areas particularly for women. More women in the rural areas are active perhaps due to ongoing year round agricultural activities. In the absence of such activity in the urban areas more women are probably inactive.

In Table 10.3 a detailed breakdown of the population aged 15 and over according to their current status is presented. Figures indicate that the characteristics between males and females are similar and no notable contrast is seen.

**Table 10.3: Average number of months in the last 12 months spent employed, unemployed and inactive, by sex and detail current activity status, for persons aged 15 years and over**

Sex/Current activity status	Persons (thousands)	Average number of months:		
		Employed	Unemployed	Inactive
<b>Total</b>	<b>14424</b>	<b>9.3</b>	<b>0.4</b>	<b>2.3</b>
Currently active	12032	10.9	0.4	0.6
Currently employed	11779	11.1	0.3	0.6
Fully employed	10978	11.2	0.2	0.6
Time-related underemployed	801	10.2	1.5	0.3
Currently unemployed	253	2.3	7.0	2.7
Unemployed, seeking work	157	2.2	7.3	2.4
Unemployed, not seeking work	96	2.3	6.4	3.2
Currently inactive	2303	1.0	0.1	10.9
Inactive, student	732	0.6	0.1	11.3
Inactive, household duties	640	0.8	0.2	11.0
Inactive, old/sick	701	0.8	0.1	11.1
Inactive, disabled	52	0.1	0.2	11.7
Inactive, other	179	3.7	0.5	7.9
Status unknown	89	9.2	0.4	2.3
<b>Male</b>	<b>6452</b>	<b>9.7</b>	<b>0.4</b>	<b>1.8</b>
Currently active	5646	11.0	0.5	0.6
Currently employed	5519	11.1	0.3	0.5
Fully employed	5110	11.2	0.2	0.5
Time-related underemployed	409	10.1	1.7	0.3
Currently unemployed	127	2.8	6.7	2.5
Unemployed, seeking work	89	2.6	7.0	2.4
Unemployed, not seeking work	38	3.2	6.1	2.7
Currently inactive	783	1.1	0.2	10.8
Inactive, student	405	0.6	0.1	11.4
Inactive, household duties	36	2.3	0.6	9.1
Inactive, old/sick	242	1.1	0.2	10.8
Inactive, disabled	29	0.1	0.0	11.9
Inactive, other	71	3.5	0.6	7.9
Status unknown	22	9.4	0.7	2.0

Sex/Current activity status	Persons (thousands)	Average number of months:		
		Employed	Unemployed	Inactive
<b>Female</b>	<b>7972</b>	<b>9.0</b>	<b>0.4</b>	<b>2.6</b>
Currently active	6385	10.9	0.4	0.7
Currently employed	6259	11.1	0.3	0.6
Fully employed	5868	11.2	0.2	0.6
Time-related underemployed	391	10.3	1.3	0.4
Currently unemployed	126	1.8	7.2	3.0
Unemployed, seeking work	68	1.8	7.8	2.5
Unemployed, not seeking work	57	1.8	6.6	3.6
Currently inactive	1520	0.9	0.1	11.0
Inactive, student	327	0.6	0.1	11.3
Inactive, household duties	604	0.7	0.2	11.1
Inactive, old/sick	459	0.7	0.1	11.2
Inactive, disabled	23	0.2	0.3	11.5
Inactive, other	107	3.8	0.4	7.9
Status unknown	67	9.2	0.4	2.5

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## CHAPTER 11: SUBNATIONAL INDICATORS OF EMPLOYMENT

### Summary

The labour force participation rate for aged 15 years and above has remained relatively stable in all areas between 1998/99 and 2008, except in urban areas, the Hill belt and Central development region. The labour force participation rate decreased in the urban areas (73.3 percent in 1998/99 to 67.3 percent in 2008) as compared to the rural areas where it remained stable (87.7 percent in 1998/99 to 86.8 percent in 2008). The labour force participation rate in the Hill belt fell from 87.9 percent in 1998/99 to 83.4 percent in 2008, and in the Central development region LFPR decreased from 83.4 percent in 1998/99 to 77.6 percent in 2008, whereas for other ecological belts and development regions the labour force participation rate was relatively stable in the range of 85 to 90 percent. It was also stable in the Terai at about 83 percent.

This survey shows that the current unemployment rate dramatically increased in the Mountain belt and Far Western development region, but it was relatively stable elsewhere.

**Table 11.0: Summary statistics**

Description	Nepal Labour Force Survey	
	1998/99	2008
<b>Labour force participation rate (15 years and above)</b>	<b>85.8</b>	<b>83.4</b>
<i>Mountain</i>	91.7	90.1
<i>Hill</i>	87.9	83.4
<i>Terai</i>	82.9	82.5
<i>Eastern development region</i>	84.8	85.3
<i>Central development region</i>	83.4	77.6
<i>Western development region</i>	87.0	86.3
<i>Mid-western development region</i>	89.9	87.7
<i>Far-western development region</i>	89.7	88.9
<i>Urban</i>	73.3	67.3
<i>Rural</i>	87.7	86.8
<b>Current unemployment rate (15 years and above)</b>	<b>1.8</b>	<b>2.1</b>
<i>Mountain</i>	0.1	1.2
<i>Hill</i>	1.6	1.9
<i>Terai</i>	2.4	2.4
<i>Eastern development region</i>	2.2	1.8
<i>Central development region</i>	2.7	3.0
<i>Western development region</i>	1.4	1.5
<i>Mid-western development region</i>	0.7	0.9
<i>Far-western development region</i>	0.4	3.0
<i>Urban</i>	7.4	7.5
<i>Rural</i>	1.2	1.2

## 11.1 Subnational statistics

Throughout this report, we have focused on national indicators, though often giving the results separately for urban and rural areas and smaller subnational areas. The sample size is large enough for a range of reliable subnational level indicators provided that not too much disaggregation is used.

Table 11.1 presents some key sub-national employment indicators for ecological belts, development regions, and urban and rural category. These tables show, for each area, estimated population of 15 years and above, labour force participation rate, the number of currently employed people aged 15 years and above, the currently unemployment rate and the percentage of labour force that is time-related underemployed or labour underutilised.

**Table 11.1: Some subnational indicators of employment: population aged 15 and over, labour force participation rate, employment to population ratio, current unemployment rate, time-related underemployment rate and labour underutilization rate.**

	Population aged 15 years and above	Labour force participation rate	Employment-to- 15+ population (Percentage)	Current unemployment rate	Time-related under-employed as percentage of labour force	Labour underutilization rate
<b>Nepal</b>	<b>14424</b>	<b>83.4</b>	<b>81.7</b>	<b>2.1</b>	<b>6.7</b>	<b>30.0</b>
<b>Ecological Belt</b>						
Mountain	980	90.1	89.1	1.2	5.3	18.6
Hill	6299	83.4	81.7	1.9	4.8	26.4
Terai	7144	82.5	80.6	2.4	8.5	35.0
<b>Development region</b>						
Eastern	3385	85.3	83.8	1.8	7.5	34.3
Central	5099	77.6	75.3	3.0	5.4	33.3
Western	2704	86.3	85	1.5	5.1	26.6
Mid-western	1927	87.7	86.9	0.9	6.8	20.1
Far-western	1309	88.9	86.3	3.0	11.5	30.0
<b>Urban</b>	<b>2468</b>	<b>67.3</b>	<b>62.2</b>	<b>7.5</b>	<b>6.3</b>	<b>49.9</b>
Kathmandu Valley	862	58.0	51.8	10.8	3.6	57.6
Eastern/Central Hill/Mt.	213	77.6	74.9	3.5	6.2	41.1
"West" Hills/Mt.	340	74.1	69.1	6.7	7.3	46.2
Eastern Terai	411	69.0	63.9	7.3	7.8	52.0
Central Terai	277	67.4	62.5	7.3	5.1	49.0
"West" Terai	365	74.6	70.8	5.0	9.7	43.0
<b>Rural</b>	<b>11956</b>	<b>86.8</b>	<b>85.7</b>	<b>1.2</b>	<b>6.7</b>	<b>26.9</b>
Eastern Hills/Mt.	1111	92.9	92.6	0.3	4.3	21.7
Central Hills/Mt.	1703	82.8	82.1	0.9	6.1	23.8
Western Hills/Mt.	1390	92.3	91.8	0.5	3.3	20.7
Mid/Far-western Hills/Mt.	1660	89.9	89.1	0.9	5.2	16.9
Eastern Terai	1785	84.6	83.1	1.8	9.6	39.2
Central Terai	2122	82.8	81.3	1.9	5.5	31.9
"West" Terai	2184	86.4	84.9	1.8	10.9	29.5

"West" refers to western, mid-western and far-western development regions

NLFS 2008

The overall labour force participation rate for the population of 15 years and above is 83 percent. The labour force participation rate is the highest in the Mountain (90 percent) as compared to the Hill (83 percent) and the Terai (83 percent). Participation rate among males (88 percent) is higher than that of females (80 percent) and this pattern holds true across all development regions, ecological zones and urban/rural category (see Tables 11.2 and 11.3). Disparities on labour force participation rate across the sexes seems higher in the Kathmandu Valley urban than other areas.

Across the development region, the labour force participation rate is the highest in Far-western development region (89 percent) and is gradually decreasing towards the east. This rate is found to be the lowest in the Central development region (77.6 percent) due to inclusion of the Kathmandu Valley urban, where the labour force participation rate is found to be 58 percent. The labour force participation rate is 87 percent for rural areas and 67 percent for urban areas. In urban areas, this rate is found to be the highest in eastern/central Hill/Mountain (78 percent) and the lowest in the Kathmandu Valley (58 percent). In rural areas, this rate is found to be the highest in eastern Hill/Mountain (93 percent) and the lowest in central Terai (83 percent).

As discussed in Chapter 9, the current unemployment rate for the population of 15 years and above is found to be 2.1 percent. The rate of unemployment for males is 2.2 percent, whereas for females, it is 2.0 percent. The unemployed rate of the population aged 15 years and above for the Mountain is found to be nearly 1 percent, whereas for the Hill, it is nearly 2 percent and 2.4 percent in the Terai. In other words, out of 980 thousand estimated people in the Mountain, 883 thousand are active and out of which only 1 thousand are unemployed. The unemployment rate is the highest (3 percent) in Far-western development region and the lowest (nearly 1 percent) in Mid-western development region. As expected, the highest unemployment rate is found to be in the urban areas (7.5 percent) compared to the rural areas (1.2 percent). The Kathmandu Valley has the highest unemployment rate at almost 11 percent. Amongst rural areas, all the areas have low unemployment rate, with the highest rate (less than 2 percent) being in the central Terai. Furthermore, the lowest rate of unemployment (0.3 percent) is in eastern Hill/Mountain.

While the unemployment rate provides one useful indicator to the employment situation in the country, it only reflects the position of those people facing a total lack of work. Measuring the rates of time-related underemployment and total labour underutilisation provides a useful complement to the unemployment rate, since these reflect the wider incidence of underutilisation. The overall time-related underemployment rate is found to be 6.7 percent in Nepal (see Table 11.1). The survey shows that more males are underemployed than females in Nepal, but this situation is reverse in the urban areas (Table 11.2 and 11.3). The Terai has the highest time-related underemployment rate at 8.5 percent, whereas the Mountain has 5.3 percent and the Hill has 4.8 percent. Far-western development region has the highest (11.5 percent) time-related underemployment rate compared to other development regions. Rates of time-related underemployment range from nearly 4 percent to 10 percent in urban areas with the highest in western Terai and from 3 percent to 11 percent in rural areas with the highest in western Terai.

As shown in Table 11.1, labour underutilisation in all Nepal is 30 percent with 50 percent in urban areas (Kathmandu Valley being 58 percent) and 27 percent in rural areas (with the highest being 39 percent in Eastern Terai). In the ecological belts, the Terai had a labour underutilisation rate of 35 percent compared to only 19 percent in Mountain belt. Amongst the development regions, the highest underutilisation rate (34 percent) was in the Eastern development region with Central having a

comparable rate of 33 percent. The Mid-western development region had only 20 percent underutilisation.

**Table 11.2: Some subnational indicators of employment: male population aged 15 and over, labour force participation rate, employment to population ratio, current unemployment rate, time-related underemployment rate and labour underutilization rate**

<b>Male</b>						
	Population aged 15 years and above	Labour force participation rate	Employment-to- 15+ population (Percentage)	Current unemployment rate	Time-related under-employed as percentage of labour force	Labour underutilization rate
<b>Nepal</b>	<b>6452</b>	<b>87.5</b>	<b>85.5</b>	<b>2.2</b>	<b>7.2</b>	<b>38.2</b>
<b>Ecological Belt</b>						
Mountain	440	91.3	90.7	0.6	5.9	25.3
Hill	2789	86.4	84.7	2.0	5.4	33.6
Terai	3223	88.0	85.6	2.7	9.0	44.0
<b>Development region</b>						
Eastern	1525	89.2	87.7	1.6	7.1	41.2
Central	2372	84.1	81.3	3.4	6.0	42.5
Western	1138	89.2	87.8	1.6	6.2	33.5
Mid-western	859	90.3	89.4	1.0	7.2	27.1
Far-western	557	89.8	87.2	2.9	14.4	39.9
<b>Urban</b>						
<b>1195</b>	<b>76.6</b>	<b>71.6</b>	<b>6.5</b>	<b>5.2</b>	<b>53.9</b>	
Kathmandu Valley	442	70.7	64.4	8.8	2.7	57.3
Eastern/Central Hill/Mt.	97	83.7	81.4	2.8	4.9	47.4
"West" Hills/Mt.	150	78.6	73.8	6.1	7.6	52.3
Eastern Terai	195	79.7	75.1	5.7	7.2	56.8
Central Terai	139	77.7	72.4	6.8	4.1	53.4
"West" Terai	172	81.6	77.8	4.6	7.6	48.4
<b>Rural</b>						
<b>5257</b>	<b>90.0</b>	<b>88.7</b>	<b>1.4</b>	<b>7.6</b>	<b>35.2</b>	
Eastern Hills/Mt.	505	93.8	93.8	0.0	5.2	26.3
Central Hills/Mt.	766	85.9	85.1	1.0	6.5	30.8
Western Hills/Mt.	552	93.4	92.9	0.5	4.4	27.2
Mid/Far-western Hills/Mt.	717	91.1	90.5	0.6	6.5	25.0
Eastern Terai	791	88.7	87.1	1.8	8.4	47.4
Central Terai	963	89.9	87.3	2.8	7.3	44.4
"West" Terai	964	89.8	87.9	2.0	12.3	36.5

"West" refers to western, mid-western and far-western development regions

NLFS 2008

**Table 11.3: Some subnational indicators of employment: female population aged 15 and over, labour force participation rate, employment to population ratio, current unemployment rate, time-related underemployment rate and labour underutilization rate.**

<b>Female</b>						
	Population aged 15 years and above	Labour force participation rate	Employment-to- 15+ population (Percentage)	Current unemployment rate	Time-related under-employed as percentage of labour force	Labour underutilization rate
<b>Nepal</b>	<b>7972</b>	<b>80.1</b>	<b>78.5</b>	<b>2.0</b>	<b>6.1</b>	<b>22.8</b>
<b>Ecological Belt</b>						
Mountain	540	89.2	87.7	1.6	4.8	13.1
Hill	3511	80.9	79.4	1.9	4.2	20.3
Terai	3922	78.1	76.5	2.1	8.1	26.7
<b>Development region</b>						
Eastern	1859	82.1	80.5	2.0	7.9	28.1
Central	2727	72.0	70.1	2.5	4.8	24.0
Western	1566	84.1	83.0	1.4	4.3	21.2
Mid-western	1068	85.7	84.9	0.9	6.4	14.1
Far-western	752	88.2	85.6	3.0	9.3	22.6
<b>Urban</b>	<b>1273</b>	<b>58.5</b>	<b>53.4</b>	<b>8.8</b>	<b>7.6</b>	<b>45.0</b>
Kathmandu Valley	420	44.7	38.4	14.1	5.0	58.0
Eastern/Central Hill/Mt.	116	72.5	69.5	4.2	7.5	34.9
"West" Hills/Mt.	190	70.5	65.4	7.3	7.0	40.7
Eastern Terai	216	59.3	53.8	9.3	8.6	46.1
Central Terai	138	57.1	52.5	8.1	6.4	43.0
"West" Terai	194	68.3	64.6	5.5	11.9	37.2
<b>Rural</b>	<b>6699</b>	<b>84.2</b>	<b>83.3</b>	<b>1.1</b>	<b>5.9</b>	<b>19.9</b>
Eastern Hills/Mt.	606	92.0	91.6	0.5	3.6	17.7
Central Hills/Mt.	937	80.3	79.6	0.8	5.8	17.8
Western Hills/Mt.	838	91.5	91.1	0.5	2.5	16.3
Mid/Far-western Hills/Mt.	943	89.0	88.0	1.1	4.1	10.6
Eastern Terai	994	81.3	79.9	1.8	10.6	32.1
Central Terai	1159	77.0	76.2	0.9	3.7	19.8
"West" Terai	1221	83.8	82.5	1.5	9.6	23.5

"West" refers to western, mid-western and far-western development regions

NLFS 2008

## CHAPTER 12: INFORMAL SECTOR AND INFORMAL EMPLOYMENT

### **Summary**

*The NLFS 2008 has estimated around 2142 thousand people aged 15 and over to be currently employed in the non-agricultural informal sector (70 percent of total non-agricultural employment) as compared to 1657 thousand in 1998/99 (73 percent of total non-agricultural employment). During the previous nine years the currently employed population in the non-agricultural informal sector grew by 29.3 percent. Distribution by sex show that males employed in the non-agricultural informal sector increased by 31.1 percent and for females by 26.1 percent. There were 759 thousand people aged 15 years and over who were currently employed in their own business with no employees in 1998/99 and this increased to 969 thousand in 2008.*

*As indicated in Chapter 2, the survey has also measured a new additional topic on informal employment. It is estimated that there were 11332 thousand people (96.2 percent of the currently employed aged 15 years and above) who were informally employed in all industries. After excluding the agriculture and fishing industries, the number of non-agricultural informally employed persons was 2655 thousand (or 86.4 percent of total non-agricultural employment).*

*Of them, mostly (1054 thousand or 39.7 percent of non-agricultural informal employment) were “paid employees with informal job conditions” (that is, they had no paid leave or no social security contributions by the employer). There were 969 thousand (36.5 percent of all current non-agricultural employed aged 15 years and above) who were “self-employed without regular paid employees” and there were 525 thousand (19.8 percent of all current non-agricultural employed aged 15 years and above) who were contributing family members. The balance of non-agricultural informal employment were employers and others (4 percent). (See Table 12.12)*

*Among male non-agricultural employed, 83.8 percent were informally employed and among female non-agricultural employed, 91.8 percent were informally employed. Among the employed working in the Agriculture industries, 99.7 percent were informally employed.*

**Table.12. 0: Summary statistics***( in thousand)*

Description	Nepal Labour Force Survey	
	1998/99	2008
Currently employed (aged 15 & over) in non-agricultural informal sector	1657	2142
Male	1052	1379
Female	605	763
Percentage of currently employed (aged 15 & over ) in non-agricultural informal sector	17.5	18.2
Male	22.2	25.0
Female	12.8	12.2
Non-agri. Informal sector workers: Own business with no employees	759	969
Informal employment (thousands), all industries	n.a.	11332
Male	n.a.	5163
Female	n.a.	6169
Informal employment (thousands), in agriculture/fishing industry	n.a.	8677
Male	n.a.	3412
Female	n.a.	5265
Informal employment (thousands), non-agriculture industries	n.a.	2655
Male	n.a.	1751
Female	n.a.	904
Percentage of non-agricultural current employment in informal employment	n.a.	86.4
Male	n.a.	83.8
Female	n.a.	91.8
Paid employees in non-agricultural informal employment (thousands)	n.a.	1054
Male	n.a.	841
Female	n.a.	213
Percentage of agriculture industry currently employed who were informally employed	n.a.	99.7

## 12.1 Informal sector - Introduction

Similar to the previous Labour force survey of 1998/99, this 2008 survey also follows the same definition on workers employed in the informal sector and closely follows the International standards on this topic. As in the past, limitations and restrictions in our definition should be noted. Although activities in both the urban and rural sector are accounted for, the informal sector has been defined only in respect of the non-agricultural sectors. This is because of the difficulty of defining informal sector activities in the agricultural sector. The ILO guidelines make provision for this exclusion of agricultural activities. The guidelines also recommend that the population employed in the informal sector should be defined to include everyone who works in the informal sector, whether it is their main or second job. For this present analysis, however, the informal sector has been defined only on the basis of each person's main job (in respect of those currently in the informal sector) and usual job (in respect of those usually in the informal sector). This was because there was insufficient information available about the characteristics of the second job to establish whether it counted as being in the informal sector.

The ILO guidelines recommend that enterprises of informal employers may be defined in terms of the size of the unit and/or the non-registration of the enterprise or its employees. As with the 1998/99 NLFS, this 2008 NLFS did not collect any information about registration, but information was collected on the number of regular paid employees, and this information has been used in defining the informal sector. Where possible, information has been given separately on the number of informal sector workers working in establishments with no regular paid employees.

## 12.2 Characteristics of the informal sector

It is estimated that around 2142 thousand people aged 15 and over are currently employed in the informal sector as indicated in Table 12.1. This amounts to 70 percent of all employment in main jobs outside the agricultural sector. Only 932 thousand persons (30.3 percent of total non-agricultural employment) have main jobs in enterprises that are not considered to be informal

According to Table 12.1 around 1379 thousand males and 763 thousand females aged 15 and over are working in the informal sector. Figures in the same table indicate that people in the age group 30-44 constitute the largest proportion with 722 thousand (33.7 percent of informal sector employment) working in the informal sector. The 2008 survey found that 243 thousand out of 309 thousand non-agricultural employed persons (79 percent of non-agricultural employed) in the age group of 15 to 19 years are working in the informal sector. Similarly 92 percent of those non-agricultural employed who were aged 60 and over (150 out of 163 thousand non-agricultural employed) were employed in the informal sector.

Table 12.2 shows the distribution of informal sector jobs by occupation, as well as the proportion of total jobs outside the agricultural sector that are in the informal sector, separately for males and females. Of those in employment, a much higher proportion of women than men are to be found working in the informal sector. Thus, 77.5 percent of females and 66.0 percent of males have main jobs in the non-agricultural informal sector. In absolute numbers, women have about 984 thousand jobs outside agriculture, but 763 thousand of these are in the informal sector.

It can be observed in Table 12.2 that (with the exception of major group 4 "Clerks") large proportion of jobs requiring low skill levels are in the informal sector. Of the five low-skills occupation groups the largest proportion can be seen in the group 5 "Service workers" which has 90.7 percent jobs in the informal sector. It can also be observed that women have a large share of informal sector jobs at the lower skill levels (up to 91.0 percent for "Craft workers") while the share is negligible in the higher skills level in group 2 "Professionals" (10.9 percent for both sexes) and group 3 "Technicians" (21.0 percent for both sexes).

A more detailed occupational breakdown of informal sector jobs is shown in table 12.3. The number of persons aged 15 and over currently employed in the informal sector according to urban and rural areas are also given highlighting those specific jobs (identified by the (NSCO 3-digit code) that occur most often. Of the 2142 thousand informal sector jobs, 1465 thousand are in rural areas and almost 677 thousand in urban areas. The largest group of informal sector workers was the 524 thousand shop salespersons and demonstrators (three digit code 522). Other important groups were the 220 thousand bricklayers, carpenter, etc. (code 712). Similarly, food processing and related trades workers (code 741) and Textile, garment and related trade workers (code 743) have identical number with 134 thousand persons with main jobs in the informal sector. There are 128 thousand in code 512



that includes house keeping and restaurant service workers and is composed of cooks, waiters and bartenders as well as people providing housekeeping services in private households.

**Table 12.1: Currently employed population aged 15 and over, by sex, age and formal/informal sector of employment of main job**

Sex/ Sector	(in thousands)						
	Total	Age group					
		15 - 19	20 - 24	25 - 29	30 - 44	45 - 59	60 +
<b>Total</b>	<b>11779</b>	<b>1700</b>	<b>1529</b>	<b>1373</b>	<b>3565</b>	<b>2443</b>	<b>1169</b>
Agriculture	8705	1391	1064	896	2462	1885	1007
Non-agriculture, formal sector	932	66	157	154	381	161	13
Non-agriculture, informal sector:	2142	243	307	324	722	397	150
Without regular paid employees	1750	202	240	258	585	326	139
With 1-9 regular paid employees	392	41	67	66	137	71	10
<b>Male</b>	<b>5519</b>	<b>755</b>	<b>605</b>	<b>585</b>	<b>1603</b>	<b>1275</b>	<b>696</b>
Agriculture	3429	576	335	275	828	837	578
Non-agriculture, formal sector	711	44	99	112	305	140	11
Non-agriculture, informal sector:	1379	135	171	198	470	297	107
Without regular paid employees	1044	102	116	142	354	232	98
With 1-9 regular paid employees	335	33	56	56	116	65	10
<b>Female</b>	<b>6259</b>	<b>945</b>	<b>924</b>	<b>788</b>	<b>1961</b>	<b>1168</b>	<b>473</b>
Agriculture	5275	815	729	621	1634	1047	429
Non-agriculture, formal sector	221	22	58	42	76	21	2
Non-agriculture, informal sector:	763	108	136	125	252	100	42
Without regular paid employees	706	99	125	116	231	94	42
With 1-9 regular paid employees	57	8	11	10	21	6	1

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**Table 12.2: Persons aged 15 years and over currently employed in non-agricultural sectors, and whether working in the informal sector, by sex, and occupation of main job**

Occupation	(in thousands)								
	Both sex			Male			Female		
	Non-agric sector	Informal sector jobs	Percent informal	Non-agric sector	Informal sector jobs	Percent informal	Non-agric sector	Informal sector jobs	Percent informal
<b>Total</b>	<b>3074</b>	<b>2142</b>	<b>69.7</b>	<b>2090</b>	<b>1379</b>	<b>66.0</b>	<b>984</b>	<b>763</b>	<b>77.5</b>
1. Legislators, senior officials	70	59	83.6	57	47	83.3	13	11	85.0
2. Professionals	203	22	10.9	155	19	12.2	48	3	7.0
3. Technicians	228	48	21.0	147	38	25.9	82	10	12.2
4. Clerks	117	10	8.3	96	7	7.4	21	3	12.4
5. Service workers	854	775	90.7	512	448	87.5	343	328	95.6
6. Agricultural workers	10	7	74.2	8	6	75.1	2	1	70.4
7. Craft & related trade workers	915	793	86.7	626	530	84.7	289	263	91.0
8. Plant & machine operators	150	78	52.1	140	73	52.0	10	5	53.5
9. Elementary occupations	519	350	67.5	342	211	61.8	177	139	78.5
0. Armed forces	8	0	2.2	7	0	2.3	0	0	0.0

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**Table 12.3 Numbers of persons aged 15 years and over currently employed in the informal sector, by sex, locality and occupation of main job**

( in thousands)

Occupation	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Total</b>	<b>2142</b>	<b>1379</b>	<b>763</b>	<b>677</b>	<b>418</b>	<b>259</b>	<b>1465</b>	<b>961</b>	<b>505</b>
Legislators, senior officials	59	47	11	21	16	5	38	32	6
Professionals	22	19	3	12	10	2	10	9	1
Technicians	48	38	10	20	16	4	28	22	6
Clerks	10	7	3	7	5	2	3	2	1
Service workers	775	448	328	308	175	133	468	272	196
Agriculture Worker	7	6	1	1	1	0	6	5	1
Craft & related trade workers	793	530	263	188	123	66	605	407	198
Plant & machine operators	78	73	5	24	21	2	54	52	3
Elementary occupations	350	211	139	96	50	46	254	161	93
Armed forces	0	0	0	0	0	0	0	0	0
<b><u>Most important minor NSCO groups (those with at least 25,000 workers in the informal sector)</u></b>									
131 General managers/managing proprietors	53	44	9	18	14	4	35	30	5
512 Housekeeping and restaurant service workers	128	56	72	58	27	31	70	29	41
522 Shop salespersons and demonstrators	524	315	209	206	123	83	318	192	126
523 Stall and market salespersons	91	53	39	29	16	13	62	37	25
712 Building frame and related trades workers	220	212	8	38	35	3	182	177	5
713 Building finishers and related trades workers	29	27	2	7	6	0	22	20	2
733 Handicraft workers in wood, textiles, leather, etc.	57	21	36	19	7	13	37	14	23
741 Food processing and related trades worker	134	29	105	28	9	20	105	20	86
742 Wood treaters, cabinet makers and related trades	71	51	19	8	6	2	63	45	17
743 Textile, garment and related trades workers	134	58	76	37	15	22	97	43	55
832 Motor vehicle drivers	47	46	1	15	15	0	32	30	1
911 Street vendors and related	36	22	15	16	10	6	21	12	9
913 Domestic and related helpers, cleaners, launderers	34	14	20	23	8	15	11	6	5
916 Garbage collectors and related worker	95	26	70	25	6	19	70	20	51
931 Mining and construction labourers	98	70	28	14	9	4	84	61	24
933 Transport labourers and freight handlers	53	52	1	13	13	1	39	39	0

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As described in Chapter 2 on concepts and definitions, “less than 10 regular employees” in the establishment is used as one of the criteria for defining those in the informal sector. From Table 12.4 it is possible to see how many people would have been affected if the criterion was “five and more regular employees”. The number of persons employed in the informal sector based on the more restricted employment size criterion would have been 94 thousand persons fewer.

**Table 12.4: Informal sector workers, by sex, locality, employment status and number of regular paid employees working in establishment where person works**

(in thousands)			
Sex and Employment status and number of regular paid employees	Total	Urban	Rural
<b>Total</b>	<b>2142</b>	<b>677</b>	<b>1465</b>
Own business with no employees	969	304	665
Other informal sector workers: no regular paid employees	781	218	563
"      "      "      " : 1-4 regular paid employees	298	115	182
"      "      "      " : 5-9 regular paid employees	94	40	55
<b>Male</b>	<b>1379</b>	<b>418</b>	<b>961</b>
Own business with no employees	661	200	461
Other informal sector workers: no regular paid employees	382	97	285
"      "      "      " : 1-4 regular paid employees	254	90	165
"      "      "      " : 5-9 regular paid employees	81	31	50
<b>Female</b>	<b>763</b>	<b>259</b>	<b>504</b>
Own business with no employees	308	104	204
Other informal sector workers: no regular paid employees	399	121	277
"      "      "      " : 1-4 regular paid employees	44	26	18
"      "      "      " : 5-9 regular paid employees	13	8	5

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Among those people working in the informal sector 969 thousand workers (45 percent) are working in own business with no employees. There were 781 thousand workers have some other sort of employment status but worked in businesses where there are no regular paid employees. This leaves 298 thousand other informal sector workers working in businesses with between 1-4 paid employees and 94 thousand in business with 5-9 regular paid employees.

### 12.3 Informal employment - Introduction

As outlined in Chapter 2 on concepts, a new measure within international statistical standards was introduced in 2003. This is the concept of “informal employment” which depends on the characteristics of a person’s job, rather than of the enterprise as with informal sector employment.

In the 2008 NLFS II, there were 11332 thousand people aged 15 years and above (96.2 percent of total employment aged 15 years and above) who were classified as in informal employment (all industries). After excluding the agriculture and fishing industries, the number of non-agricultural

informally employed persons was 2655 thousand (or 86.4 percent of total non-agricultural employment).

## 12.4 Characteristics of non-agricultural informal employment

The main components of non-agricultural informal employment aged 15 years and above were:

- a) 1054 thousand (39.7 percent of non-agricultural informal employment) who were employees without formal conditions (not having paid annual leave or where the employer does not pay social security contributions for the worker);
- b) 106 thousand (4.0 percent of total informal employment) who were employers and others in informal sector;
- c) 969 thousand (36.5 percent of total informal employment) who were self-employed without employees; and
- d) 525 thousand (19.8 percent of total informal employment) who were contributing family workers.

It can be seen that (because there is a high proportion of self-employed without employees to total employment in Nepal), there is similarly a very high rate of informal employment.

Excluding the agriculture and fishing industries, non-agricultural informal employment is 2655 thousand which is 86.4 percent of current non-agricultural employment.

Among the non-agricultural informally employed aged 15 years and above, 66.0 percent were males and 34.0 percent were females. 32.7 percent of the non-agricultural informally employed aged 15 years and above were in urban areas and 67.3 percent in rural areas.

It is perhaps more useful to consider the percentages of the non-agricultural currently employed who were informally employed. Most male non-agricultural employed were informally employed (83.8 percent) as were most females (91.8 percent). In rural areas, the percentages were 85.3 percent (males) and 93.5 percent (females). In urban areas, the percentages were 80.7 non-agricultural employed males being informally employed and 88.9 percent non-agricultural employed urban females being informally employed. (See Table 12.8)

By occupation groups, the percentage of non-agricultural employed who were informally employed was lowest for those in the Armed forces (2.2 percent), Professionals (42.7 percent) and Clerks (45.3 percent) and as might be expected, highest in Craft workers (96.4 percent) and Service workers (95.9 percent) where almost all workers were informally employed. (See Table 12.10)

In the various industry groups, the percentage of employed who were informally employed was very high in almost all industries, except for Public administration and social security (21.9 percent), Financial intermediation (47.9 percent), Health and social work (51.3 percent), and Education (51.6 percent).

The Government sector had the lowest proportion of informal employment with 27.2 percent (employees without formal work conditions) but it was very high (99.0 percent) in private unregistered companies. (See Table 12.11).

**Table 12.5: Informally employed population aged 15 and over (all industries), by sex, age and urban-rural**

Sex/ Urban-rural	Total	Type of informal employment			
		Employees without formal conditions	Employers and others in informal sector	Self-employed without employees	Contributing family workers
Number of informally employed (thousands)					
<b>Total</b>	<b>11332</b>	<b>1549</b>	<b>130</b>	<b>4265</b>	<b>5387</b>
Urban	1359	366	58	506	429
Rural	9973	1183	72	3760	4958
<b>Male</b>	<b>5163</b>	<b>1118</b>	<b>104</b>	<b>2588</b>	<b>1354</b>
Urban	720	262	47	297	114
Rural	4443	857	56	2291	1239
<b>Female</b>	<b>6169</b>	<b>431</b>	<b>27</b>	<b>1678</b>	<b>4034</b>
Urban	639	104	11	209	315
Rural	5529	326	16	1469	3718

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**Table 12.6: Informally employed population aged 15 and over (excluding agriculture and fishing industries), by sex, age and urban-rural**

Sex/ Urban-rural	Total	Type of informal employment			
		Employees without formal conditions	Employers and others in informal sector	Self-employed without employees	Contributing family workers
Number of informally employed (thousands)					
Total	2655	1054	106	969	525
Urban	869	342	56	304	167
Rural	1786	713	50	665	358
Male	1751	841	90	661	159
Urban	553	250	46	200	56
Rural	1198	591	43	461	103
Female	904	213	16	308	367
Urban	316	91	10	104	111
Rural	588	122	6	204	256

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**Table 12.7: Informally employed population aged 15 and over (all industries), by sex, age and urban-rural**

Sex/ Urban-rural	Total	Age group					
		15 - 19	20 - 24	25 – 29	30 - 44	45 - 59	60 +
Number of informally employed (thousands)							
<b>Total</b>	<b>11332</b>	<b>1685</b>	<b>1487</b>	<b>1319</b>	<b>3362</b>	<b>2317</b>	<b>1163</b>
Urban	1359	146	203	186	476	248	100
Rural	9973	1539	1284	1133	2886	2069	1063
<b>Male</b>	<b>5163</b>	<b>746</b>	<b>577</b>	<b>543</b>	<b>1443</b>	<b>1164</b>	<b>691</b>
Urban	720	77	102	97	245	136	61
Rural	4443	669	474	446	1198	1028	629
<b>Female</b>	<b>6169</b>	<b>939</b>	<b>910</b>	<b>776</b>	<b>1919</b>	<b>1153</b>	<b>472</b>
Urban	639	68	100	89	231	112	39
Rural	5529	870	810	687	1688	1041	433
Percentage of currently employed (all industries)who are informally employed							
<b>Total</b>	<b>96.2</b>	<b>99.1</b>	<b>97.2</b>	<b>96.0</b>	<b>94.3</b>	<b>94.8</b>	<b>99.4</b>
Urban	88.6	98.0	92.7	90.4	84.4	84.3	97.9
Rural	97.4	99.2	98.0	97.0	96.2	96.3	99.6
<b>Male</b>	<b>93.6</b>	<b>98.8</b>	<b>95.3</b>	<b>92.8</b>	<b>90.0</b>	<b>91.3</b>	<b>99.2</b>
Urban	84.2	97.4	91.6	86.5	78.4	77.7	97.0
Rural	95.3	99.0	96.1	94.3	92.9	93.5	99.4
<b>Female</b>	<b>98.6</b>	<b>99.4</b>	<b>98.5</b>	<b>98.4</b>	<b>97.8</b>	<b>98.7</b>	<b>99.8</b>
Urban	94.0	98.7	93.7	95.0	91.7	94.0	99.3
Rural	99.1	99.4	99.2	98.9	98.7	99.2	99.9

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**Table 12.8: Informally employed population aged 15 and over (excluding agriculture and fishing industries), by sex, age and urban-rural**

Sex/ Urban-rural	Total	Age group					
		15 - 19	20 - 24	25 - 29	30 - 44	45 - 59	60 +
Number of informally employed (thousands)							
<b>Total</b>	<b>2655</b>	<b>297</b>	<b>423</b>	<b>426</b>	<b>913</b>	<b>439</b>	<b>157</b>
Urban	869	79	148	140	329	135	39
Rural	1786	218	276	286	583	304	119
<b>Male</b>	<b>1751</b>	<b>170</b>	<b>243</b>	<b>270</b>	<b>623</b>	<b>332</b>	<b>113</b>
Urban	553	50	88	87	208	93	27
Rural	1198	121	154	183	415	239	86
<b>Female</b>	<b>904</b>	<b>126</b>	<b>181</b>	<b>157</b>	<b>290</b>	<b>107</b>	<b>44</b>
Urban	316	29	59	53	122	42	11
Rural	588	97	121	103	168	65	33
Percentage of employed who are informally employed (excluding agriculture and fishing) industries)							
<b>Total</b>	<b>86.4</b>	<b>96.1</b>	<b>91.2</b>	<b>89.2</b>	<b>82.7</b>	<b>78.6</b>	<b>96.8</b>
Urban	83.5	96.3	90.3	87.7	79.2	75.2	94.6
Rural	87.8	96.0	91.6	90.0	84.8	80.3	97.6
<b>Male</b>	<b>83.8</b>	<b>95.3</b>	<b>89.8</b>	<b>87.0</b>	<b>80.3</b>	<b>75.9</b>	<b>95.9</b>
Urban	80.7	95.9	90.5	85.2	75.8	71.2	93.5
Rural	85.3	95.0	89.4	87.8	82.8	77.9	96.7
<b>Female</b>	<b>91.8</b>	<b>97.3</b>	<b>93.1</b>	<b>93.4</b>	<b>88.4</b>	<b>88.4</b>	<b>99.4</b>
Urban	88.9	96.9	90.0	92.2	85.8	85.6	97.6
Rural	93.5	97.4	94.6	94.0	90.4	90.3	100.0

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**Table 12.9: Persons aged 15 years and over currently informally employed (all industries), by sex and industry of main job**

Industry	Both sexes		Male		Female	
	Number informally employed (thousands)	Percent informally employed	Number informally employed (thousands)	Percent informally employed	Number informally employed (thousands)	Percent informally employed
<b>Total</b>	<b>11332</b>	<b>96.2</b>	<b>5163</b>	<b>93.5</b>	<b>6169</b>	<b>98.5</b>
Agriculture and forestry	8674	99.7	3410	99.5	5264	99.8
Fishing	3	97.8	2	97.1	1	100.0
<b>Sub-total excluding agriculture/fishing</b>	<b>2655</b>	<b>86.4</b>	<b>1751</b>	<b>83.8</b>	<b>904</b>	<b>91.8</b>
Mining and quarrying	27	99.7	19	99.6	8	100.0
Manufacturing and recycling	721	93.2	427	91.1	293	96.3
Electricity, gas and water supply	99	91.2	31	79.4	68	97.9
Construction	352	96.0	313	95.9	39	96.5
Wholesale and retail trade	684	98.9	441	98.7	243	99.2
Hotels and restaurants	191	96.7	89	95.2	101	98.1
Transport, storage and communications	166	83.8	159	83.7	7	86.6
Financial intermediation	15	47.9	10	45.7	5	53.0
Real state, renting and business activity	67	94.4	54	94.1	13	95.3
Public administration and social security	24	21.9	19	19.9	5	36.8
Education	147	51.6	82	43.2	66	68.0
Health and social work	40	51.3	23	48.9	17	55.1
Other community, social and personal ser	87	88.1	68	88.4	20	87.0
Private households with employed persons	31	92.8	12	87.6	19	96.5
Extra-territorial organizations and boundary	4	85.5	3	87.4	1	77.2

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**Table 12.10: Persons aged 15 years and over currently informally employed (excluding agriculture and fishing industries) by sex and occupation of main job**

Occupation	Both sexes		Male		Female	
	Number informally employed (thousands)	Percent informally employed	Number informally employed (thousands)	Percent informally employed	Number informally employed (thousands)	Percent informally employed
Total	2655	86.4	1751	83.8	904	91.8
1. Legislators, senior officials	61	87.0	49	86.1	12	90.9
2. Professionals	87	42.7	61	39.6	26	53.0
3. Technicians	150	65.8	93	63.4	57	70.3
4. Clerks	53	45.3	39	40.7	14	66.6
5. Service workers	820	95.9	483	94.4	336	98.1
6. Agricultural workers	8	85.8	7	83.3	2	95.8
7. Craft & related trade workers	881	96.4	600	95.8	282	97.6
8. Plant & machine operators	130	86.8	121	86.3	9	93.8
9. Elementary occupations	464	89.5	298	87.2	166	93.8
0. Armed forces	0	2.2	0	2.3	0	0

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**Table 12.11: Persons aged 15 years and over currently informally employed (excluding agriculture and fishing industries) by sex and institutional sector of main job**

Sector	Both sexes		Male		Female	
	Number informally employed (thousands)	Percent informally employed	Number informally employed (thousands)	Percent informally employed	Number informally employed (thousands)	Percent informally employed
Total	2655	86.4	1751	83.8	904	91.8
Government	90	27.2	59	22.8	30	43.8
Financial public corporation	6	34.4	5	32.8	1	43.8
Non-financial public corporation	25	51.4	19	49.4	5	60.6
NGO/INGO	33	60.3	25	63.2	8	52.8
Private registered financial company	15	62.3	10	63.6	4	59.2
Private registered non-financial company	335	79.7	251	79.6	84	80.1
Private unregistered company	1802	99.0	1076	98.6	726	99.7
Other	351	96.7	306	97.2	45	93.5

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**Table 12.12: Persons aged 15 years and over currently informally employed (excluding agriculture and fishing industries) by sex and status in employment.**

Current status in employment	Total	Male	Female
			(in thousands)
<b>Total</b>	<b>2655</b>	<b>1751</b>	<b>904</b>
Paid employee	1054	841	213
Self-employed, with regular paid employees	91	79	12
Self-employed, without regular paid employees	969	661	308
Contributing family member without pay	525	159	367
Other	15	11	5
			(percentage)
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Paid employee	39.7	48.0	23.6
Self-employed, with regular paid employees	3.4	4.5	1.3
Self-employed, without regular paid employees	36.5	37.7	34.1
Contributing family member without pay	19.8	9.1	40.6
Other	0.6	0.6	0.6

NLFS 2008

## CHAPTER 13: ECONOMIC ACTIVITIES OF CHILDREN

### Summary

The proportion of children aged 5 to 14 who were economically active (child labour force participation rate) has declined from 40.9 percent in 1998/99 to 33.90 percent in 2008 (Table 13.0). A similar trend as well can be observed in both the urban and rural areas. The child labour force participation rate in rural areas has decreased from 43.3 percent to 36.7 percent and in urban areas from 19.0 percent to 14.4 percent.

Unemployment rates among children aged 5 to 14 years old has slightly increased from 0.2 percent in 1998/99 to 0.7 percent in 2008, but these statistics are based on few observations and should be used with caution. Similarly in same age group the time-related underemployed have also increased from 1.1 percent to 1.6 percent during the two survey periods. It is also found that the total volume of work carried out by children has declined over the decade. Children aged 5 to 14 years carried out a total of 44 million hours of economic activity in the survey week in 1998/99 compared to 38 million hours in the survey week in 2008. This amounted to average hours of work per child of 18.0 hours in 2008 compared to 22.4 hours in 1998/99.

**Table 13.0: Summary statistics**

(in percent)

Description	Nepal Labour Force Survey	
	1998/99	2008
<b>Labour force participation rate of aged 5 to 14 (percent)</b>	<b>40.9</b>	<b>33.9</b>
Urban	19.0	14.4
Rural	43.3	36.7
Current unemployment rate among children aged 5 to 14 (percent)	0.2	0.7
Time-related underemployed as percentage of labour force aged 5 – 14 years	1.1	1.6
Total hours per week (in million hour)	44	38
Average hours per week per child	22.4	18.0

### 13.1 Introduction

The ILO Convention No. 182 defines worst forms of child labour that includes any activity carried out by children the nature or type of which leads to adverse effects on the child's health and his safety. This survey during its field work could not distinguish such activities, but it covered all type of activities as defined by SNA within its production boundaries

In the context of Nepal, it is common to have found children engaged in economic activities of households. Children usually help their parents in farm activities in the morning or in the evening or during weekend. Similarly, they help in family business as well. So, activities of children, here includes not only paid jobs of the agriculture or non-agriculture sector, but unpaid family work as well.

For children in this survey, the lower age limit was set at five years, so that virtually all child activity in the economic sector could be captured. The upper age limit was set at 14 years. The same concept of “current activity” is used for children in this chapter as in earlier chapters. The same age limit (5 years and above) was used when collecting information on household non-economic activities. The resulting data on non-economic activities are reported in the next chapter, where it is noted that many young children do make an important contribution to the maintenance of the household.

As usual, in household surveys some economic activities of children are likely to go unreported, and consequently as in the past, some of the estimated levels of activity may be lower than the true figures. Nevertheless, the data presented here will give some indication of the patterns of activity of children. In this chapter, the data presented will be particularly being on contrasts between different groups of children (boys versus girls, younger children versus older children, etc.).

Nepal has also ratified the ILO Minimum Age Convention. In doing so, it undertook under Article 1 “to pursue a national policy designed to ensure the effective abolition of child labour and to raise progressively the minimum age for admission to employment or work to a minimum level consistent with the fullest physical and mental development of young persons”. The minimum age for employment specified in the convention is 15 years, though there are provisions for reducing this minimum age to 14 years in certain circumstances.

## **13.2 Economic activity rates of children**

If all children were attending school and did no economic activities outside school hours, they would be classified as economically inactive. Table 13.1 shows the numbers of children who are currently economically active. About 2111 thousand children aged 5 to 14 years are classified as economically active out of a total estimated population of 6229 thousand children. Among them, 398 thousand were aged 5 to 9 years and 1713 thousand were aged 10 to 14. The labour force participation rate is 13.4 percent for children aged 5 to 9, and 52.7 percent for children aged 10 to 14. Participation rates are higher for girls than boys in both urban and rural areas.

As might be expected, labour force participation rates increase with age. Very young children are less economically active than older children, with LFPRs ranging from 1.6 percent for 5 years old children up to 63.8 percent for children aged 14 years.

Table 13.2 explains the numbers of children attending school, and also shows how the rates of economic activity for children are affected by whether or not children are at school.

**Table 13.1: Children aged 5 to 14 years by sex, age group and urban-rural and economically active children aged 5 to 14 years (number and labour force participation rates) by sex, urban-rural, and single years of age.**

Age	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
(in thousands)									
<b>Total number of children aged 5 to 14</b>									
<b>Total</b>	<b>6229</b>	<b>3200</b>	<b>3029</b>	<b>775</b>	<b>410</b>	<b>365</b>	<b>5453</b>	<b>2790</b>	<b>2663</b>
5 - 9	2978	1510	1468	355	191	163	2624	1319	1305
10-14	3250	1690	1561	421	219	202	2830	1471	1359
<b>Children economically active</b>									
<b>Total</b>	<b>2111</b>	<b>966</b>	<b>1145</b>	<b>111</b>	<b>54</b>	<b>57</b>	<b>2000</b>	<b>912</b>	<b>1088</b>
5 - 9	398	169	229	15	7	8	383	161	222
10-14	1713	797	916	97	47	50	1617	750	866
<b>Percentage of currently active</b>									
<b>All</b>	<b>33.9</b>	<b>30.2</b>	<b>37.8</b>	<b>14.4</b>	<b>13.1</b>	<b>15.7</b>	<b>36.7</b>	<b>32.7</b>	<b>40.8</b>
5 - 9	13.4	11.2	15.6	4.2	3.7	4.7	14.6	12.2	17.0
10-14	52.7	47.2	58.7	22.9	21.4	24.6	57.1	51.0	63.8
5	1.6	1.7	1.5	0.5	0.6	0.3	1.8	1.9	1.7
6	4.5	3.7	5.3	1.2	0.4	2.1	4.9	4.1	5.7
7	11.5	9.2	13.9	3.1	3.0	3.2	12.8	10.2	15.4
8	20.2	16.8	23.5	6.0	6.2	5.9	21.9	18.2	25.6
9	29.3	24.9	34.0	10.0	8.2	12.1	32.2	27.6	37.0
10	39.6	35.1	44.8	15.0	12.5	18.1	42.9	38.2	48.2
11	47.6	42.9	52.4	17.3	16.3	18.2	52.2	47.0	57.6
12	53.7	47.3	60.8	23.6	22.1	25.3	57.8	50.8	65.6
13	61.1	56.5	65.6	27.0	23.8	30.1	66.9	62.1	71.4
14	63.8	57.1	71.3	30.7	31.5	29.8	69.2	61.2	78.5

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**Table 13.2: Rates of school attendance by children aged 5 to 9, and 10 to 14, and labour force participation rates for those who attend school and those who do not, by sex and locality**

Age group	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
(in thousands)									
<b>Number of children attending school</b>									
<b>Total</b>	<b>5578</b>	<b>2930</b>	<b>2648</b>	<b>738</b>	<b>392</b>	<b>346</b>	<b>4840</b>	<b>2538</b>	<b>2302</b>
5-9	2647	1360	1287	339	183	156	2308	1177	1131
10-14	2931	1570	1361	399	208	191	2532	1362	1171
<b>Percentage of children currently at school</b>									
<b>Total</b>	<b>89.5</b>	<b>91.6</b>	<b>87.4</b>	<b>95.2</b>	<b>95.4</b>	<b>94.8</b>	<b>88.8</b>	<b>91.0</b>	<b>86.4</b>
5-9	88.9	90.0	87.7	95.6	95.7	95.5	88.0	89.2	86.7
10-14	90.2	92.9	87.2	94.8	95.2	94.3	89.5	92.6	86.2
<b>Percent of those at school who are currently active</b>									
<b>Total</b>	<b>32.5</b>	<b>29.5</b>	<b>35.9</b>	<b>12.8</b>	<b>11.8</b>	<b>14.0</b>	<b>35.5</b>	<b>32.2</b>	<b>39.2</b>
5-9	12.9	11.0	14.9	3.9	3.6	4.2	14.2	12.1	16.4
10-14	50.3	45.5	55.8	20.4	18.9	22.0	55.0	49.6	61.3
<b>Percent of those not at school who are currently active</b>									
<b>Total</b>	<b>45.6</b>	<b>37.8</b>	<b>51.2</b>	<b>44.9</b>	<b>41.6</b>	<b>48.1</b>	<b>45.7</b>	<b>37.5</b>	<b>51.3</b>
5-9	17.2	12.9	20.8	10.5	5.5	16.0	17.6	13.4	21.0
10-14	75.1	69.1	78.7	69.2	69.7	68.6	75.5	69.0	79.3

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This survey estimate about 88.9 percent of children aged 5 to 9, and 90.2 percent of children aged 10 to 14, are currently attending school. The rate of school attendance for children is 95.2 percent and 88.8 percent in urban and rural areas respectively. The contrast in the attendance rates for boys and girls aged 5 to 14 years is particularly marked in rural areas, with 91.0 percent of boys, but only 86.4 percent of girls, attending school.

As might be expected, the activity rates are higher amongst those not attending school than amongst those attending. Among children aged 5 to 14, currently attending school, only 32.5 percent are recorded as currently active. Here those children who did at least one hour of 'work' activities in the past seven days are reported as active. All of those children who are currently economically active have been classified as currently employed.

We have already referred in previous chapters to the fact that the proportion of children economically active is very much lower if we measure activity on a 'usual' basis rather than a 'current' basis. This is because many children do sufficient work (one hour) in a week to count as currently active, but are not economically active during enough months in the year to count as usually economically active. The Table 13.3 shows that 2111 thousand children are recorded as being active on a current basis, only 1494 thousand children are active when activity is measured on a 'usual' basis.

**Table 13.3: Comparison of the economic activity status of children aged 5 to 14 on a 'current' and a 'usual' basis**

(in thousands)

Current activity status	Usual activity status		
	Total	Active	Inactive
<b>Total</b>	<b>6229</b>	<b>1494</b>	<b>4735</b>
Active	2111	1442	669
Inactive	4101	40	4062
Not stated	16	12	4

This chapter also contains some sub-national indicators of employment for persons aged 5 to 14. Table 13.4 provides corresponding information for children aged 5 to 14, showing the population aged 5 to 14 in various areas of the country and their corresponding labour force participation rates, number of currently employed, and rates of unemployment and time-related underemployment and extent of labour underutilisation. In the country as a whole, the current activity rate for children aged 5 to 14 is 33.9 percent, but the rate rises to 45.3 percent in the Mid-West region. More detailed information is also shown in Table 13.4 for boys and girls, separately for those aged 5 to 9 and those aged 10 to 14. Time-related underemployed as percentage of labour force is 1.6 but it is higher in far-western region 3.5. Similarly 2 percent aged 5 to 14 children are currently unemployment in far-western region, but all over the country in the same age group is only 0.7 percent. The labour underutilisation rate for children aged 5 to 14 years is 8.5 percent overall, and varies from 5.1 percent in Mountain ecological belt to 51.5 percent in Kathmandu Valley urban area.

**Table 13.4: Some sub-national indicators of employment for children aged 5 to 14, including labour force participation rate, number of currently employed, current unemployment rate, rate of time-related underemployment and labour underutilisation rate.**

	Popu- lation aged 5 to 14	Labour force participation rate	Currently employed	Current Unemploy- ment rate	Time-related under- employed as percentage of labour force	Labour under- utilisation rate
	(thousands)	Percentage	(thousands)	Percentage	Percentage	Percentage
<b>Nepal</b>	<b>6229</b>	<b>33.9</b>	<b>2097</b>	<b>0.7</b>	<b>1.6</b>	<b>8.5</b>
<b>Ecological Belt</b>						
Mountain	441	47.2	208	0.0	1.2	5.1
Hill	2605	39.2	1021	0.2	1.4	7.6
Terai	3183	27.7	868	1.4	2.1	10.3
<b>Development region</b>						
Eastern	1439	35.6	510	0.3	1.4	6.9
Central	2060	24.5	500	1.0	1.4	10.0
Western	1181	34.6	407	0.3	1.0	10.8
Mid-western	912	45.3	413	0.0	1.6	6.3
Far-western	637	42.9	267	2.2	3.5	8.6
<b>Urban</b>						
Kathmandu Valley	193	4.4	8	5.3	0.0	51.5
Eastern/Central Hill/Mt.	80	24.7	20	1.2	0.0	13.9
"West" Hills/Mt.	111	17.9	20	0.7	0.9	15.0
Eastern Terai	143	13.5	19	0.6	1.4	16.1
Central Terai	108	11.1	12	2.0	1.0	16.6
"West" Terai	139	22.9	31	1.6	5.3	18.6
<b>Rural</b>						
Eastern Hills/Mt.	509	48.0	244	0.4	0.6	3.6
Central Hills/Mt.	709	35.5	252	0.0	2.0	8.4
Western Hills/Mt.	607	48.9	296	0.0	0.5	8.9
Mid/Far-western Hills/Mt.	836	46.6	390	0.0	2.1	5.6
Eastern Terai	752	31.7	238	0.2	2.3	9.3
Central Terai	1004	22.1	218	1.9	0.8	9.6
"West" Terai	1037	34.4	350	1.9	2.6	10.1

Note: "West" refers to the grouping of Western, Mid-western and Far-western regions NLFS 2008

### 13.3 Kind of work done by children

Table 13.5 highlights the kind of work that children did in the survey reference week. The 2097 thousand children aged 5 to 14 who are classified as currently employed did a total of 38 million hours of work per week, representing 18 hours a week on average for every child who is currently employed. Boys and girls worked comparable hours at an average of 17.7 and 18.2 hours per week respectively. This survey estimates that 1807 thousand child are working even while still attending school. Most (90 percent) of the boys who work are still attending school, implying that they are continuing with their schooling. Similarly 83 percent the of girls who work continue with their schooling.



In terms of occupational codes, the great majority of children (1721 thousand or 82.1 percent of employed children) are engaged in agricultural activities, nearly all of it as subsistence agricultural workers (1637 thousand or 78.1 percent of employed children). Only 65 thousand children are working as “Animal producers for the market”. Table 13.5 also shows children engaging in selected other occupations. For instance, some children work as salespersons in shops (25 thousand), or provide housekeeping or restaurant services (17 thousand). Some others work in crafts or related trades (42 thousand), and a few are plant or machine operators (3 thousand). The classification by industry shows a similar picture.

**Table 13.5: Number of children aged 5 to 14 currently employed, hours worked, and occupation and industry of work, by sex and whether currently attending school**

	Total			Whether currently attending school					
				Yes			No		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number aged 5-14 (thousands)	6229	3200	3029	5578	2930	2648	651	270	381
Number employed (thousands)	2097	960	1138	1807	861	947	290	99	191
Total hours worked per week (million hours)	38	17	21	29	14	16	8	3	5
Average hours per week per person (for those working)	18.0	17.7	18.2	16.2	16.0	16.4	28.7	32.4	26.8
<b>Occupations: (thousands)</b>	<b>2097</b>	<b>960</b>	<b>1138</b>	<b>1807</b>	<b>861</b>	<b>947</b>	<b>290</b>	<b>99</b>	<b>191</b>
Service works	47	27	20	41	22	19	7	5	1
512 Housekeeping	17	10	7	14	8	6	3	2	1
522 Shop salesperson	25	13	12	23	12	11	2	1	1
Agricultural occupations	1721	803	918	1508	738	770	213	64	149
612 Animal producers, etc	65	29	36	41	21	20	24	8	16
621 subsistence farmers etc	1637	765	872	1452	709	743	185	56	129
Craft	42	21	22	25	9	17	17	12	5
Plant & machine Operator	3	2	1	1	0	1	2	2	0
Elementary occupation	283	107	176	232	91	140	52	16	36
921 Agriculture labour	23	8	15	8	3	5	14	5	10
<b>Industries: (thousands)</b>	<b>2097</b>	<b>960</b>	<b>1138</b>	<b>1807</b>	<b>861</b>	<b>947</b>	<b>290</b>	<b>99</b>	<b>191</b>
A. Agriculture, hunting & forestry	1861	852	1010	1605	776	829	257	76	181
D. Manufacturing	29	12	17	20	6	14	9	6	3
F. Construction	6	6	0	3	3	0	3	3	0
G. Wholesale & retail trade	33	21	13	27	14	12	7	7	0
H. Hotels & restaurants	20	13	8	15	9	6	5	4	1
P. Private households with employed persons	3	1	2	2	1	1	1	0	1
All other categories	144	55	89	136	52	84	8	4	5

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**Table 13.6: Percentage distribution of employed children aged 5 to 14, by number of hours worked.**

	1-19 hour	20-39 hour	40+ hour	Total
<b>Nepal</b>	<b>60.5</b>	<b>32.2</b>	<b>7.3</b>	<b>100.0</b>
<b>Gender</b>				<b>100.0</b>
Male	61.5	31.8	6.7	100.0
Female	59.7	32.5	7.7	100.0
<b>Ecological Belt</b>				<b>100.0</b>
Mountain	61.1	27.0	11.9	100.0
Hill	60.2	33.8	6.1	100.0
Terai	60.8	31.6	7.6	100.0
<b>Development region</b>				<b>100.0</b>
Eastern	52.3	41.1	6.7	100.0
Central	56.8	31.4	11.8	100.0
Western	64.9	30.5	4.7	100.0
Mid-western	67.8	25.6	6.7	100.0
Far-western	65.4	29.6	5.0	100.0
<b>Urban</b>	<b>64.1</b>	<b>25.7</b>	<b>10.2</b>	<b>100.0</b>
Kathmandu Valley	51.2	10.2	38.6	100.0
Eastern/Central Hill/Mt.	71.6	25.6	2.8	100.0
"West" Hills/Mt.	73.1	22.1	4.8	100.0
Eastern Terai	46.7	38.0	15.2	100.0
Central Terai	56.7	33.1	10.3	100.0
"West" Terai	70.5	21.6	7.9	100.0
<b>Rural</b>	<b>60.3</b>	<b>32.6</b>	<b>7.1</b>	<b>100.0</b>
Eastern Hills/Mt.	49.9	43.7	6.4	100.0
Central Hills/Mt.	59.1	30.2	10.7	100.0
Western Hills/Mt.	66.3	30.6	3.1	100.0
Mid/Far-western Hills/Mt.	62.2	30.1	7.7	100.0
Eastern Terai	54.9	38.7	6.4	100.0
Central Terai	53.1	34.5	12.4	100.0
"West" Terai	69.6	25.6	4.9	100.0

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Note: "West" refers to the grouping of Western, Mid-western and Far-western regions

The distribution of child labour in terms of working hours groups is presented in Table 13.6. According to this table, more than 60 percent children worked less than 19 hours a week in the survey reference week in 2008 while 32.2 percent worked around 20 to 40 hours. Only about 7 percent worked more than 40 hours in the survey week. Similarly this trend continues in rural areas. It is not significantly different between boys and girls in all working hour categories.

## CHAPTER 14: NON-ECONOMIC ACTIVITIES

### Summary

Around 12.6 million persons were estimated to perform non-economic activities during the survey reference week in 2008 compared to 9.3 million in 1998/99. When considered as a percentage of the whole population, it was found that 61.1 percent of the population aged 5 years and above were engaged in these non-economic activities in 2008 compared with 57.5 percent in 1998/99. This increase is mainly due to increased non-economic activity by males. For males aged 5 years and above, 43.9 percent of males were engaged in non-economic activities in 2008 compared to only 37.1 percent in 1998/99. For females aged 5 years and above, the proportions were relatively stable being 76.1 percent in 2008 compared to 76.8 percent in 1998/99.

Looking at the figures by age group, the proportion of children aged 5 to 14 years who were engaged in non-economic activities remained fairly stable (30.0 percent in 1998/99 and 28.9 percent in 2008). For adults aged 15 years and above, the proportions increased from 69.4 percent in 1998/99 to 74.9 percent in 2008.

The average number of hours worked in the non-economic activities was 11.6 hours in last week over all population aged 5 years and above. Males aged 5 years and above (4.2 hours) are less involved in these activity than females aged 5 years and above (18.0 hours). The average hours on non-economic activities by children aged 5 to 14 years have decreased from 3.1 hours in 1998/99 to 2.7 hours in 2008.

**Table 14.0: Summary statistics**

Description	Nepal Labour Force Survey					
	1998/99			2008		
	Male	Female	Total	Male	Female	Total
Number of persons aged 5 years and above carrying out various non-economic activities (thousands)	2913	6339	9252	4235	8358	12593
Percentage of population aged 5 years and above carrying out various non-economic activities	37.1	76.8	57.5	43.9	76.1	61.1
Percentage of children aged 5-14 years carrying out various non-economic activities	14.4	46.1	30.0	17.6	40.9	28.9
Percentage of population aged 15 years and above carrying out various non-economic activities	47.7	89.3	69.4	56.9	89.5	74.9
Average hours spent on various non-economic activities in last week (5 years and above)	3.5	17.4	10.6	4.2	18.0	11.6
By those aged 5 -14years (average hours)	1.1	5.1	3.1	1.3	4.3	2.7
By those aged 15 years and above (average hours)	4.6	22.4	13.9	5.7	23.2	15.4

## 14.1 Introduction

As in the past, this survey collected data on time spent on certain non-economic activities as well as information on economic activities (based on the survey definition of what counted as 'work'). Non-economic activities performed by members of the households were all unpaid services for self consumption. There are many such activities but only a few were selected for measurement. These are listed in Table 2.2 in Chapter 2. All are undertaken as unpaid services done within a home and consumed within the household, instead of being sold on the market. Data on these non-economic activities was collected only in respect of those aged 5 years and above.

Users should be aware that a person may undertake several activities simultaneously. However, in order to ensure that the hours were additive, the hours spent on each activity are not duplicative. Priority was given to recording hours on cooking over those on cleaning, and so on down the list of selected activities. Consequently the hours shown as time spent, for example, on child minding do not include time spent on child minding while also cooking, cleaning, doing minor repairs, shopping or caring for the sick and elderly.

## 14.2 Participation in non-economic activities

Table 14.1 shows, for each sex and age group, the estimated number of people carrying out various non-economic activities in the last seven days, and also estimates the percentage of people engaged in each activity. Similar to NLFS-I, females were twice as likely as males to report a non-economic activity in any activity. In all, it is estimated that some 12.6 million people (4.2 million males and 8.4 million females) carry out one or more of the listed activities during a seven-day period. In percentage terms, 44 percent of all males aged 5 and over carried out at least one of the activities in the last seven days. For females the corresponding percentage was 76 percent.

For females, the four activities most often reported are cleaning, cooking and child caring and minor repairing. Some 68 percent of females aged 5 and over have done some cleaning in the last seven days, 63 percent have done cooking, and 29 percent have done child caring and 17 percent have done minor repairing of house. Amongst child girls aged 5 to 9 (primary schooling age), about 20 percent were doing one or more of these non-economic activities in the past seven-days.

The activities in which these primary school aged girls (5 to 9 years) are most likely to be involved are childminding (11 percent), cleaning (10 percent) and to a lesser extent cooking (4 percent). Moreover, young girls aged 10 to 14, near about 53 percent do some cleaning, 38 percent are involved in cooking and 13 percent do some childminding during a seven-day period. Most young boys, on the other hand, are noticeable by their absence from participation in these activities.

### 14.3 Time spent on non-economic activities

In addition to collecting information on whether each person did each of the various non-economic activities, the 2008 NLFS also collected information on how much time they spent on each of these activities. In total, as shown in Table 14.2, household members in Nepal spent about 239 million hours each week on a variety of household activities. Males spent only about 41 million hours a week on these activities, compared with women who spent as much as 198 million hours a week. The main activity is cooking (85 million hours a week), followed by cleaning (63 million hours) and childminding (58 million hours). In terms of total hours and of average hours, females were more involved than males in non economic activities except for shopping and volunteer work categories. The household members (predominantly men) spent about four million hours each week on voluntary and community activities.

The average of given tables are based on whole population. If a user wants to calculate averages for those engaged in each activity, they can convert as in the following procedure. For instance, we see from Table 14.1 that 61.1 percent of the population aged 5 and over do at least one of these household activities every week. From Table 14.2 we see that the average time spent on activities (across the population as a whole) is 11.6 hours per week. This means that those who do participate in these activities spend on average  $(11.6 \times 100 / 61.1)$  which is 19.0 hours a week on these activities. Similar figures can be calculated for any cells in the table.

It is also of interest to see whether the time spent on non-economic activities varies for people, according to their activity status. Table 14.3 shows the average hours spent per week on non-economic activities by men and women in different age groups and according to their current activity status. This table has been limited to urban areas only, since relatively few people in rural areas are unemployed.

Those people who are unemployed in urban areas spent considerably more time (16 hours each week) doing non-economic activities than those who are employed (13 hours), but there is a notable contrast between the sexes. Unemployed urban females spent longer on non-economic activities (26 hours) than employed urban females (23 hours), whereas unemployed males spend nearly 6 hours a week on non-economic activities compared with employed males (about 5 hours).

**Table 14.1: Number of persons aged 5 years and above carrying out various non-economic activities in the last 7 days by sex, age and activity : Nepal**

Age group	Cooking	Cleaning	Minor repairs	Shopping	Caring	Child minding	Volunteer	Any of these activities
	( in thousands )							
<b>Total</b>	<b>8115</b>	<b>8956</b>	<b>2291</b>	<b>4102</b>	<b>622</b>	<b>4379</b>	<b>571</b>	<b>12610</b>
5 - 9	79	185	28	15	16	237	3	413
10 - 14	761	1103	149	133	48	334	13	1390
15 - 19	1100	1361	266	311	75	317	33	1579
20 - 24	1131	1262	316	404	76	752	49	1502
25 - 29	953	1024	279	497	70	769	65	1310
30 - 44	2265	2294	738	1455	171	1054	194	3245
45 - 59	1236	1200	387	953	118	572	155	2136
60 +	589	528	129	334	49	345	59	1036
<b>Male</b>	<b>1150</b>	<b>1520</b>	<b>403</b>	<b>2390</b>	<b>226</b>	<b>1213</b>	<b>368</b>	<b>4235</b>
5 - 9	15	41	6	8	5	76	0	124
10 - 14	163	283	34	74	21	124	6	441
15 - 19	196	316	50	158	26	64	18	462
20 - 24	111	168	30	192	18	119	23	366
25 - 29	96	123	38	244	25	189	36	385
30 - 44	281	293	119	806	65	322	117	1105
45 - 59	170	184	91	651	48	181	120	898
60 +	117	111	35	257	18	139	48	455
<b>Female</b>	<b>6966</b>	<b>7436</b>	<b>1888</b>	<b>1712</b>	<b>396</b>	<b>3167</b>	<b>203</b>	<b>8375</b>
5 - 9	64	144	22	6	11	161	3	289
10 - 14	598	819	115	59	27	210	8	950
15 - 19	904	1045	216	152	49	253	15	1117
20 - 24	1020	1093	286	212	58	634	25	1136
25 - 29	857	902	240	254	45	580	29	925
30 - 44	1984	2001	620	649	106	733	77	2139
45 - 59	1066	1016	296	302	70	391	35	1239
60 +	472	416	93	77	31	205	11	580
	Percentages of whole population							
<b>Total</b>	<b>39.3</b>	<b>43.4</b>	<b>11.1</b>	<b>19.9</b>	<b>3.0</b>	<b>21.2</b>	<b>2.8</b>	<b>61.1</b>
<b>5 - 9</b>	<b>2.7</b>	<b>6.2</b>	<b>1.0</b>	<b>0.5</b>	<b>0.5</b>	<b>8.0</b>	<b>0.1</b>	<b>13.9</b>
10 - 14	23.4	33.9	4.6	4.1	1.5	10.3	0.4	42.8
15 - 19	44.7	55.3	10.8	12.6	3.0	12.9	1.4	64.2
20 - 24	57.4	64.0	16.0	20.5	3.8	38.2	2.5	76.2
25 - 29	59.2	63.6	17.3	30.9	4.3	47.7	4.0	81.3
30 - 44	58.0	58.8	18.9	37.3	4.4	27.0	5.0	83.1
45 - 59	45.6	44.3	14.3	35.2	4.4	21.1	5.7	78.8
60 +	33.4	29.9	7.3	18.9	2.8	19.5	3.3	58.7
<b>Male</b>	<b>11.9</b>	<b>15.8</b>	<b>4.2</b>	<b>24.8</b>	<b>2.3</b>	<b>12.6</b>	<b>3.8</b>	<b>43.9</b>
5 - 9	1.0	2.7	0.4	0.6	0.4	5.0	0.0	8.2
10 - 14	9.6	16.8	2.0	4.4	1.2	7.3	0.4	26.1
15 - 19	17.2	27.8	4.4	13.9	2.2	5.6	1.6	40.6
20 - 24	15.0	22.7	4.0	25.9	2.5	16.0	3.2	49.4
25 - 29	14.9	19.1	5.9	37.9	3.9	29.4	5.6	59.9
30 - 44	16.8	17.5	7.1	48.1	3.9	19.2	7.0	66.0
45 - 59	12.6	13.7	6.8	48.3	3.6	13.4	8.9	66.6
60 +	12.9	12.3	3.9	28.3	1.9	15.4	5.2	50.3
<b>Female</b>	<b>63.3</b>	<b>67.6</b>	<b>17.2</b>	<b>15.6</b>	<b>3.6</b>	<b>28.8</b>	<b>1.8</b>	<b>76.1</b>
5 - 9	4.4	9.8	1.5	0.4	0.7	11.0	0.2	19.7
10 - 14	38.3	52.5	7.3	3.8	1.7	13.4	0.5	60.8
15 - 19	68.5	79.1	16.4	11.5	3.7	19.2	1.1	84.6
20 - 24	82.9	88.8	23.3	17.2	4.7	51.5	2.1	92.3
25 - 29	88.5	93.0	24.8	26.2	4.6	59.8	3.0	95.5
30 - 44	89.0	89.8	27.8	29.1	4.7	32.9	3.4	96.0
45 - 59	78.2	74.5	21.7	22.2	5.1	28.7	2.5	90.8
60 +	55.0	48.5	10.8	9.0	3.7	23.9	1.3	67.6

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**Table 14.2: Number of hours and average hours spent carrying out various non- economic activities in the last 7 days, by sex, age and activity : Nepal**

Age group	Cooking	Cleaning	Minor repairs	Shopping	Caring	Child minding	Volunteer	Any of these activities
	( in thousands )							
<b>Total</b>	<b>85128</b>	<b>62825</b>	<b>7093</b>	<b>16283</b>	<b>4209</b>	<b>58107</b>	<b>5583</b>	<b>239229</b>
5 - 9	417	658	52	39	102	2233	17	3518
10 - 14	4848	5229	374	363	170	2362	135	13482
15 - 19	9042	8270	794	1029	317	3850	254	23556
20 - 24	11937	9976	1031	1456	460	13847	421	39128
25 - 29	11386	8716	874	1902	436	11986	637	35938
30 - 44	27483	18588	2431	6035	1373	12976	1705	70591
45 - 59	14098	8255	1192	4091	927	6545	1625	36733
60 +	5916	3133	345	1367	426	4309	788	16285
<b>Male</b>	<b>6994</b>	<b>6399</b>	<b>1333</b>	<b>10355</b>	<b>1591</b>	<b>10339</b>	<b>3979</b>	<b>40991</b>
5 - 9	80	135	14	23	48	675	1	976
10 - 14	801	1066	88	220	72	779	29	3054
15 - 19	1044	1242	120	581	74	312	136	3509
20 - 24	593	798	100	737	129	1067	202	3626
25 - 29	654	571	112	1055	145	1852	365	4754
30 - 44	1829	1342	442	3642	612	2659	1199	11726
45 - 59	1159	770	361	2978	380	1514	1385	8547
60 +	834	475	95	1120	132	1482	661	4799
<b>Female</b>	<b>78134</b>	<b>56426</b>	<b>5760</b>	<b>5928</b>	<b>2618</b>	<b>47768</b>	<b>1604</b>	<b>198238</b>
5 - 9	337	523	38	17	54	1559	15	2542
10 - 14	4047	4163	287	143	98	1584	106	10428
15 - 19	7998	7028	674	449	243	3538	118	20047
20 - 24	11344	9178	931	720	331	12779	219	35502
25 - 29	10731	8146	762	847	291	10134	272	31183
30 - 44	25654	17246	1989	2393	760	10316	507	58865
45 - 59	12939	7485	831	1113	546	5031	240	28186
60 +	5083	2658	250	247	294	2827	127	11485
	Average hours across whole population							
<b>Total</b>	<b>4.1</b>	<b>3.0</b>	<b>0.3</b>	<b>0.8</b>	<b>0.2</b>	<b>2.8</b>	<b>0.3</b>	<b>11.6</b>
<b>5 - 9</b>	0.1	0.2	0.0	0.0	0.0	0.7	0.0	1.2
10 - 14	1.5	1.6	0.1	0.1	0.1	0.7	0.0	4.1
15 - 19	3.7	3.4	0.3	0.4	0.1	1.6	0.1	9.6
20 - 24	6.1	5.1	0.5	0.7	0.2	7.0	0.2	19.9
25 - 29	7.1	5.4	0.5	1.2	0.3	7.5	0.4	22.3
30 - 44	7.0	4.8	0.6	1.6	0.4	3.3	0.4	18.1
45 - 59	5.2	3.0	0.4	1.5	0.3	2.4	0.6	13.6
60 +	3.3	1.8	0.2	0.8	0.2	2.4	0.4	9.2
<b>Male</b>	<b>0.7</b>	<b>0.7</b>	<b>0.1</b>	<b>1.1</b>	<b>0.2</b>	<b>1.1</b>	<b>0.4</b>	<b>4.2</b>
5 - 9	0.1	0.1	0.0	0.0	0.0	0.4	0.0	0.6
10 - 14	0.5	0.6	0.1	0.1	0.0	0.5	0.0	1.8
15 - 19	0.9	1.1	0.1	0.5	0.1	0.3	0.1	3.1
20 - 24	0.8	1.1	0.1	1.0	0.2	1.4	0.3	4.9
25 - 29	1.0	0.9	0.2	1.6	0.2	2.9	0.6	7.4
30 - 44	1.1	0.8	0.3	2.2	0.4	1.6	0.7	7.0
45 - 59	0.9	0.6	0.3	2.2	0.3	1.1	1.0	6.3
60 +	0.9	0.5	0.1	1.2	0.1	1.6	0.7	5.3
<b>Female</b>	<b>7.1</b>	<b>5.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.2</b>	<b>4.3</b>	<b>0.1</b>	<b>18.0</b>
5 - 9	0.2	0.4	0.0	0.0	0.0	1.1	0.0	1.7
10 - 14	2.6	2.7	0.2	0.1	0.1	1.0	0.1	6.7
15 - 19	6.1	5.3	0.5	0.3	0.2	2.7	0.1	15.2
20 - 24	9.2	7.5	0.8	0.6	0.3	10.4	0.2	28.8
25 - 29	11.1	8.4	0.8	0.9	0.3	10.5	0.3	32.2
30 - 44	11.5	7.7	0.9	1.1	0.3	4.6	0.2	26.4
45 - 59	9.5	5.5	0.6	0.8	0.4	3.7	0.2	20.7
60 +	5.9	3.1	0.3	0.3	0.3	3.3	0.1	13.4

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**Table 14.3: Average hours spent carrying out non-economic activities in the last seven days by those aged 15 and over, by sex, age group and current activity status: urban areas only**

(average hours across whole activity group)

Age group	Current activity status:				
	All	Employment	Unemployment	Inactive	Not Stated
<b>Both sex</b>					
<b>Total</b>	<b>14.2</b>	<b>13.0</b>	<b>16.4</b>	<b>16.3</b>	<b>10.2</b>
15 - 19	8.0	8.9	10.9	7.2	1.9
20 - 24	15.8	14.2	15.5	18.3	6.4
25 - 29	20.7	16.2	19.1	35.1	23.5
30 - 44	17.1	14.1	19.2	29.9	19.0
45 - 59	12.8	10.9	14.5	18.6	13.7
60 +	7.6	9.0	8.7	6.4	0.0
<b>Male</b>					
<b>Total</b>	<b>5.1</b>	<b>5.2</b>	<b>5.8</b>	<b>4.7</b>	<b>6.5</b>
15 - 19	3.6	3.6	6.6	3.3	1.6
20 - 24	5.1	4.8	5.8	5.5	0.0
25 - 29	5.2	5.4	3.7	3.9	28.1
30 - 44	6.1	5.8	6.6	12.2	17.8
45 - 59	5.4	5.1	6.8	7.4	5.0
60 +	4.6	5.1	3.7	3.9	0.0
<b>Female</b>					
<b>Total</b>	<b>22.8</b>	<b>22.8</b>	<b>26.2</b>	<b>22.4</b>	<b>12.2</b>
15 - 19	12.7	14.9	15.3	11.3	2.1
20 - 24	24.9	24.1	24.8	26.0	10.9
25 - 29	33.5	29.3	30.2	41.6	21.9
30 - 44	26.9	24.5	29.6	32.0	19.5
45 - 59	20.7	19.6	26.6	22.4	14.5
60 +	10.5	15.3	20.0	8.0	0.0

NLFS 2008



## CHAPTER 15: SEASONAL VARIATIONS IN EMPLOYMENT

### Summary

The Nepal Labour Force Survey 1998/99 showed that the peak season for the number of economically active population aged 5 years and above was in the Dry season, whereas the 2008 survey found that the Dry season had the lowest estimate of economically active population and the peak season was the Rainy season. The Labour Force Participation Rates for 5 years and above reflect the same situation. However when one considers the LFPRs for those aged 15 years and above, the 1998/99 survey peak was in the Dry season, indicating that significantly fewer children were economically active in the Dry season, and for the 2008 survey the peak continued to be in the Rainy season.

Current unemployment rates for those aged 5 years and more were the highest in the Rainy season in 1998/99 but highest in the Winter season in 2008.

The number of employed with agricultural occupations was at its highest in the Winter season in 1998/99 but highest in the Rainy season in 2008.

The aggregate number of hours worked in last week was the highest in the Rainy season in 1998/99 but relatively stable over the Rainy and Winter seasons and the lowest in Dry season in 2008.

**Table 15.0: Summary statistics**

Description	Nepal Labour Force Survey	
	1998/99	2008
<b>Currently Active population (5 years and above) (in thousand)</b>	<b>11628</b>	<b>14143</b>
Rainy Season	11636	14545
Winter Season	11551	14490
Dry Season	11697	13385
<b>Labour Force Participation Rate (%) (5 years and above)</b>	<b>85.5</b>	<b>83.4</b>
Rainy Season	73.0	69.4
Winter Season	71.6	68.2
Dry Season	72.2	67.9
<b>Currently Unemployment Rate (%) (5 years and above)</b>	<b>1.8</b>	<b>2.1</b>
Rainy Season	1.9	1.5
Winter Season	1.5	2.4
Dry Season	1.4	1.7
<b>Currently employed (5 years and above) only agriculture sector (In thousand) (NSCO code 6)</b>	<b>8335</b>	<b>9624</b>
Rainy Season	8499	10445
Winter Season	8516	9862
Dry Season	7990	8563
<b>Total Million hours worked done (all job) per week (by those 5 years and above)</b>	<b>460.6</b>	<b>555.4</b>
Rainy Season	484.2	577.9
Winter Season	453.4	572.1
Dry Season	444.1	515.9

## 15.1 Introduction

This survey was designed to cover all the three main seasons of the year. As such, the sample was designed in such a way that the primary sample units (PSUs) spread out over the whole year, so as to take account of any seasonal variations in employment as well as economic activity. Moreover, as mentioned in Chapter 1, the annual sample was spread into three sub-groups, each one covering four months of the Nepalese calendar. These three seasons can be described in broad terms as the Rainy season, the Winter season and the Dry season. Although most of the tables in this survey report have been based on the annual data the figures in this chapter are presented for each season. (Two additional tables showing employed persons working under 40 hours in the survey week in the three seasons and also showing remittances in the three seasons appear in Chapters 8 and 17.)

## 15.2 Seasonal estimates

Table 15.1 presents a few key seasonal aggregates derived from the survey data. Because of the way the sample has been designed, it is possible to derive independent national aggregates based on each season's data. For instance, Table 15.1 gives estimates of the population aged 5 and over, ranging from 20,961 thousand in the first (Rainy) season to 19,725 thousand in the third (Dry) season. Some variation in the aggregates as expected is likely to be the effects of sampling error as well as non sampling error.

According to Table 15.1 the number of people currently active in the Rainy and Winter seasons remained almost constant at 14.5 million persons. There is however evidence of more people who are inactive during the Dry season because of lower number of people being active (13.4 million). For the population aged 15 and over, the labour force participation rate remains higher during the Rainy season (84.6%) and lower at 82.2 percent in the Winter season. Unemployment rate stays at about 2 percent during the Rainy and Dry seasons but is slightly higher during the Winter season (2.6%).

Nepal has primarily an agro-based economy and major agricultural works are undertaken during the Rainy season. So it is important to observe keenly the activities and employment situation in the Rainy season. Amongst those aged 15 and over, the number of people with agricultural main jobs (defined as NSCO code 6) is at a peak during the Rainy season (8,527 thousand people). The number of people with main jobs being in agricultural occupations fell to 7,045 thousand in the Dry season, from 8,139 thousand in the Winter season. Employment in agricultural occupations among children also follows the same trend as due to the adult. In the Rainy season some 1,918 thousand children worked in agricultural activities. The number of children working in agriculture activities declined to 1,723 thousand and 1,518 thousand in the Winter and Dry season respectively.

According to table 15.1 total hours worked in all jobs by those aged 15 and over is 537 million hours in Rainy season, 534 million hours in Winter season and 482 million hours in Dry season. If we just consider agricultural occupations in the main job, there are substantial variations in the hours of worked between seasons. For population aged 5 years and above, total hours worked in agricultural occupations remains at 351 million hours in the Rainy season to 324 millions hours in the Winter season and 258 millions hours in the Dry season.

The total hours worked in non-agricultural occupations as the main job is less than that in agricultural jobs. The table shows that estimated time spent in non-agricultural activities are 166 million hours in the Rainy season. Similarly, 185 million hours and 177 million hours of work is done in Winter and Dry seasons respectively

This brief introduction to analysis of the NLFS II data on a seasonal basis helps to illustrate that there is considerable scope for further research into how the agricultural seasons affect labour and employment issues in the country.

**Table 15.1: Estimates of some key aggregates for three seasons of the year, by sex and age**

Age group	Rainy season			Winter season			Dry season		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
	(in thousands)								
<b>Population aged 5+</b>	<b>20,961</b>	<b>9,739</b>	<b>11,222</b>	<b>21,258</b>	<b>9,958</b>	<b>11,301</b>	<b>19,725</b>	<b>9,248</b>	<b>10,478</b>
5 - 14	6,443	3,250	3,194	6,194	3,219	2,975	6,041	3,125	2,916
15 and over	14,518	6,489	8,028	15,064	6,739	8,325	13,684	6,123	7,562
<b>Currently Active</b>	<b>14,545</b>	<b>6,761</b>	<b>7,783</b>	<b>14,490</b>	<b>6,824</b>	<b>7,666</b>	<b>13,385</b>	<b>6,242</b>	<b>7,143</b>
5 - 14	2,257	1,003	1,254	2,101	984	1,117	1,970	906	1,064
15 and over	12,288	5,758	6,530	12,389	5,840	6,549	11,415	5,336	6,080
<b>Labour force participation rates (%)</b>	<b>69.4</b>	<b>69.4</b>	<b>69.4</b>	<b>68.2</b>	<b>68.5</b>	<b>67.8</b>	<b>67.9</b>	<b>67.5</b>	<b>68.2</b>
5 - 14	35.0	30.9	39.3	33.9	30.6	37.5	32.6	29.0	36.5
15 and over	84.6	88.7	81.3	82.2	86.7	78.7	83.4	87.1	80.4
<b>Currently Unemployed</b>	<b>222</b>	<b>105</b>	<b>117</b>	<b>344</b>	<b>152</b>	<b>193</b>	<b>232</b>	<b>142</b>	<b>90</b>
5 - 14	7	1	6	28	14	14	7	3	3
15 and over	215	104	111	317	138	179	225	138	87
<b>Unemployment rates (%)</b>	<b>1.5</b>	<b>1.6</b>	<b>1.5</b>	<b>2.4</b>	<b>2.2</b>	<b>2.5</b>	<b>1.7</b>	<b>2.3</b>	<b>1.3</b>
5 - 14	0.3	0.1	0.5	1.3	1.4	1.3	0.3	0.4	0.3
15 and over	1.8	1.8	1.7	2.6	2.4	2.7	2.0	2.6	1.4
<b>Currently employed</b>	<b>14,323</b>	<b>6,656</b>	<b>7,666</b>	<b>14,146</b>	<b>6,673</b>	<b>7,473</b>	<b>13,153</b>	<b>6,100</b>	<b>7,053</b>
5 - 14	2,250	1,002	1,247	2,073	970	1,103	1,963	903	1,060
15 and over	12,073	5,654	6,419	12,072	5,702	6,370	11,190	5,197	5,993
<b>With agricultural job</b>	<b>10,445</b>	<b>4,213</b>	<b>6,231</b>	<b>9,862</b>	<b>3,993</b>	<b>5,869</b>	<b>8,563</b>	<b>3,416</b>	<b>5,147</b>
5 - 14	1,918	860	1,058	1,723	820	903	1,518	725	793
15 and over	8,527	3,353	5,173	8,139	3,173	4,966	7,045	2,691	4,354

Age group	Rainy season			Winter season			Dry season		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
	(in millions)								
<b>Total hours (all jobs)</b>	<b>577.9</b>	<b>288.2</b>	<b>289.7</b>	<b>572.1</b>	<b>286.9</b>	<b>285.2</b>	<b>515.9</b>	<b>258.5</b>	<b>257.5</b>
5 - 14	40.9	18.1	22.8	38.3	18.1	20.2	33.6	14.7	18.9
15 and over	537	270.1	266.9	533.8	268.8	265	482.3	243.8	238.5
<b>Total hours (main jobs)</b>	<b>517</b>	<b>262.4</b>	<b>254.6</b>	<b>509.6</b>	<b>263.4</b>	<b>246.3</b>	<b>435.3</b>	<b>230.2</b>	<b>205</b>
5 - 14	37.6	16.9	20.7	34.9	16.8	18.1	28.3	12.8	15.5
15 and over	479.3	245.5	233.9	474.7	246.5	228.2	406.9	217.5	189.5
<b>Total hours (agricultural main jobs)</b>	<b>351</b>	<b>145.7</b>	<b>205.3</b>	<b>324.6</b>	<b>133.4</b>	<b>191.2</b>	<b>258.2</b>	<b>107.4</b>	<b>150.8</b>
5 - 14	32.9	14.4	18.5	29.3	13.9	15.4	22.8	10.3	12.5
15 and over	318.1	131.3	186.8	295.3	119.5	175.8	235.4	97.2	138.3
<b>Total hours (all other main jobs)</b>	<b>165.9</b>	<b>116.7</b>	<b>49.3</b>	<b>185</b>	<b>130</b>	<b>55</b>	<b>177.1</b>	<b>122.8</b>	<b>54.3</b>
5 - 14	4.7	2.5	2.2	5.6	2.9	2.7	5.6	2.5	3.1
15 and over	161.3	114.2	47.1	179.4	127	52.4	171.5	120.3	51.2

## CHAPTER 16: MIGRATION AND ABSENTEES

### Summary

#### Migrants

*The NLFS II estimated that about 33 percent of the population (all ages) had migrated to their current location either from another VDC or municipality in Nepal or from outside the country. These statistics therefore relate to lifetime migration, rather than recent migration.*

*The rate of lifetime migration (all ages) was higher for females (44 percent overall, with 88 percent of female migrants from within Nepal and 12 percent from outside Nepal) compared with males (21 percent overall, with 85 percent of male migrants from within Nepal and 15 percent from outside Nepal).*

*Most movement was from rural areas of Nepal (80 percent of the migrants) with only 7 percent of migrants coming from urban areas and 13 percent from abroad. For lifetime migrants now in urban areas 77 percent had moved from rural areas, 13 percent had moved from other urban areas and 11 percent had arrived from outside Nepal.*

*Migration arises from a combination of many reasons. In NLFS II, most (48 percent) lifetime migrants, all ages, said that “marriage” was the main reason for their movement. Other reasons given were “other family reason” (30 percent) and “easier life style” (8 percent).*

*For the population aged 5 years and above, about 37 percent were found to have migrated. The rate of migration is higher for currently unemployed aged 5 years and above (56 percent of the unemployed had migrated) than currently employed aged 5 years and above (42 percent) and currently inactive aged 5 years and above (27 percent).*

#### Absentees

*The survey also measured the number of people who the household considered to be household members but who were excluded from the survey’s definition of household membership because of prolonged absence (away from the household for more than 6 months out of the last 12 months, or expected to be away for more than 6 months). There in total 3785 thousand of these “absentees” (all ages).*

*Almost 15 percent of the total population (including absentees abroad) of all ages were found to be absent or away from home. More adults aged 15 years and above (23 percent of the population including absentees abroad) were away from home as compared to that of children aged under 15 years (6 percent of the population). Out of total absentees aged 5 years and above, 21 percent are currently studying and 51 percent are working.*

*Nearly 44 percent of households have at least one absentee currently living either abroad or within the country. When differentiating between abroad and within the country, it shows that slightly more than 29 percent of households have at least one absentee currently living abroad. Whereas, slightly more than 19 percent of households have at least one absentee currently living within the country.*

**Table 16.0: Summary statistics**

Description	Nepal Labour Force Survey 2008
<b>Lifetime migrants as a percentage of population (all ages)</b>	<b>33.3</b>
Male	21.3
Female	44.0
<b>Percentage of migrants (all ages) by last place of residence (origin of last migration):</b>	
From rural	80.2
From urban	7.1
From outside Nepal	12.7
<b>Percentage of migrants (all ages) now in urban areas by last place of residence (origin of last migration):</b>	
From rural	76.5
From urban	12.8
From outside Nepal	10.7
<b>Percentage of migrants (all ages) by main reason for move:</b>	
Marriage	47.8
Other family reason	29.7
Start new job/business	4.2
Study/Training	3.8
Looking for work	3.4
Easier lifestyle	7.9
<b>Migrants as a percent of each economic status group (aged 5 years and above)</b>	<b>37.4</b>
Currently employed	41.6
Currently unemployed	56.4
Currently inactive	27.3
<b>Absentees (all ages) as a percentage of total population (including absentees abroad):</b>	<b>14.9</b>
Male	23.1
Female	6.4
Under 5 years (*)	5.5
5 to 14 years (*)	6.0
15 years and above (*)	20.0
<b>Percentage of absentees (all ages) by place of current residence:</b>	<b>100.0</b>
Nepal	47.8
Outside Nepal	51.1
Don't know	1.1
<b>Percentage of absentees (all ages) by sex:</b>	<b>100.0</b>
Male	78.5
Female	21.5
<b>Percentage of absentees (all ages) by age group:</b>	<b>100.0</b>
Under 5 years (*)	4.3
5 to 14 years (*)	10.0
15 years and above (*)	85.7
<b>Percentage of absentees (5 years and above) by reason for absence:</b>	<b>100.0</b>
For study	20.9
For work	51.4

\* Age of absentee used for this analysis is calculated by adding age at time of leaving home and duration of leaving.

## 16.1 Introduction

The NLFS 1998/99 did not measure the number of migrants and long-term household absentees. However questions on these topics were included in the 2008 NLFS for all age groups, including for those under 5 years.

## 16.2 Migrants – Introduction

In NLFS II, “migrants” are defined as any household member who was not born in their current place of residence but who moved to their current residence from another VDC or municipality or from another country (“lifetime migration”)<sup>1</sup>. All the analysis shown in this publication relates to this concept. It would be feasible to also analyse recent migration – namely those who moved (the last time) within recent years – since NLFS II collects data on duration since last move in completed years (upto a maximum of “15 years”). Users may wish to undertake this analysis separately.

The analysis in this chapter generally relates to migrants of all ages, although selected statistics are shown for migrants aged 5 years and above for comparison with the Nepal Living Standards Survey 2003/04.

For a person who migrated several times, only the last movement is considered.

## 16.3 Migrants – Status of migrants

As shown in Table 16.1, a total of 33 percent of the total population of all ages had moved to their current location at some time. Only 67 percent had been born in their current location. If this analysis is done in respect of those aged 5 years and above<sup>2</sup>, the comparable percentages are 37 percent migrants and 63 percent born in current location (see Table 16.2).

More females had moved than males (44 percent of females of all ages compared with 21 percent of males of all ages), and this is particularly the case in urban areas where 56 percent of urban females of all ages had migrated compared with 46 percent of urban males.

About 56 percent of the currently unemployed aged 5 years and above have migrated from another place to their current usual place of residence, whereas 42 percent of the currently employed aged 5 years and above have migrated to their current usual place of residence. The rate of migration for

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<sup>1</sup> Movement within the same VDC/Municipality was not classified as migration. Seasonal migration, the migration of individuals who change their place of residence for a certain season only, is not included in this survey because household members who are absent for less than 6 months out of 12 remain classified as resident household members associated with their usual household.

<sup>2</sup> The Nepal Living Standards Survey 2003/04 used this age group (5 years and above) when analysing migration.

currently inactive aged 5 years and above (27 percent) is considerably low as compared to currently active (42 percent).

About 37 percent of the residents (all ages) of the Terai have migrated from other places, while 31 percent of the residents (all ages) of the Hill and 24 percent of the Mountain have migrated from other places. The migration rates range from 25 percent to 35 percent across the development regions with the highest in Eastern development region.

**Table 16.1 Distribution of migrants (all ages) by sex and current location**

	Number of migrants			Migrants as a percent of total for each group		
	Total	Male	Female	Total	Male	Female
	(in thousands)			(percentage of the total)		
<b>Total</b>	<b>7840</b>	<b>2371</b>	<b>5469</b>	<b>33.3</b>	<b>21.3</b>	<b>44.0</b>
<b>Ecological Belt</b>						
Mountain	399	98	300	24.4	12.6	35.3
Hill	3117	1011	2106	30.9	21.4	39.3
Terai	4324	1262	3063	36.6	22.5	49.3
<b>Development region</b>						
Eastern	577	1349	1926	35.4	22.5	47.0
Central	868	1900	2767	34.1	22.1	45.4
Western	433	1072	1505	34.1	21.2	45.1
Mid-western	256	591	847	25.5	16.3	33.6
Far-western	238	556	794	35.2	23.3	45.0
<b>Urban</b>						
Kathmandu Valley	618	312	305	54.5	53.1	56.1
Eastern/Central Hill/Mt.	169	73	96	52.7	48.3	56.6
"West" Hills/Mt.	276	117	159	55.0	49.4	60.0
Eastern Terai	285	119	166	47.1	40.6	53.4
Central Terai	200	84	117	46.9	38.0	56.4
"West" Terai	266	113	153	47.3	40.8	53.7
<b>Rural</b>						
Eastern Hills/Mt.	471	121	350	25.8	13.9	36.7
Central Hills/Mt.	668	187	481	24.6	14.7	33.5
Western Hills/Mt.	661	170	491	29.2	16.6	39.5
Mid/Far-western Hills/Mt.	654	130	524	22.0	9.5	32.7
Eastern Terai	1101	305	796	38.1	22.6	51.7
Central Terai	1182	243	939	32.5	13.9	49.7
"West" Terai	1289	398	892	34.8	23.1	45.1

"West" refers to western, mid-western and far-western development regions

NLFS 2008



**Table 16.2: Distribution of migrants aged 5 years and above by sex, economic activity status and location**

	Number of migrants			Migrants as a percent of total for each group		
	Total	Male	Female	Total	Male	Female
	(in thousands)			(percentage of the total)		
<b>Total</b>	<b>7724</b>	<b>2309</b>	<b>5415</b>	<b>37.4</b>	<b>23.9</b>	<b>49.2</b>
Currently active	5928	1759	4169	41.9	26.6	55.4
Currently employed	5777	1702	4075	41.6	26.3	55.1
Currently unemployed	150	57	94	56.4	42.6	70.1
Currently inactive	1750	547	1203	27.3	18.2	35.4
Not stated	47	4	43	44.1	12.1	56.9
<b>Ecological Belt</b>						
Mountain	395	97	299	27.8	14.4	39.9
Hill	3067	982	2084	34.4	23.8	43.6
Terai	4262	1230	3032	41.3	25.3	55.4
<b>Development region</b>						
Eastern	1903	567	1336	39.5	25.1	52.1
Central	2736	848	1888	38.2	24.6	50.8
Western	1473	415	1058	37.9	23.6	49.8
Mid-western	830	246	584	29.2	18.6	38.5
Far-western	781	233	549	40.2	26.8	50.9
<b>Urban</b>	<b>1776</b>	<b>795</b>	<b>981</b>	<b>54.8</b>	<b>49.6</b>	<b>59.9</b>
Kathmandu Valley	607	306	301	57.5	56.0	59.0
Eastern/Central Hill/Mt.	165	71	94	56.2	51.7	60.2
"West" Hills/Mt.	267	111	156	59.2	53.2	64.4
Eastern Terai	281	116	165	50.7	43.3	57.6
Central Terai	196	81	115	51.0	40.9	61.6
"West" Terai	261	110	151	51.7	44.6	58.4
<b>Rural</b>	<b>5947</b>	<b>1514</b>	<b>4434</b>	<b>34.2</b>	<b>18.8</b>	<b>47.4</b>
Eastern Hills/Mt.	468	121	348	28.9	15.7	40.8
Central Hills/Mt.	661	182	479	27.4	16.2	37.1
Western Hills/Mt.	648	162	486	32.5	18.6	43.3
Mid/Far-western Hills/Mt.	645	126	520	25.9	11.1	38.2
Eastern Terai	1086	300	786	42.8	25.7	57.5
Central Terai	1175	238	937	37.6	16.0	57.3
"West" Terai	1263	385	878	39.2	25.9	50.6

"West" refers to western, mid-western and far-western development regions

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## 16.4 Migrants – Age and sex distribution

As shown in Table 16.3, most migrants were females (70 percent) and, as might be expected, most were adults (with 28 percent of migrants aged 30-44 years age groups). This is particularly the case in urban area where 55 percent of urban migrants were female and 35 percent were aged 15-29 years age group.

**Table 16.3: Percentage of migrant population (all ages) sex, age and current location**

Age group	Number (thousands)			Percentage		
	Male	Female	Total	Male	Female	Total
<b>Currently located in urban area</b>						
Under 5	22	15	38	2.7	1.5	2.1
5 - 14	121	101	223	14.8	10.2	12.3
15 - 29	277	349	627	33.9	35.0	34.5
30 - 44	208	297	506	25.5	29.8	27.9
45 - 59	121	147	268	14.8	14.8	14.8
60 - and above	68	86	154	8.3	8.6	8.5
<b>Total urban</b>	<b>818</b>	<b>996</b>	<b>1814</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Urban by sex				45.1	54.9	100.0
<b>Currently located in rural area</b>						
Under 5	40	39	78	2.6	0.9	1.3
5 - 14	200	192	392	12.9	4.3	6.5
15 - 29	350	1497	1848	22.6	33.5	30.7
30 - 44	350	1361	1711	22.5	30.4	28.4
45 - 60	355	854	1209	22.8	19.1	20.1
60 and above	258	530	788	16.6	11.9	13.1
<b>Total rural</b>	<b>1553</b>	<b>4473</b>	<b>6026</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Rural by sex				25.8	74.2	100.0
<b>Total all Nepal</b>						
Under 5	62	54	116	2.6	1.0	1.5
5 - 14	321	293	615	13.6	5.4	7.8
15 - 29	628	1847	2475	26.5	33.8	31.6
30 - 44	558	1658	2216	23.5	30.3	28.3
45 - 60	476	1001	1476	20.1	18.3	18.8
60 and above	326	616	942	13.7	11.3	12.0
<b>Total Nepal</b>	<b>2371</b>	<b>5469</b>	<b>7840</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Nepal by sex				30.2	69.8	100.0

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## 16.5 Migrants – Origin of migration

All migrants were asked whether they had moved from urban areas or rural areas or another country to their present place of residence. Out of 100 migrants (all ages) in the country, 80 percent reported that they have come from rural areas, 7 percent from urban areas and 13 percent from another country (see Table 16.4). This pattern holds true across all development regions, ecological zones and urban/rural category (see Table 16.5).

About 13 percent migrants (all ages) have moved from urban to urban, 77 percent have moved from rural to urban and 11 percent from outside Nepal to urban areas, whereas about 5 percent have moved from urban to rural, 81 percent from rural to rural and 13 percent from abroad to rural areas. Out of total migrants (all ages) in the Kathmandu valley urban, 19 percent are from other urban areas, 77 percent are from rural areas and 5 percent are from abroad.

**Table 16.4: Migrant population (all ages) sex, current location and origin of last migration**

Origin of last migration	Number (in thousands)			Percentage		
	Currently located in urban area	Currently located in rural area	Total migrant population	Currently located in urban area	Currently located in rural area	Total migrant
<b>Male</b>						
From urban Nepal	103	126	229	12.5	8.1	9.7
From rural Nepal	626	1153	1779	76.6	74.2	75.0
From outside Nepal	89	274	363	10.9	17.7	15.3
<b>Total male</b>	<b>818</b>	<b>1553</b>	<b>2371</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Male by current location				34.5	65.5	100.0
<b>Female</b>						
From urban Nepal	130	200	330	13.0	4.5	6.0
From rural Nepal	762	3748	4509	76.5	83.8	82.5
From outside Nepal	104	525	630	10.5	11.7	11.5
<b>Total female</b>	<b>996</b>	<b>4473</b>	<b>5469</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Female by current location				18.2	81.8	100.0
<b>Both sex</b>						
From urban Nepal	233	326	559	12.8	5.4	7.1
From rural Nepal	1388	4900	6288	76.5	81.3	80.2
From outside Nepal	193	799	993	10.7	13.3	12.7
<b>Total persons</b>	<b>1814</b>	<b>6026</b>	<b>7840</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Persons by current location				23.1	76.9	100.0

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Table 16.5 provides the number and percentage of migrants (all ages) by origin of migration for different areas.

**Table 16.5: Distribution of migrant (all ages) by origin of migration**

	Total number of migrants	No. of migrant by origin			Percent of migrant by origin			
		Urban	Rural	Abroad	Total	Urban	Rural	Abroad
		(in thousands)			(percentage out of total migrant)			
<b>Total</b>	<b>7840</b>	<b>559</b>	<b>6288</b>	<b>993</b>	<b>100.0</b>	<b>7.1</b>	<b>80.2</b>	<b>12.7</b>
<b>Ecological Belt</b>								
Mountain	399	24	355	20	100.0	5.9	89.0	5.1
Hill	3117	292	2542	283	100.0	9.4	81.6	9.1
Terai	4324	244	3391	689	100.0	5.6	78.4	15.9
<b>Development region</b>								
Eastern	1926	138	1563	225	100.0	7.2	81.1	11.7
Central	2767	265	2209	294	100.0	9.6	79.8	10.6
Western	1505	78	1106	321	100.0	5.2	73.5	21.3
Mid-western	847	41	740	66	100.0	4.8	87.3	7.8
Far-western	794	37	671	86	100.0	4.6	84.6	10.9
<b>Urban</b>								
Urban	1814	233	1388	193	100.0	12.8	76.5	10.7
Kathmandu Valley	618	116	473	29	100.0	18.7	76.6	4.7
Eastern/Central Hill/Mt.	169	23	138	8	100.0	13.7	81.7	4.6
"West" Hills/Mt.	276	24	221	30	100.0	8.8	80.2	11.0
Eastern Terai	285	30	210	45	100.0	10.4	73.7	15.8
Central Terai	200	20	138	42	100.0	10.1	68.9	21.0
"West" Terai	266	19	207	40	100.0	7.3	77.9	14.8
<b>Rural</b>								
Rural	6026	326	4900	799	100.0	5.4	81.3	13.3
Eastern Hills/Mt.	471	32	402	37	100.0	6.9	85.4	7.8
Central Hills/Mt.	668	71	581	17	100.0	10.6	86.9	2.5
Western Hills/Mt.	661	28	500	133	100.0	4.3	75.6	20.1
Mid/Far-western Hills/Mt.	654	21	582	51	100.0	3.1	89.1	7.8
Eastern Terai	1101	68	892	140	100.0	6.2	81.1	12.7
Central Terai	1182	43	937	202	100.0	3.6	79.3	17.1
"West" Terai	1289	63	1006	220	100.0	4.9	78.0	17.1

"West" refers to western, mid-western and far-western development regions

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## 16.6 Migrants – Reason for migration

Migration arises from a combination of many reasons. As shown in Table 16.6, most migrants (48 percent) said that “marriage” was the main reason for their movement. Other reasons given were “other family reason” (30 percent) and “easier life style” (8 percent).

**Table 16.6: Migrant population (all ages) sex, current location and reason for last migration**

Reason for last migration	Number ( in thousands)			Percentage		
	Male	Female	Total	Male	Female	Total
<b>Currently located in urban area</b>						
Marriage	9	371	380	1.1	37.2	20.9
Other family reason	269	425	695	32.9	42.7	38.3
Study/Training	135	75	210	16.5	7.5	11.6
Looking for work	100	25	125	12.2	2.5	6.9
Easier lifestyle	95	60	155	11.6	6.1	8.6
Others	209	40	249	25.6	4.0	13.8
Total currently in urban area	818	996	1814	100.00	100.00	100.00
<b>Currently located in rural area</b>						
Marriage	53	3312	3365	3.4	74.1	55.8
Other family reason	745	889	1634	48.0	19.9	27.1
Study/Training	54	33	87	3.5	0.7	1.4
Looking for work	113	25	138	7.3	0.6	2.3
Easier lifestyle	320	147	467	20.6	3.3	7.8
Others	268	65	334	17.3	1.5	5.5
Total currently in rural area	1553	4473	6026	100.0	100.0	100.0
<b>Total all Nepal</b>						
Marriage	62	3683	3745	2.6	67.3	47.8
Other family reason	1014	1315	2329	42.8	24.0	29.7
Study/Training	189	108	297	8.0	2.0	3.8
Looking for work	213	50	263	9.0	0.9	3.4
Easier lifestyle	415	207	622	17.5	3.8	7.9
Others	478	106	583	20.1	1.9	7.4
Total Nepal	2371	5469	7840	100.0	100.0	100.0

NLFS 2008

## 16.7 Absentees – Introduction

The NLFS II also collected information of “absentees” who were defined as those who were considered by the household to be household members at the time of the interview (that is, they have not separated from the household) but who were excluded from the survey’s definition of household membership because of prolonged absence, that is, they were away from the household for more than 6 months out of the last 12 months, or had recently left and were expected to be away for more than 6 months<sup>3</sup>, and will return to the same household in the future. Persons who have separated from the household and are now part of another household in Nepal are not counted as absentees.<sup>4</sup>

There were a total of 3785 thousand “absentees” as defined above (Table 16.7).

## 16.8 Absentees – As a proportion of total population

As shown in Table 16.7, almost 15 percent of the total population (including absentees now living abroad)<sup>5</sup> were considered to be absentees in 2008. When analysed by age and sex, Table 16.7 shows that 23 percent of males and 6 percent of females were classified as absentees. By age groups, 6 percent of those aged under 5 years, 6 percent of those aged 5 to 14 years and 20 percent of those aged 15 years and above were classified as absentees.

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<sup>3</sup> Due to misreporting by households, absentees might include the children born overseas to absentees. Strictly speaking such children should be excluded because they were never members of the reporting household.

<sup>4</sup> Absentees and persons who have left one household to live permanently elsewhere would be enumerated in their new location if they satisfied the 6 months criterion in their new location. Consequently, there is no conceptual omission or duplication in determining the population within Nepal. Absentees who have moved outside Nepal are of course excluded from the Nepal population and from the survey questions on economic activity.

<sup>5</sup> Absentees now in Nepal are not added into the denominator when calculating these percentages because (as explained in the preceding footnote) they should already be included elsewhere in Nepal if surveyed in their new location.

**Table 16.7 Absentee population (all ages) as a percentage of population (including absentees now abroad) by sex and current location**

Age Group	Number of absentees			Absentees as a percentage of population (including absentees abroad)		
	Total	Male	Female	Total	Male	Female
	(in thousands)			(percentage of the total)		
<b>Total</b>	<b>3785</b>	<b>2973</b>	<b>812</b>	<b>14.9</b>	<b>23.1</b>	<b>6.4</b>
0 – 4 yrs.	161	91	71	5.5	6.1	4.9
5 – 14 yrs.	378	236	142	6.0	7.3	4.6
15 - 29 yrs.	2122	1683	439	29.8	48.0	12.1
30 - 44 yrs.	906	778	128	20.1	34.8	5.6
45 - 60 yrs.	176	160	16	6.3	11.1	1.2
60 yrs. and above	42	26	17	2.4	2.8	1.9
<b>15 years and above (adult)</b>	<b>3246</b>	<b>2647</b>	<b>600</b>	<b>20.0</b>	<b>32.7</b>	<b>7.4</b>
<b>Ecological Belt</b>						
Mountain	317	228	90	18.1	25.9	10.3
Hill	1793	1361	432	16.4	24.9	7.9
Terai	1675	1385	290	13.1	21.3	4.6
<b>Development region</b>						
Eastern	841	657	184	14.4	22.3	6.3
Central	1166	887	279	13.6	20.4	6.6
Western	859	692	166	17.4	27.6	6.9
Mid-western	507	407	100	14.1	22.5	5.6
Far-western	413	331	82	16.5	26.9	6.4
<b>Urban</b>						
Kathmandu Valley	74	51	22	6.2	8.1	4.0
Eastern/Central Hill/Mt.	58	40	18	17.2	24.2	10.5
"West" Hills/Mt.	91	73	17	16.3	26.0	6.4
Eastern Terai	72	53	19	11.2	16.5	5.9
Central Terai	46	37	9	10.4	15.6	4.4
"West" Terai	74	58	15	12.2	18.6	5.3
<b>Rural</b>						
Eastern Hills/Mt.	317	233	84	16.3	23.8	8.7
Central Hills/Mt.	499	347	152	17.6	25.1	10.5
Western Hills/Mt.	571	450	121	22.2	34.6	9.5
Mid/Far-western Hills/Mt.	501	394	107	15.4	24.4	6.5
Eastern Terai	428	354	73	13.6	22.4	4.7
Central Terai	513	427	85	13.2	21.4	4.5
"West" Terai	542	454	88	13.4	22.2	4.4

"West" refers to western, mid-western and far-western development regions

NLFS 2008

## 16.9 Absentees – By place of current residence

Unfortunately, data on district of current location of absentee (Q.118) does not distinguish between urban and rural. Therefore it is not possible to determine the proportion of absentees who were currently believed to be living in urban areas as opposed to rural areas of Nepal. It is however possible to estimate that 51 percent were believed to be living outside Nepal and 48 percent inside Nepal (see Table 16.8).

**Table 16.8: Number and Percentage of absentee population (all ages) sex, current location and origin**

Origin	Number (in thousand)				Percentage			
	Currently believed to be located in Nepal	Currently believed to be located outside Nepal	Do not know	Total absentee population	Currently believed to be located in Nepal	Currently believed to be located outside Nepal	Do not know	Total absentee population
<b>Male</b>								
From urban Nepal	123	186	5	314	10.1	10.8	14.0	10.5
From rural Nepal	1088	1544	28	2660	89.9	89.2	86.0	89.5
Total	1211	1730	33	2973	100.0	100.0	100.0	100.0
<b>Males by location</b>					<b>40.7</b>	<b>58.2</b>	<b>1.1</b>	<b>100.0</b>
<b>Female</b>								
From urban Nepal	55	46	1	101	9.1	22.5	10.3	12.5
From rural Nepal	545	157	9	711	90.9	77.5	89.7	87.5
Total	599	203	10	812	100.0	100.0	100.0	100.0
<b>Females by location</b>					<b>73.8</b>	<b>25.0</b>	<b>1.2</b>	<b>100.0</b>
<b>Both sex</b>								
From urban Nepal	177	232	6	415	9.8	12.0	13.1	11.0
From rural Nepal	1633	1701	37	3371	90.2	88.0	86.9	89.0
Total	1810	1933	42	3785	100.0	100.0	100.0	100.0
<b>Persons by location</b>					<b>47.8</b>	<b>51.1</b>	<b>1.1</b>	<b>100.0</b>

NLFS 2008

## 16.10 Activity status of absentees aged 5 years and above

Questions were asked to the household heads about the current activity of the absentee family members. Proxy reporting and lack of knowledge of the absentee's current status may affect the quality of the statistics on this topic. Table 16.9 shows that just more than half (51.4 percent) of the absentees aged 5 years and above were currently working, 21 percent were currently studying, 2 percent were not working and (as might be expected) one fourth of the total absentees' status was unknown. This pattern holds true for all the areas of the country. Among the ecological zones, the proportion of absentee population aged 5 years and above currently working is found to be the highest in the Terai (58 percent) followed by Hills (47 percent) and Mountains (46 percent), whereas the proportion of absentee population currently studying is found to be the highest in the Mountain (28 percent) followed by Hills (23 percent) and the Terai (17 percent). Across the development regions, Far-western development region accounts for the highest share (62 percent) of currently working absentee population, whereas the eastern development region accounts for the highest share (24 percent) of currently studying absentee population.



Table 16.9 provides the distribution of absentee family members aged 5 years and above by reason for absence, ecological zones, development region and urban/rural category.

**Table 16.9: Distribution of absentees family member aged 5 years and above by reason for absence.**

	Number of absentee by reason (in thousands)					Percentage distribution of absentee by reason (in percentage )				
	Total	Study	Working	Not working	Don't know	Total	Study	Working	Not working	Don't know
<b>Total</b>	<b>3624</b>	<b>758</b>	<b>1863</b>	<b>74</b>	<b>928</b>	<b>100.0</b>	<b>20.9</b>	<b>51.4</b>	<b>2.1</b>	<b>25.6</b>
<b>Ecological Belt</b>										
Mountain	298	85	137	5	71	100.0	28.4	46.0	1.7	23.9
Hill	1704	397	793	40	475	100.0	23.3	46.5	2.3	27.9
Terai	1622	276	934	30	382	100.0	17.0	57.6	1.8	23.6
<b>Development region</b>										
Eastern	804	189	391	12	212	100.0	23.5	48.7	1.5	26.3
Central	1123	247	638	24	214	100.0	22.0	56.8	2.1	19.1
Western	824	162	360	25	277	100.0	19.6	43.6	3.1	33.6
Mid-western	482	90	232	8	152	100.0	18.8	48.1	1.7	31.4
Far-western	391	70	243	5	74	100.0	17.8	62.1	1.3	18.9
<b>Urban</b>										
Kathmandu Valley	72	20	25	0	26	100.0	28.0	35.2	0.7	36.2
Eastern/Central Hill/Mt.	56	14	30	2	9	100.0	25.2	54.4	3.7	16.8
"West" Hills/Mt.	88	17	47	3	22	100.0	19.2	53.2	3.0	24.5
Eastern Terai	70	14	40	2	14	100.0	20.5	56.9	2.2	20.4
Central Terai	45	10	26	2	7	100.0	21.7	58.0	4.7	15.6
"West" Terai	71	15	37	1	18	100.0	21.8	51.9	0.9	25.4
<b>Rural</b>										
Eastern Hills/Mt.	298	89	123	6	79	100.0	30.0	41.4	2.1	26.5
Central Hills/Mt.	477	127	254	6	91	100.0	26.5	53.2	1.2	19.1
Western Hills/Mt.	541	120	227	23	171	100.0	22.3	41.9	4.2	31.6
Mid/Far-western Hills/Mt.	471	95	223	5	148	100.0	20.1	47.4	1.1	31.4
Eastern Terai	413	79	216	3	115	100.0	19.2	52.4	0.7	27.7
Central Terai	497	83	315	14	85	100.0	16.7	63.3	2.9	17.1
"West" Terai	527	74	301	8	144	100.0	14.1	57.1	1.5	27.3

"West" refers to western, mid-western and far-western development regions

NLFS 2008

## 16.11 Household having absentee's information

As shown in the Table 16.10, nearly 44 percent of households have at least one absentee currently living either abroad or within the country. When differentiating between abroad and within the country, it shows that slightly more than 29 percent of households have at least one absentee currently living abroad. Whereas, slightly more than 19 percent of households have at least one absentee currently living within the country. The pattern of having at least one absentee living either abroad or within the country holds almost the same for all areas except from rural parts of Western Hill/Mountain, where

there is the highest percentage of households (60.3 percent) with at least one absentee. In addition, among the regions, western region has the highest percentage of households (40.1 percent) having at least one absentee currently living abroad.

**Table 16. 10: Number and percentage of households having at least one absentee.**

	Total number of households	Number of households having at least one absentee living either abroad or within the country	Number of households having at least one absentee living abroad	Percentage of households having at least one absentee living either abroad or within the country	Percentage of households having at least one absentee currently living abroad	Percentage of households having at least one absentee currently living within the country
	(in thousands)			(in percentage)		
<b>Total</b>	<b>4825</b>	<b>2114</b>	<b>1405</b>	<b>43.8</b>	<b>29.1</b>	<b>19.3</b>
<b>Ecological Belt</b>						
Mountain	347	151	81	43.4	23.5	25.8
Hill	2157	956	606	44.3	28.1	21.4
Terai	2321	1007	717	43.4	30.9	16.5
<b>Development region</b>						
Eastern	1128	491	321	43.5	28.4	19.6
Central	1664	624	361	37.5	21.7	19.5
Western	960	504	385	52.5	40.1	18.9
Mid-western	644	281	186	43.6	28.8	19.1
Far-western	428	213	152	49.7	35.5	19.3
<b>Urban</b>	<b>821</b>	<b>249</b>	<b>165</b>	<b>30.4</b>	<b>20.1</b>	<b>12.1</b>
Kathmandu Valley	271	47	41	17.5	15.0	3.1
Eastern/Central Hill/Mt.	79	30	14	37.8	17.4	23.4
"West" Hills/Mt.	128	57	39	44.7	30.6	17.3
Eastern Terai	136	43	26	31.7	19.3	14.7
Central Terai	88	29	16	32.6	18.7	14.9
"West" Terai	119	43	29	36.1	24.2	14.1
<b>Rural</b>	<b>4004</b>	<b>1864</b>	<b>1240</b>	<b>46.6</b>	<b>31.0</b>	<b>20.8</b>
Eastern Hills/Mt.	368	171	95	46.5	25.7	26.4
Central Hills/Mt.	572	231	98	40.4	17.1	28.0
Western Hills/Mt.	524	316	227	60.3	43.3	26.3
Mid/Far-western Hills/Mt.	562	254	175	45.3	31.2	18.9
Eastern Terai	593	264	194	44.5	32.6	16.3
Central Terai	686	300	199	43.8	28.9	19.1
"West" Terai	700	328	253	46.8	36.2	14.9

"West" refers to western, mid-western and far-western development regions

NLFS 2008

## CHAPTER 17: REMITTANCES

### Summary

The NLFS 2008 collected data on remittances received by the surveyed households from absentees and from others during the last 12 months. It does not include all transfer income (from sources other than persons). Also, remittances paid out by the household are not collected in the survey and hence, not included in this report.

The proportion of households receiving a remittance (from either an absentee or from another person) was 30 percent of all households. The average amount received over all households in the last 12 months was Rs 19,721.

Most remittance incomes were received from outside Nepal (including India, Malaysia, Saudi Arabia, and Qatar) with 83.2 percent of all remittance income (absentees and others combined) coming from outside. The share of remittance received from abroad comprised of 13.4 percent from India and followed by 19.2 percent, 14.9 percent, 21.3 percent 2.2 percent and 29 percent from Malaysia, Saudi Arabia, Qatar, United Kingdom and other countries respectively. The survey collected data on the district from which the remittance was sent but this is insufficient to distinguish remittances from urban and from rural areas. Moreover the per capita remittance for the entire country is 4042 NRs.

**Table 17.0: Summary statistics**

Description	Nepal Labour Force Survey 2008
Percentage of households receiving a remittance: from either absentee or other	30.0
Percentage of households receiving a remittance from abroad: from either absentee or other	23.0
Average remittance received in the last 12 months (total) by households receiving remittance (NRs)	65,755
From within Nepal	28,976
From outside Nepal	80,462
Average remittance received in the last 12 months (total) over all households (NRs)	19,721
From within Nepal	3,366
From outside Nepal	16,355
Share of amount of remittances received by household:	
From within Nepal	16.8
From outside Nepal	83.2
Total	100.0
Share of amount of remittances received by household from outside Nepal	100.0
From India	13.4
From Malaysia	19.2
From Saudi Arabia	14.9
From Qatar	21.3
From United Kingdom	2.2
From other countries	29.0
Per capita remittance amount for all Nepal (nominal NRs.)	4,042

Note: Nominal Rupees are values in current prices without adjustment for price changes over the period.

## 17.1 Introduction

Remittances are defined as transfer income in cash or kind received by a household from absentees (as defined in the previous chapter) and from other persons during the last 12 months prior to the survey interview. It does not include all transfer income (from sources other than persons), such as transfers from government, non-profit institutions or other institutional donors. Remittance income also is reported gross because remittances paid out by the household are not collected in the survey. All incomes transferred from a single source (individual/household) is counted as one remittance.

## 17.2 Households receiving remittance

The proportion of households receiving a remittance (from either an absentee or from another person) was 30.0 percent of all households (Table 17.1). The average amount received in the last 12 months was Rs 65,755 per recipient household.

For households in rural areas, 31.1 percent received a remittance (from either an absentee or another person). The average amount received by rural households in the last 12 months was Rs. 59,064.

For households in urban areas, 24.5 percent received a remittance (from either an absentee or another person). The average amount received by urban households in the last 12 months was Rs. 107,234. The average remittance in Kathmandu valley urban is even higher (Rs. 161,082).

Among development regions, the average remittance is the highest in the Western (Rs 79,484) and the lowest in the Far-western (Rs 28,412).

Per capita remittance received - perhaps a better indicator for the whole population - stands at NRs. 4042. Urban areas have double per capita remittance of rural areas with NRs 6073 and NRs 3681 respectively. Among the development regions, per capita remittance received ranges from the highest of 6487 Rs in Western region to the lowest of 2052 Rs in Far-Western region. Similarly among ecological belts, per capita remittance received ranges from the highest of 4403 Rs for the Hill belt to the lowest of 2319 Rs in the Mountain belt.

## 17.3 Source of remittance

Most remittances were received from outside Nepal with 83.2 percent of all remittance income (absentees and others combined) coming from outside (see Table 17.5). For remittances received from within Nepal, the survey collected data on the district of the sender but this is not sufficient to distinguish remittances from urban and from rural areas.

Table 17.5 summarizes number, size and share of remittances by source. Labour Force Survey II estimates in terms of the value of remittances, those from within Nepal account for nearly 17 percent, from India 11 percent, Malaysia almost 16 percent, Qatar 18 percent and other countries 24 percent. In terms of the number of remittances from a single source, India has the highest proportion with 26

percent (see Table 17.4) but the average remittance from Indian sources over the 12 months was only 22,040 NRs. (Table 17.5).

The survey provided details on the age, sex, relationship to head, education and occupation of the sender (remitter). Most remitters (either absentees or another person) were males (83.7 percent), with only 16.3 percent sent by females. (Table 17.7)

Out of total remitters, mostly (53.8 percent) were persons aged 15 to 29 years with an additional 23.3 percent being those aged 30 to 44 years.

Most remitters (52.1 percent) were sons/daughters of the head of household with 27.0 percent being husbands/wives. (Table 17.6)

## **17.4 Effect of global financial crisis**

Table 17.8 shows estimates based on the three trimesters of the survey year. This table has been added to show whether the Global Financial Crisis (which started in September 2008) had any affect on remittances. One would expect some difference in the level of remittances received in the third trimester of the survey (covering the period September to December 2008) compared to the first two trimesters (ending April 2008 and August 2008 respectively). However Table 17.8 shows that the number and amount of remittances did not change in the third trimester.

**Table 17.1: Remittance received from within Nepal and from abroad in total (absentees and others combined).**

Location	No. of households receiving remittance	Percentage of households receiving remittance	Average amount of remittance over HHs receiving remittance from absentees & others (Rs.)	Average amount of remittance from absentees & others over all HHs (Rs.)	No. of remittance received by HHs	Average no. of remittance among recipient HHs	Average per capita remittance received (Rs.)
<b>Nepal</b>	<b>4,397</b>	<b>30.0</b>	<b>65755</b>	<b>19721</b>	<b>5,612</b>	<b>1.28</b>	<b>4042</b>
Mountain	223	26.0	42018	10911	285	1.25	2319
Hill	2,200	31.1	66309	20596	2,829	1.28	4403
Terai	1,974	29.6	68329	20225	2,498	1.28	3972
Eastern	974	29.0	71757	20783	1217	1.26	4310
Central	1,435	25.4	73614	18719	1,900	1.33	3843
Western	1,084	37.6	79484	29849	1,350	1.23	6487
Mid-Western	434	27.0	41827	11277	534	1.23	2186
Far-Western	470	38.0	28412	10806	611	1.30	2052
<b>Urban</b>	<b>1,904</b>	<b>24.5</b>	<b>107234</b>	<b>26263</b>	<b>2,439</b>	<b>1.28</b>	<b>6073</b>
Kathmandu Valley	332	13.8	161082	22153	398	1.18	5298
Eastern/Central Hill/Mt.	280	37.5	57273	21486	400	1.44	5271
West Hill/Mt.	446	36.9	115696	42688	583	1.30	10917
Eastern Terai	300	24.0	104167	24947	358	1.20	5596
Central Terai	238	26.1	125098	32671	321	1.34	6713
"West" Terai	308	26.4	67745	17865	379	1.23	3794
<b>Rural</b>	<b>2,493</b>	<b>31.1</b>	<b>59064</b>	<b>18380</b>	<b>3,173</b>	<b>1.28</b>	<b>3681</b>
Eastern Hill/Mt.	219	28.5	64277	18331	273	1.27	3705
Central Hill/Mt.	332	27.7	46689	12925	443	1.33	2726
Western Hill/Mt.	492	43.7	67899	29680	611	1.25	6870
Mid/Far Western Hill/Mt.	322	27.3	34798	9510	406	1.25	1798
Eastern Terai	343	29.6	71842	21287	428	1.26	4373
Central Terai	365	27.5	73613	20244	496	1.36	3815
"West" Terai	420	33.7	51111	17233	516	1.23	3258

"West" refers to western, mid-western and far-western development regions

NLFS 2008

**Table 17.2: Remittances received from outside Nepal (absentees and others combined).**

Location	No. of households receiving remittance	Percentage of households receiving remittance	Average amount of remittance over HHs receiving remittance from absentees & others (Rs.)	Average amount of remittance from absentees & others over all HHs (Rs.)	No. of remittance received by HHs	Average no. of remittance among recipient HHs	Average per capita remittance received (Rs.)
<b>Nepal</b>	<b>3,379</b>	<b>23.0</b>	<b>80462</b>	<b>16355</b>	<b>3,338</b>	<b>1.16</b>	<b>3,352</b>
Mountain	150	17.5	60667	8485	128	1.08	1,803
Hill	1,702	23.6	85422	17395	1,629	1.16	3,718
Terai	1,527	23.2	77993	16566	1,581	1.16	3,253
Eastern	747	23.1	86575	17994	737	1.15	3,731
Central	1,007	16.8	98242	14032	908	1.16	2,881
Western	920	31.7	90383	27449	1,028	1.17	5,966
Mid-Western	321	20.3	49898	8680	318	1.17	1,683
Far-Western	384	31.3	31571	7733	347	1.13	1,468
<b>Urban</b>	<b>1,474</b>	<b>19.2</b>	<b>145926</b>	<b>21736</b>	<b>1,335</b>	<b>1.15</b>	<b>5,026</b>
Kathmandu Valley	293	12.4	213411	18375	206	1.06	4,395
Eastern/Central Hill/Mt.	187	25.9	91128	13507	125	1.12	3,314
West Hill/Mt.	362	30.2	140633	38349	397	1.21	9,807
Eastern Terai	209	16.5	151273	21099	211	1.16	4,733
Central Terai	173	19.2	169357	25595	173	1.2	5,259
"West" Terai	250	21.4	88060	14807	223	1.13	3,144
<b>Rural</b>	<b>1905</b>	<b>23.8</b>	<b>71,140</b>	<b>15252</b>	<b>2,003</b>	<b>1.16</b>	<b>3,055</b>
Eastern Hill/Mt.	172	22.8	81209	15776	162	1.09	3,189
Central Hill/Mt.	172	14.3	87331	9758	151	1.14	2,058
Western Hill/Mt.	402	35.7	79057	26864	448	1.18	6,218
Mid/Far Western Hill/Mt.	264	22.1	38674	7178	268	1.18	1,357
Eastern Terai	281	24.3	81247	18981	316	1.18	3,899
Central Terai	267	20.0	75225	14363	301	1.18	2,707
"West" Terai	347	27.7	61123	14965	357	1.13	2,830

"West" refers to western, mid-western and far-western development regions

NLFS 2008

**Table 17.3: Remittances received from within Nepal (absentees and others combined).**

Location	No. of households receiving remittance	Percentage of households receiving remittance	Average amount of remittance over HHs receiving remittance from absentees & others (Rs.)	Average amount of remittance from absentees & others over all HHs (Rs.)	No. of remittance received by HHs	Average no. of remittance among recipient HHs	Average per capita remittance received (Rs.)
<b>Nepal</b>	<b>1975</b>	<b>12.6</b>	<b>28,976</b>	<b>3366</b>	<b>2,274</b>	<b>1.26</b>	<b>690</b>
Mountain	122	14.0	17739	2426	157	1.27	516
Hill	1067	14.2	24,931	3201	1,200	1.25	684
Terai	786	10.8	35,979	3660	917	1.29	719
Eastern	417	10.9	28,571	2789	480	1.3	578
Central	779	13.4	36,209	4687	992	1.34	962
Western	348	11.0	26,018	2400	322	1.15	522
Mid-Western	191	11.5	23,514	2597	216	1.16	503
Far-Western	240	18.9	17,502	3073	264	1.23	583
<b>Urban</b>	<b>982</b>	<b>12.6</b>	<b>40,625</b>	<b>4527</b>	<b>1,104</b>	<b>1.26</b>	<b>1,047</b>
Kathmandu Valley	169	6.3	66,933	3778	192	1.25	904
Eastern/Central Hill/Mt.	200	27.4	30460	7979	275	1.44	1957
West Hill/Mt.	202	16.5	34,615	4339	186	1.19	1110
Eastern Terai	146	12.4	35,380	3848	147	1.15	863
Central Terai	122	14.0	54159	7076	148	1.28	1454
"West" Terai	143	12.5	27,515	3058	156	1.2	649
<b>Rural</b>	<b>993</b>	<b>12.5</b>	<b>26,705</b>	<b>3128</b>	<b>1170</b>	<b>1.27</b>	<b>626</b>
Eastern Hill/Mt.	95	12.8	22157	2555	111	1.3	516
Central Hill/Mt.	228	18.9	17,065	3167	292	1.29	668
Western Hill/Mt.	166	14.7	22,510	2816	163	1.15	652
Mid/Far Western Hill/Mt.	129	11.3	22,498	2332	138	1.19	441
Eastern Terai	95	8.3	31,513	2307	112	1.32	474
Central Terai	141	10.7	56,476	5880	195	1.42	1108
"West" Terai	139	12.0	19,395	2268	159	1.18	429

"West" refers to western, mid-western and far-western development regions

NLFS 2008



**Table 17.4: Distribution of number of remittances received by sources (absentees and others combined).**

Location	Within Nepal	India	Malaysia	Saudi Arabia	Qatar	United Kingdom	Other	Do not know	Total
Nepal	38.0	26.0	9.7	7.1	10.0	0.4	8.4	0.5	100
Mountain	53.1	17.3	13.4	4.2	5.8	0.0	5.9	0.3	100
Hill	39.7	26.2	8.1	6.4	8.9	0.7	9.5	0.6	100
Terai	34.3	26.9	10.7	8.1	11.8	0.2	7.7	0.3	100
Eastern	34.2	14.7	12.7	11.2	16.3	0.5	9.9	0.6	100
Central	50.9	14.9	10.1	6.1	8.6	0.5	8.5	0.3	100
Western	22.4	31.7	9.1	9.0	13.7	0.6	12.9	0.6	100
Mid-Western	38.2	42.1	10.2	4.4	3.0	0.0	1.8	0.4	100
Far-Western	43.6	49.2	3.0	0.2	1.0	0.0	2.8	0.2	100
Urban	44.0	14.6	6.9	6.5	7.2	2.3	17.6	1.1	100
Kathmandu Valley	42.0	3.4	4.8	8.9	3.3	4.8	31.2	1.5	100
Eastern/Central Hill/Mt.	68.7	6.6	11.2	3.8	3.8	0.0	5.2	0.8	100
West Hill/Mt.	30.1	20.9	5.5	8.8	9.1	4.5	20.3	0.9	100
Eastern Terai	43.1	8.7	8.0	7.9	11.8	1.0	19.0	0.5	100
Central Terai	46.7	10.9	6.4	5.4	10.9	2.1	16.2	1.5	100
"West" Terai	39.7	34.7	5.9	2.5	4.8	0.0	11.0	1.5	100
Rural	37.0	27.8	10.1	7.1	10.5	0.1	7.0	0.4	100
Eastern Hill/Mt.	39.8	9.2	12.7	10.7	15.6	0.8	9.5	1.7	100
Central Hill/Mt.	65.4	7.8	9.6	3.5	6.0	0.0	7.7	0.0	100
Western Hill/Mt.	25.8	34.0	8.0	8.2	13.4	0.0	9.9	0.6	100
Mid/Far Western Hill/Mt.	36.1	52.4	7.3	1.7	0.9	0.0	1.6	0.0	100
Eastern Terai	26.1	19.9	13.6	12.8	18.5	0.3	8.9	0.0	100
Central Terai	39.4	24.0	11.8	7.9	11.9	0.0	4.7	0.2	100
"West" Terai	32.9	38.0	9.0	5.7	7.5	0.0	6.6	0.4	100

"West" refers to western, mid-western and far-western development regions

NLFS 2008

**Table 17.5: Number, size and share of remittances received by sources (absentees and others combined).**

Sources of remittances	No. of remittances received	Mean amount of remittance received	Share of remittance amount received
Within Nepal	2,232	22,828	16.8
India	1,253	22,040	11.1
Malaysia	480	85,141	15.9
Saudi Arabia	386	90,868	12.4
Qatar	522	90,937	17.7
United Kingdom	49	2,35,065	1.8
Other	648	1,46,047	23.9
Do not know	42	29,599	0.3
<b>Total</b>	<b>5,612</b>	<b>51,565</b>	<b>100.0</b>

NLFS 2008

**Table 17.6: Donors (absentees, others separately) by relationship to head**

Relationship to head	Type of remitters		Total
	Absentees	Other	
Spouse	31.7	1.2	27.0
Son/daughter	58.3	17.7	52.1
Grand child	1.2	1.3	1.2
Father/mother	1.4	14.4	3.4
Brother/sister	4.0	16.9	6.0
Father/mother in-law	0.1	8.2	1.4
Daughter in-law	1.3	0.5	1.2
Other relative	1.7	27.8	5.7
Household worker	0.0	0.0	0.0
Others	0.3	12.0	2.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

NLFS 2008

**Table 17.7: Percentage of remitters (absentees and other combined) by location, age and sex**

Sex/ Age group	Within Nepal	India	Malaysia	Saudi Arabia	Qatar	United Kingdom	Other	Do not know	Total
<b>Nepal</b>	<b>38.0</b>	<b>26.0</b>	<b>9.7</b>	<b>7.1</b>	<b>10.0</b>	<b>0.4</b>	<b>8.4</b>	<b>0.5</b>	<b>100</b>
<15 Years	58.9	39.0	0.6	0.0	1.5	0.0	0.0	0.0	100
15-29 Years	34.5	27.6	11.2	6.7	10.7	0.2	8.7	0.5	100
30-44 Years	31.5	23.1	10.3	10.5	12.3	0.8	11.1	0.6	100
45-59 Years	68.5	23.2	1.3	1.6	2.2	0.8	2.4	0.1	100
60+ Years	86.1	7.0	1.5	0.0	3.1	0.2	1.5	0.7	100
<b>Male</b>									
<15 Years	53.6	44.0	0.7	0.0	1.7	0.0	0.0	0.0	100
15-29 Years	32.1	29.2	12.0	7.0	11.2	0.2	7.9	0.4	100
30-44 Years	28.3	24.5	11.3	10.7	13.2	0.5	11.0	0.6	100
45-59 Years	65.3	25.1	1.5	1.8	2.6	0.8	2.8	0.1	100
60+ Years	83.7	7.6	2.0	0.0	4.2	0.3	1.4	1.0	100
Total	34.8	27.7	10.5	7.3	10.8	0.3	8.1	0.5	100
<b>Female</b>									
<15 Years	98.3	1.7	0.0	0.0	0.0	0.0	0.0	0.0	100
15-29 Years	66.5	6.5	0.4	3.7	3.0	0.7	18.4	0.9	100
30-44 Years	63.9	8.4	0.4	8.4	3.7	3.9	11.3	0.2	100
45-59 Years	86.0	12.8	0.0	0.2	0.0	0.6	0.3	0.0	100
60+ Years	93.0	5.4	0.0	0.0	0.0	0.0	1.6	0.0	100
Total	71.2	7.6	0.3	4.2	2.5	1.6	12.2	0.5	100
<b>Distribution by sex</b>									
Male	83.7	97.5	99.7	94.8	97.9	66.5	87.5	91.0	91.3
Female	16.3	2.5	0.3	5.2	2.2	33.5	12.6	9.0	8.7
Total	100	100	100	100	100	100	100	100	100
<b>Distribution by age group</b>									
<15 Years	5.2	5.0	0.2	0.5	0.0	0.0	0.0	3.3	0.5
15-29 Years	53.8	62.9	68.6	62.9	31.3	60.8	60.3	59.2	62.9
30-44 Years	23.3	24.9	29.9	34.4	53.8	36.7	35.1	28.1	34.4
45-59 Years	13.6	6.7	1.0	1.6	13.9	2.2	1.7	7.5	1.6
60+ Years	4.2	0.5	0.3	0.6	1.0	0.3	2.9	1.8	0.6
Total	100	100	100	100	100	100	100	100	100

NLFS 2008

Table 17.8: Remittances received from within Nepal and from abroad in total (absentees and others combined).

Location	1st trimester (ending April 2008)	2nd trimester (ending August 2008)	3rd trimester (ending December 2008)	Based on 12 months ending December 2008
<b>Total from abroad and from within Nepal</b>				
<b>No. of households receiving remittance</b>	<b>1463</b>	<b>1479</b>	<b>1455</b>	<b>4397</b>
Percent of households receiving remittance	29.6	30.8	29.7	30.0
Average amount of remittance over HHs receiving remittance from absentees & others (Rs.)	63905	67479	65520	65755
Average amount of remittance from absentees & others over all HHs (Rs.)	18931	20783	19424	19721
Average per capita remittance received (Rs.)	1463	1479	1455	4397
<b>Total from abroad</b>				
No. of households receiving remittance	1107	1147	1125	3379
Percent of households receiving remittance	21.9	24.0	23.1	23.0
Average amount of remittance over HHs receiving remittance from absentees & others (Rs.)	81756	77377	82019	80462
Average amount of remittance from absentees & others over all HHs (Rs.)	16147	16367	16507	16355
Average per capita remittance received (Rs.)	3323	3288	3435	3352
<b>Total from within Nepal</b>				
No. of households receiving remittance	666	653	656	1975
Percent of households receiving remittance	12.6	12.8	12.4	12.6
Average amount of remittance over HHs receiving remittance from absentees & others (Rs.)	24416	36966	25272	28976
Average amount of remittance from absentees & others over all HHs (Rs.)	2784	4416	2917	3366
Average per capita remittance received (Rs.)	573	887	607	690

NLFS 2008

## CHAPTER 18 : MILLENNIUM DEVELOPMENT GOALS

### **Summary**

*The 2008 NLFS provides estimates for nine indicators of the Millennium Development Goals as established in the UN's Millennium Declaration in 2000.*

*Since the 1998/99 NLFS, many of the labour-related indicators have remained relatively stable, but there was a slight increase in the share of women aged 15 years and above in wage employment in the non-agricultural sector (15.1 percent to 19.1 percent) and in female youth unemployment (which increased from 2.1 percent to 2.9 percent for the age group 15 to 24 years).*

*For selected non-labour-related indicators, there were major developments over the last decade - especially for those living in rural Nepal and for women.*

*The literacy rates of young women increased significantly from:*

- a) 79.0 percent to 91.1 percent (urban females 15-24 year olds);*
- b) 51.3 percent to 72.8 percent (rural females 15-24 year olds).*

*The ratio of girls to boys in primary, secondary and tertiary education increased in both urban and rural areas. For example in the country as a whole, the ratio increased for those currently in secondary school from 59 girls to 77 girls for every hundred boys.*

*The percentage of rural households with access to a telephone increased from 1.1 percent of households to 5.4 percent, while the proportion of rural households with toilet increased from 30.3 percent to 41.3 percent.*

**Table 18.0: Summary statistics**

<i>Description</i>	<i>Nepal Labour Force Survey</i>	
	<i>1998/99</i>	<i>2008</i>
<i>Share of women aged 15 years and above in wage employment in the non-agricultural sector (MDG Indicator 3.2)</i>	15.1 %	19.9%
<i>Unemployment Rate (%) among youth aged 15-24 years, Nepal</i>	3.0%	3.5%
<i>Male</i>	3.9%	4.2%
<i>Female</i>	2.1%	2.9%
<i>Literacy rate (%) of 15-24 year-olds, women and men (MDG Indicator 2.3), Nepal</i>		
<i>Urban</i>		
<i>Male :</i>	93.0%	95.9%
<i>Female:</i>	79.0%	91.1%
<i>Rural</i>		
<i>Male :</i>	82.6%	89.7%
<i>Female:</i>	51.3%	72.8%
<i>Ratio of girls to boys in primary, secondary and tertiary education (MDG Indicator 3.1), Nepal</i>		
<i>Primary:</i>	0.73	0.88
<i>Secondary:</i>	0.59	0.77
<i>Tertiary:</i>	0.27	0.33
<i>Proportion of households (a) with access to toilet (MDG Indicator 7.9)</i>	38.7%	48.7%
<i>Urban</i>	81.3%	84.8%
<i>Rural</i>	30.3%	41.3%
<i>Proportion of households with access to a telephone (a) (MDG Indicator 8.14)</i>	6.1%	9.8%
<i>Urban</i>	31.9%	31.2%
<i>Rural</i>	1.1%	5.4%

(n.a.) These indicators are not available from NLFS 1998/99 and therefore comparison is made with results from the 2003/04 Nepal Living Standards Survey.

## 18.1 Introduction

The Millennium Development Goals were established in the UN's Millennium Declaration in 2000. The United Nations has adopted a set of indicators to monitor progress towards achieving these Goals. These MDG Indicators include the following labour-related indicators:

- a) Employment-population ratio (MDG Indicator 1.5) monitors progress towards Target 1.B: Achieving full and productive employment and decent work for all, including women and young people;
- b) Proportion of own-account and contributing family workers in total employment (MDG Indicator 1.7) monitors progress towards Target 1.B: Achieving full and productive employment and decent work for all, including women and young people;
- c) Share of women in wage employment in the non-agricultural sector (MDG Indicator 3.2) monitors progress towards Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.

An additional indicator, Unemployment Rate among youth aged 15-24 years, was previously an MDG Indicator but was dropped from the latest list of recognised indicators in late 2007.

## 18.2 Status of some MDG indicators

As outlined in earlier chapters, the 2008 Nepal Labour Force Survey (NLFS II) provide estimates for these labour-related indicators which may be compared with the 1998/99 NLFS.

In addition, the NLFS II provides estimates for a number of other MDG Indicators that are not directly labour-related. These additional indicators are:

- a) Literacy rate of 15-24 year-olds, women and men (MDG Indicator 2.3) monitors progress towards Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling;
- b) Ratios of girls to boys in primary, secondary and tertiary education (MDG Indicator 3.1) monitors progress towards Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015;
- c) Proportion of population using an improved drinking water source (MDG Indicator 7.8) monitors progress towards Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation;
- d) Proportion of population using an improved sanitation facility (MDG Indicator 7.9) monitors progress towards Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation;
- e) Telephone lines per 100 population (MDG Indicator 8.14) monitors progress towards Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications
- f) Cellular subscribers per 100 population (MDG Indicator 8.15) monitors progress towards Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.

In total therefore, NLFS II provides estimates for nine of the current MDG Indicators and also provides estimates for the previously recognised indicator on youth unemployment.

For some indicators, the survey measures a slightly different concept as follows:

For Indicator 7.8, the survey measures access to piped water/hand-pumped water;

For Indicator 7.9, the survey measures access to a toilet (even if not connected to drains); and

For Indicator 8.15, the survey measures access to a mobile phone.

For Indicators 7.8, 7.9, 8.14 and 8.15, the 2003/04 NLSS II and 2008 NLFS II surveys provide estimates in respect of the percentage of households, not in respect of per 100 of population.

**Table 18.1 Comparison of MDG indicators between 1998/99 and 2008.**

<i>Description</i>	<i>Nepal Labour Force Survey</i>	
	<i>1998/99</i>	<i>2008</i>
<i>Employment-population (15 years and above) ratio (MDG Indicator 1.5), Nepal</i>	84.2%	81.7%
<i>Urban</i>	67.9%	62.2%
<i>Rural</i>	86.6%	85.7%
<i>Male</i>	88.3%	85.5%
<i>Female</i>	80.5%	78.5%
<i>Proportion of own-account and contributing family workers in total employment aged 15 years and above (MDG Indicator 1.7), Nepal</i>	83.1%	81.9%
<i>Urban</i>	66.4%	60.9%
<i>Rural</i>	85.1%	85.1%
<i>Male</i>	74.4%	71.4%
<i>Female</i>	92.0%	91.2%
<i>Share of women aged 15 years and above in wage employment in the non-agricultural sector (MDG Indicator 3.2)</i>	15.1 %	19.9%
<i>Unemployment Rate (%) among youth aged 15-24 years, Nepal</i>	3.0%	3.5%
<i>Urban</i>	12.1%	13.0%
<i>Rural</i>	1.9%	2.1%
<i>Male</i>	3.9%	4.2%
<i>Female</i>	2.1%	2.9%
<i>Literacy rate (%) of 15-24 year-olds, women and men (MDG Indicator 2.3), Nepal</i>		
<i>Male :</i>	84.1%	91.0%
<i>Female:</i>	54.6%	75.8%
<i>Urban</i>		
<i>Male :</i>	93.0%	95.9%
<i>Female:</i>	79.0%	91.1%
<i>Rural</i>		
<i>Male :</i>	82.6%	89.7%
<i>Female:</i>	51.3%	72.8%
<i>Ratio of girls to boys in primary, secondary and tertiary education (MDG Indicator 3.1), Nepal</i>		
<i>Primary:</i>	0.73	0.88
<i>Secondary:</i>	0.59	0.77
<i>Tertiary:</i>	0.27	0.33
<i>Urban</i>		
<i>Primary:</i>	0.87	0.90
<i>Secondary:</i>	0.76	0.86
<i>Tertiary:</i>	0.41	0.41
<i>Rural</i>		
<i>Primary:</i>	0.72	0.87
<i>Secondary:</i>	0.55	0.74
<i>Tertiary:</i>	0.11	0.20



## **CHAPTER 19: COMPARISON WITH OTHER SOURCES**

### **19.1 Introduction**

The NLFS II results compare favourably with those from other sources, with any differences due to methodologies, concept, scope and timing. Greatest comparability is with the NLFS I conducted in 1998/99 which used identical concepts, definitions and population scope (with the exception that the “usual activity” concept was amended and some new topics were added as explained in Chapter 1). Comparisons with the 1998/99 NLFS generally have been covered in earlier chapters. This chapter makes comparisons with other possible data sources including the Population Census 2001 (and associated official population estimates for 2008), the Nepal Living Standards Survey 2003/04 and the Household Budget Survey 2005/06.

### **19.2 Population**

The NLFS II estimated the total population in Nepal in the 2008 period to be 23.5 million, compared with the official estimates for mid-2008 of 27.0 million. The NLFS II population estimate is therefore 13.0 percent less than the official estimate. Similar under-estimation was also experienced in the NLFS 1998/99 (14 percent under the official estimate) and is believed to be of a similar order for the NLSS 2003/04. Such an overall under-estimation is not of major concern since percentages, averages and other key indicators are not affected. If a user wishes to arrive at absolute numbers of population, employed, unemployed, etc, which would agree with the official estimates of population for 2008, then they should multiply the absolute number estimates shown in this publication by a factor of 1.15.

### **19.3 Labour Force Participation Rates**

Only the NLFS and NLSS surveys measured current economic activity. The NLFS, NLSS, HBS and Population Census produced measures relating to the last 12 months (not all on the same conceptual basis). The LFPR for the 2008 NLFS was 83.4 percent (current basis, for population aged 15 years and above in accordance with international standards) and for the 2003/04 NLSS it was 77.2 percent (current basis, population aged 10 years and above). Inclusion of the younger population would have reduced the LFPR. The current LFPR for those aged 10 years and above for the 2008 NLFS was recalculated for comparison with the NLSS and was found to be 77.8 percent (which is comparable to that found by the 2003/04 NLSS).

The percentage of the working age population which was classified as usually economically active (that is active for most of the month during at least 6 months out of the last 12 months) was 82.1 percent for NLFS II (usual activity, population aged 15 years and above). For comparability with other sources, the usual LFPR for the 2008 NLFS has been recalculated for the population aged 10 years and above to be 74.0 percent. This is slightly lower than the rate of 83.8 percent for the 2003/04 NLSS (population aged 10 years and above) but is still comparable. The 2001 Population Census estimated that 58.2 percent of the population aged 10 years and above) was economically active for at least 6 months of the last 12 months. However it is believed that Census respondents may not

have included all types of economic activity and that consequently the incidence of economic activity was under-reported. The 2005/06 HBS estimated that 50.5 percent of the population aged 10 years and above was engaged in an occupation (and that there was no unemployed).

## 19.4 Current employment-to-population ratio

Only the NLFS and NLSS surveys have measured current employment using similar concepts. The employment to population ratio (15 years and above) in NLFS II of 81.7 percent compares favourably with the same rate for the 1998/99 NLFS I (84.2 percent). The rate for the 2003/04 NLSS (74.3 percent) is lower as might be expected since it relates to the age group of 10 years and above. The comparable employment to population ratio (for those aged 10 years and above) in NLFS II was 76.3 percent, and very similar to the NLSS figure.

## 19.5 Employment-to-population ratio (last 12 months basis)

The employment to population ratios in respect of those who were classified as “usually” or predominantly employed on the basis of their activity over the last 12 months may also be calculated for the NLFS, NLSS, Population Census and HBS. The rates are as follows:

2008 NLFS aged 15 years and above .....	81.7 percent
2008 NLFS recalculated for aged 10 years and above ....	72.2 percent

For age group 10 years and above:

2003/04 NLSS .....	74.3 percent
2001 Population Census .....	53.1 percent
2005/06 HBS .....	50.1 percent

It can be seen that the 2008 employment-to-population ratio for 10 years and above is comparable to that from the 2003/04 NLSS, but both NLFS and NLSS are generally much higher than those estimated by other sources. This may be because certain categories of employment were omitted in respondents’ responses to the Population Census and Household Budget Survey, perhaps due to lack of understanding of the concepts.

## 19.6 Current unemployment

Similarly, the current unemployment rates may also be calculated for the NLFS to compare with the age reference group (10 years and above) of the NLSS, Population Census and HBS. The unemployment rates are as follows:

2008 NLFS aged 15 years and above .....	2.1 percent
2008 NLFS recalculated for aged 10 years and above ....	1.9 percent

For age group 10 years and above:

2003/04 NLSS ..... 3.8 percent

2001 Population Census ..... 8.8 percent

2005/06 HBS ..... not measured

The report on the 1998/99 NLFS provided some explanation for the differences then between the 1998/99 NLFS and 1995/96 NLSS estimates. In the case of the 2008 NLFS, it can be seen that the unemployment rates are still much lower than measured in other sources and this can only be attributed to more carefully exploration and more detailed questioning of respondents on this topic.

### **19.7 Current employment in informal sector, informal employment, labour underutilisation, etc**

Statistics on these topics are available only from the Nepal Labour Force Survey and not from other comprehensive or reliable sources in Nepal.

## Annex A

### SAMPLE DESIGN AND IMPLEMENTATION<sup>1</sup>

#### Introduction

Nepal's first labour force survey, Nepal Labour Force Survey 1998/99 (NLFS-I) was carried out by the Central Bureau of Statistics (CBS) in 1998/99. The survey provided comprehensive information on employment and labour market conditions of the country. For conducting the survey, technical inputs were supplied by the International Labour Organization (ILO). The survey covered the broad areas of current and usual economic activities, informal sector activities, economic activities of children, non-economic activities, unemployment and underemployment.

During the last nine years, Nepal encountered great challenges towards the development of physical infrastructure, poverty reduction, unemployment and other social phenomenon due to a decade long insurgency. So, it is deemed necessary for assessing a follow up survey of the current labour situation for comparing with benchmark NLFS 1998/99. Further the demand of this survey is realized everywhere by the government, various development organizations and stakeholders involved in planning and policy formulation.

CBS has conducted the Nepal Labour Force Survey 2008 (NLFS-II) mainly with its own resources; however, the external assistance is being used partially. The survey results are very useful to monitor the current employment policies, vocational training and income generation schemes that are directly related to the poverty alleviation programs. Besides this, it will also assist in explaining demographic changes, economic upheavals and impacts of the conflicting situation in the country.

This note summarizes the sampling procedures employed to carry out NLFS-II comparable to the previous NLFS-I. It comprises the process of determining sample size and describing the characteristics of the sample, its size and distribution, and the possible effects on analysis. Moreover, it describes the steps involved in selecting the Primary Sampling Units (PSUs), the allocation of PSUs by season to the field teams, and the method of calculating raising factor to be used in analysis of the survey data.

#### Sample design

The sampling design adopted in NLSS-II is slightly modified from NLFS-I. The design is based on two stages stratified sampling technique with equal PSUs or households distributed between urban and rural areas as done in NLFS-I considering the heterogeneous labour force activities to provide a detailed picture of employment situation in the urban areas. So the prescribed 800 PSUs are divided equally in two parts, i.e., 400 PSUs each for urban and rural. Urban areas are stratified into three strata as Urban Kathmandu Valley, Other Urban Hills and Urban Tarai, and rural areas are stratified into Rural Mountains, Rural Hills and Rural Tarai. The sample size of 400 PSUs in each urban and

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<sup>1</sup> This note is prepared by the Household Survey Section of CBS during the preparatory work of Nepal Labour Force Survey 2008.

rural area will be proportionately distributed within their respective strata. In the first stage, the prescribed PSUs (wards or sub-wards or combination of wards) are selected by Probability Proportional to Size (PPS) from each stratum, i.e. the number of households in the ward as the measure of the size. Using PPS at the first stage is followed by selecting a fixed number of households at the second stage that provides a convenient workload for each field team. This design has the benefit that the sample, in principle, is self-weighted. In the second stage, 20 households are selected from each PSU (ward) of urban and rural strata with systematic random sampling procedure giving a total of 16000 households from 800 PSUs.

The minimum sample size required is estimated as 244 households for urban and 361 households for rural domain based on the currently economically active population taken from Nepal Living Standards Survey 2003-04. Based on employment status of the population of this fresh survey information, the minimum households to be selected turns out to be 265 for urban and 277 for rural. However, 400 households each in urban and rural area have been allocated in this survey to provide reliable estimates for lower level of disaggregation up to 5 years age group (10 groups) by sex (2 groups). There will be altogether 8000 households in each urban and rural area.

## Sample frame

The sample frame is updated for this survey, which was developed during the sampling design of the recent Living Standards Survey 2003/04, which was based on data from the 2001 National Population Census.

The size of each ward (as measured by number of households) was taken as a unit of sample frame. Some larger wards were divided into smaller units (sub-wards) of clearly defined territorial areas supported by reliable cartography while some of the smaller wards with fewer than 30 households were appended to adjoining wards in the same VDC to make size equal to or greater than 30 households in the frame. The resulting sampling frame consisted of 35,069 enumeration areas (wards or sub-wards or merged wards) spread over 3 ecological zones, 5 development regions, 75 districts, 58 Municipalities and 3,914 Village Development Committees (VDCs) of the country. The sample frame was sorted by district, VDC, ward and sub-ward and districts were numbered from East to West.

**Table 1: Primary sampling units of the NLFS 2008 by development region and zone**

Ecological Zone	Development Region					Total
	East	Central	West	Mid West	Far West	
<b>Nepal</b>	<b>176</b>	<b>329</b>	<b>152</b>	<b>81</b>	<b>62</b>	<b>800</b>
Mountains	11	15	1	6	8	41
Hills	43	201	102	34	22	402
Tarai	122	113	49	41	32	357
<b>Urban</b>	<b>78</b>	<b>203</b>	<b>67</b>	<b>27</b>	<b>25</b>	<b>400</b>
Mountains	3	4	0	0	0	7
Hills	11	152	47	6	7	223
Tarai	64	47	20	21	18	170
<b>Rural</b>	<b>98</b>	<b>126</b>	<b>85</b>	<b>54</b>	<b>37</b>	<b>400</b>
Mountains	8	11	1	6	8	34
Hills	32	49	55	28	15	179
Tarai	58	66	29	20	14	187

A major consideration in the design is to ensure adequate samples in the different geographical subgroups that are likely to be used for the analysis of the survey data. Certainly data will need to be provided separately for each season of the year, and separately for urban and rural areas. For the survey purpose, the whole year is divided into three seasons namely: rainy (mid-May to mid-September), winter (mid-September to mid-January) and dry (mid-January to mid-May). Estimates will also be required for each of the three ecological zones and five development regions. However, if estimates were required for each subgroup (i.e. season by urban/rural by ecological zone by development region) this would involve a **3 X 2 X 3 X 5** table with 90 cells, though 9 of the cells would obviously be empty since the Mountains of West, Mid West and Far West development regions do not contain any urban households.

## Selecting the wards from the sampling frame

The existing sample frame provides an excellent starting point for drawing the sample. All the wards are listed in ascending order of district, and sorted by village development committees (VDCs)/municipalities and ward codes in the sample frame. The following steps are taken in series:

1. The sample frame has been split out into six strata consisting of three urban and three rural strata, each in ascending order of district code and sample selection procedure is applied separately for each stratum with prescribed number of PSUs.
2. The enumeration areas are ordered by districts separately for each stratum, so as to separate groupings required for analysis. We are introducing an implicit stratification, which should help to ensure that the distribution of the final sample is extremely close to the expected distribution. In this new grouping, all the districts located within a particular intersection of development regions and ecological belts (e.g. the Mountains of Western development region) are placed next to each other.
3. The measure of size (number of households) for each ward in each stratum needs to be examined at the time of listing households. Since the 'take' in both urban and rural wards will be 20 households, there might be practical problem in the fieldwork. If the selected ward is found to have less than 20 households, it needs to be linked up with its smallest neighbouring ward, but always within the same VDC or municipality.

**Table 2: Primary sampling units and sample households of the NLFS 2008**

Stratum	PSUs	Sample Households
Rural Mountains	34	680
Urban Kathmandu Valley	131	2620
Other Urban Hills	99	1980
Rural Hills	179	3580
Urban Tarai	170	3400
Rural Tarai	187	3740
<b>Nepal</b>	<b>800</b>	<b>16000</b>

## Estimation methodology

The estimation procedure will be developed on the basis of each stratum with attention given to the following:

- For the estimation of the population as a whole, we need to consider the selection probabilities at each stage of selection. In doing this, each stratum needs to be considered separately as different selection probabilities were used.
- Adjustment for non-response should be handled carefully since no substitute households are allowed.
- Estimates are required separately for each season of the year (rainy, winter and dry), and one-third of the total sample is allocated for each season so that each sub-sample (seasonal) provides a representative sample for different certain level of disaggregation of the country.

The weighting of sample data for the estimation procedure is given as the following stages.

$$1. \textit{First stage: Probability of selecting a particular ward } i = S_i * \frac{N_i}{\sum N_i}$$

where

$N_i$  is the number of households in  $i^{\text{th}}$  ward in the sample frame,

$\sum N_i$  is the total number of households in the  $i^{\text{th}}$  stratum of sampling frame, and

$S_i$  is the number of the PSUs in the  $i^{\text{th}}$  stratum.

When cartographic work is done in the selected ward  $i$ , a number of sub-wards are created with size  $K_{i1}, K_{i2}, K_{i3},$  etc, where the total size of the ward  $\sum K_{ij}$  is unlikely to be equal to the original size of the ward  $N_i$ . One of these sub-wards is then selected with PPS for inclusion in the survey.

$$2. \textit{Intermediate stage: Probability of selecting the } j^{\text{th}} \textit{ sub-ward} = \frac{K_{ij}}{\sum_j K_{ij}}$$

where

$K_{ij}$  is the number of households counted in the  $j^{\text{th}}$  sub-ward of ward  $i$  in the cartographic survey, and

$\sum_j K_{ij}$  is the total number of households counted in the  $i^{\text{th}}$  ward in the cartographic survey.

The interviewer then visits the  $j^{\text{th}}$  sub-ward during the survey, lists all the households, and attempts to interview 20 selected households (no substitutes are allowed).

$$3. \textit{Final stage: Probability of selection of a household} = \frac{n_{ij}}{K_{ij}^*}$$

where

$n_{ij}$  is the number of households successfully interviewed, and

$K_{ij}^*$  is the number of households counted at the listing stage.

The overall probability of selection for an individual household is the multiple of the selection probabilities at the three stages.

$$\text{Overall selection probability} = S_i * \frac{N_i}{\sum N_i} * \frac{K_{ij}}{\sum_j K_{ij}} * \frac{n_{ij}}{K_{ij}^*}$$

The raising factor is the inverse of this probability, and the formula can be rewritten as follows:

$$\text{Raising up factor} = \frac{\sum N_i}{h_i} * \frac{\sum K_{ij}}{N_i} * \frac{K_{ij}^*}{K_{ij}} * \frac{20}{n_{ij}}$$

(1)      (2)      (3)      (4)

where  $h_i = S_i * 20$ , total number of households selected in the  $i$ th PSU.

Each of the numbered terms in this formula has a clear meaning should be explained as:

- (1) is the simple grossing up factor required to go from the original sample size of households in each stratum to the total number of households in the original sampling frame;
- (2) reflects the change in the number of households found in the  $i$ th ward during the cartographic work, as compared with the corresponding figure in the original frame;
- (3) reflects the change in the number of households found in the  $j$ th sub-ward of the  $i$ th ward during the listing work, as compared with the corresponding figure during the cartographic work;
- (4) is the adjustment factor required to make allowance for any non-response which occurs during the fieldwork in a particular ward or sub-ward.

## Sampling errors

As with all surveys, the results from the NLFS II are subject to two major sources of error. These can be broadly termed as sampling error and non-sampling error. In a survey of this size, the robustness of the sample design means that the sampling errors for statistics at the national level are likely to be fairly small. Non-sampling errors are likely to be the major source of concern, and every effort has been made at all stages of the survey to try to minimise these non-sampling errors.

Table B.2 gives an indication of the likely sampling errors for some of the key aggregates measured in this survey. These sampling errors have been calculated in STATA application that was used for processing this survey. In order to derive these estimates of sampling error, account was taken of the structural design of the survey, with PSUs being assigned to six strata consisting three urban and three rural stratum, and with different sampling fractions being used in each stratum. However the resulting sampling errors probably substantially overstate the width of the true confidence intervals, since they take no account of the very strong implicit stratification by region and ecological zone incorporated into the design. The true confidence intervals for sampling errors will therefore be much narrower than those shown in Table B.2 .

All the estimates shown in Table B.2 can be found in the appropriate chapter of the survey report. In the case of estimate for the total currently active population aged 15 years and above (shown in Table 6.1 as being 12.032 million), the 95 percent lower and upper bounds for this estimate are 11.649 and



12.414 million respectively. This means that we can be 95 percent confident that the number of people currently economically active lies within this range. Put another way, we can say that we are 95 percent confident that the true value lies within the range 11.649 million plus or minus 382 thousand.

**Table B.2 Approximate sampling errors for some key aggregates in the NLFS**

	Estimate 95% confidence interval			Estimate 95% confidence interval		
	Currently active (millions)			Currently inactive (millions)		
	Lower	Upper		Lower	Upper	
<b>Nepal</b>	<b>12032</b>	<b>11649</b>	<b>12414</b>	<b>2303</b>	<b>2149</b>	<b>2457</b>
Male	5646	5455	5838	783	721	845
Female	6385	6167	6603	1520	1413	1626
Urban	1660	1537	1783	801	715	887
Rural	10400	10000	10700	1502	1373	1630

	Estimate 95% confidence interval		
	Labour force participation rate (percent)		
	Lower	Upper	
<b>Nepal</b>	<b>83.4</b>	<b>82.4</b>	<b>84.4</b>
Male	87.5	86.7	88.4
Female	80.1	78.8	81.4
Urban	67.3	65.7	68.8
Rural	86.8	85.7	87.8

	Estimate 95% confidence interval			Estimate 95% confidence interval		
	Currently employed (millions)			Currently unemployed (millions)		
	Lower	Upper		Lower	Upper	
<b>Nepal</b>	<b>11779</b>	<b>11400</b>	<b>12158</b>	<b>253</b>	<b>220</b>	<b>285</b>
Male	5519	5330	5709	127	112	141
Female	6259	6042	6477	126	.	.
Urban	1535	1427	1643	125	105	145
Rural	10244	9880	10607	128	101	154

	Estimate 95% confidence interval			Estimate 95% confidence interval		
	Unemployment rate (percent)			Labour underutilization rate (percent)		
	Lower	Upper		Lower	Upper	
<b>Nepal</b>	<b>2.1</b>	<b>1.8</b>	<b>2.4</b>	<b>30.0</b>	<b>28.8</b>	<b>31.3</b>
Male	2.2	1.9	2.6	38.2	36.8	39.6
Female	2.0	1.6	2.4	22.8	21.5	24.2
Urban	7.5	6.7	8.4	49.9	48.2	51.6
Rural	1.2	0.9	1.5	26.9	25.5	28.2



Central Bureau of Statistics  
**Nepal Labour Force Survey 2007/08**  
**QUESTIONNAIRE**

All information collected in this questionnaire will be confidential as per Statistical Act, 2015 and will be used for statistical purposes only.

<p>Season: <input style="width: 30px; height: 20px;" type="text"/></p> <p>PSU CODE: <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/></p> <p>Household ID No.: <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/></p> <p>District: ..... <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/></p> <p>VDC/Municipality: .....</p> <p>Ward/ Sub-ward: <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/> / <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/></p> <p>Village/Tole: .....</p> <p>Name of the Household Head:.....</p> <p>Religion of Household Head:..... <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/></p> <p>Total Household Members (Usual Residents): <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/></p> <p>Total Household Members 5 years and above (Usual Residents): <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/></p>	<p>Team No : <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/></p> <p>Date of interview: <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/> <input style="width: 30px; height: 20px;" type="text"/></p> <p style="text-align: center; font-size: small;">DD                      MM                      YY Selected</p> <p>Interviewer's Name: .....</p> <p>Signature: .....</p> <p>Supervisor's Name: .....</p> <p>Signature: .....</p> <p>Date: .....</p> <p>Data Entry Operator's Name: .....</p> <p>Signature: .....</p>
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## SECTION 1: HOUSEHOLD INFORMATION

1. What is the type of tenancy of the dwelling occupied by your household?

- Owned .....1
- Rented .....2
- Others (Specify).....3

2. What is the main source of drinking water of your household?

- Piped water .....1
- Hand pump/Boring.....2
- Well .....3
- Spout/Spring water.....4
- Other source (Specify).....5

3. Which is the most used fuel for cooking in your household?

- Wood/Firewood .....1
- Dung .....2
- Leaves/Rubbish/Straw/Thatch.....3
- LP Gas .....4
- Kerosene .....5
- Bio-gas .....6
- Others (Specify).....7

4. What is the main source of lighting in your household?

- Electricity .....1
- Gas/Oil/Kerosene .....2
- Others (Specify).....3

5. What type of toilet is used by your household?

- Toilet with flush (connected to municipal sewer) .....1
- Toilet with flush (connected to septic tank) .....2
- Toilet non-flush .....3
- Communal latrine .....4
- No toilet .....5

6. Which of the following facilities are available in your household?

	Yes...1 No.....2 →NEXT FACILITY	If yes, write the number
6.1 Radio		
6.2 Television		
6.3 Telephone		
6.4 Mobile phone		
6.5 Computer		

7. Do you own any agricultural land, including land operated by yourself, or operate land owned by others?

- Yes.....1
- No.....2→9

8. What is the total area of agricultural land owned or operated?

	Yes..1 No...2	Ropani ...1 Bigha ....2	Ropani/ Bigha	Aana/ Kattha	Paisa/ Dhur
8.1 Own land operated by HH					
8.2 Other's land operated by HH					
8.3 Own land operated by others					

## SECTION 2: GENERAL INFORMATION

First of all, I would like to ask questions on general information about the members of your household.

I D  C O D E	What is the sex of [Name]?  Male....1 Female-2	How old is [Name]?  <i>(Age in Completed years)</i>	What is [Name's] Caste/Ethnicity?		What is the relationship of [Name] to the head of household? Head.....1 Husband/Wife.....2 Son/Daughter.....3 Grandchild.....4 Father/ Mother.....5 Brother/Sister.....6 Father/Mother in-law..7 Daughter in-law.....8 Other relative.....9 Household worker.....10 Others (specify).....11	What is the present marital status of [Name]?  <i>(Only for persons aged 10 years and above)</i>  Never married... 1 Married..... 2 Widow/widower..3 Separated.....4 Divorced.....5	What is the citizenship of [Name]?  Nepalese.....1 Indian.....2 Chinese.....3 Bhutanese.....4 Pakistani.....5 Others (specify)...6	During the last 12 months, how many months did [Name] live here?  <i>(Write '12' if always present or away for less than 1 month)</i>	Is [Name] a member of the household as per the determined definition?  Yes.....1 No.....2→END  <i>(If no, check on Section 7)</i>
			Caste/Ethnicity	Code					
	9	10	11		12	13	14	15	16
01									

I D  C O D E	Was [Name] born in this VDC/ Municipality?  Yes.....1→21 No..... 2	Where was [Name] born?		Was the birth place of [Name] then an urban or rural area?  Urban.....1 Rural.....2	What is the main reason for [Name] to leave birth place?  Marriage.....1 Other family reason....2 Better salary/wage.....3 Start new job/business..4 Transfer by employer...5 Study/Training.....6 Looking for work.....7 Easier lifestyle.....8 Natural disaster.....9 Political conflict.....10 Others (specify).....11	Was [Name's] last usual place of residence before this one is the same VDC/ Municipality?  Yes.....1→26 No.....2	What was [Name's] last usual place of residence before this one?  <i>(If Foreign Country→24)</i>		Was it then an urban or rural area?  Urban.....1 Rural.....2	How many years ago did [Name] move last time to this place?  <i>(Write in complete years: if less than 1 year, write '0' and if 15 years or more, write '15')</i>	What is the main reason for [Name] to migrate here?  Marriage.....1 Other family reason....2 Better salary/wage.....3 Start new job/business..4 Transfer by employer...5 Study/Training.....6 Looking for work.....7 Easier lifestyle.....8 Natural disaster.....9 Political conflict.....10 Others (specify).....11
		District	Code				District	Code			
	17	18		19	20	21	22		23	24	25
01											

To be asked to all members of age 5 years and above.

To be asked to members of age 14 Years and above												
I D C O D E	Can [Name] read?	Can [Name] write?	Is [Name] currently attending school/college?	Has [Name] ever attended school/college?	What is the highest level of education that [Name] completed?	Has [Name] received any formal vocational/professional training?	What was the main area/subject of the training? <i>(If more than one, write the subject of major training)</i>		How many months did it take to complete this training? <i>(If the training is part time calculate its full time equivalent and if the duration is less than 1 month, write '0')</i>	Does [Name] want to receive any (additional) vocational/professional training?	What type of training does [Name] want to receive mainly?	
	Yes....1 No.....2 → 28	Yes....1 No.....2	<i>(Ask only to those of aged 40 years and below)</i> Yes....1 → 30 No.....2	Yes....1 No.....2 → 31	Education Code	Yes.....1 No.....2 → 34	Description	Training Code		Yes.....1 No.....2 → 36	Description	Training Code
	26	27	28	29	30	31	32		33	34	35	
01												

### SECTION 3: CURRENT ACTIVITIES

Now I would like to ask questions about activities done in the last 7 days. Some of these activities (Q.No. 36) are considered to be work, and some of them (Q.No. 37) are important household chores.

Q. No.36: During the last 7 days, did [Name] do any of the following WORK activities? <i>(Record hours actually spent doing the activity during the last 7 days. If No Write ' - ')</i>											
I D C O D E	Wage Employed		Self Employed								Total Hours (A-J)
	Agriculture	Non-Agriculture	Business	Agriculture	Milling and food processing	Handicrafts, Tailoring	Construction and major repairs	Fetching water	Collecting firewood/Co w dung	Other work activities	
	A	B	C	D	E	F	G	H	I	J	Q36T
01											

- A. Working for wage or salary, or payment in kind (e.g. food, clothes) in agriculture sector.
- B. Working for wage or salary, or payment in kind (e.g. food, clothes) in non-agriculture sector, such as mining, manufacturing, construction, trade and other business services and in other national international non-government organizations.
- C. Retail shop, street or market trader, other trading activity, transporting products to market for sale, operating taxi, tempo service, tuition, coaching, etc.
- D. Planting, weeding, harvesting, keeping birds/pests away from crops, carrying crops to/from storage, herding, looking after animals, poultry farming, etc.
- E. Milling rice, maize, etc., any other processing of food (except cooking for household use only).
- F. Tailoring, dress making, weaving, making handicrafts, etc.
- G. Construction and major repair of houses, farm buildings, fences, boats, construction works done through volunteer labour (road, bridge, building, etc.).

H. Fetching water.

I. Collecting firewood.

J. Any other home-based economic activities.

Q. No. 37: During the last 7 days, did (Name) do any of the following activities WITHOUT PAY or PROFIT FOR YOUR HOUSEHOLD and for COMMUNITY? (Mention each activity serially from 'A' onwards) (Record hours actually spent doing the activity during the last 7 days. If No Write ' - ')										
I D C O D E	Cooking/ serving food for household	Cleaning utensils/house	Minor household repairs	Shopping for household	Caring old/sick/infirm	Child care	Other volunteer/ community services	Total hours (A-G)	Total of Q. No. 36  (Copy from previous page)	Grand Total  <b>Q36T+ Q37T</b>
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>Q37T</b>	<b>Q36T</b>	<b>CAT</b>
01										

F. Feeding, taking to school and other cares of children.

G. Services rendered voluntarily only (excluding volunteer construction work).

**Ask only if Q36T=0 in Q. No. 36, otherwise go to Q. NO. 41 (→41)**

I D C O D E	Though [Name] did not work in last 7 days, does [Name] have a job or business to which he/she will return to work?	Is [Name] receiving any pay (in cash or kind) or other returns from a job or business while not at work?	How long has [Name] been away from the job or business without pay?  Less than 2 months .....1 Two months or more ...2→76	What was the main type of work [Name] did in last 7 days?  (Did not work in last 7 days, but has a job or business in which he/she will return then write about that job.)	For how long has [Name] been doing this sort of work?  Less than 1 year .....1 1 to less than 5 years....2 5 to less than 10 years...3 10 years or more .....4
	Yes.....1 No.....2 →76	Yes ....1→41 No.....2		Description	NSCO Code
	<b>38</b>	<b>39</b>	<b>40</b>	<b>41</b>	<b>42</b>
01					

I D  C O D E	What is the main goods or service produced at the place where [Name] works?	What is/was the status of [Name] involved in this main job?  Paid employee.....1 Operating own business or farm with regular paid employees.....2→50 Operating own business or farm without regular paid employees..3→51 Contributing family member without pay.....4→50 Others (specify).....5→50	What is/was the basis for [Name's] employment?  Permanent.....1→49 Contract.....2 Piece-rate.....3	What is the duration of contract?  Daily.....1 Less than 1 month.....2 1 to less than 3 months...3 3 to less than 6 months...4 6 to less than 12 months..5 Over 12 months.....6	Does [Name's] employer pay social security contribution for [Name]?  Yes.....1 No.....2	Does [Name] benefit from paid leave or get compensation for unused leave?  Yes.....1 No.....2
	Goods or service produced	NSIC Code				
	<b>43</b>	<b>44</b>	<b>45</b>	<b>46</b>	<b>47</b>	<b>48</b>
01						

For paid employees only (Otherwise→Q56)									
I D  C O D E	Where is/was [Name] working?  In government service.....1→53 In financial public corporation.....2→53 In non-financial public corporation.....3→53 In NGOs/INGOs.....4→53 In private registered financial company.....5→52 In private registered non-financial company.6→52 In private unregistered organisation.....7 Others (specify).....8	How many regular paid employees are/were employed in this business where [Name] works/worked?  <i>(Exclude employers, unpaid apprentices, unpaid family workers and casual workers)</i>  None .....1 1 to 4 .....2 5 to 9.....3 10 or more....4→52	Where is/was the enterprise/business/farm located?  In your home/farm.....1 In some other building/farm.....2 At fixed stall (roadside, market)3 Others (specify).....4	How is/was [Name] paid?  Contract...1 Piece-rate.....2→54 <b>a</b>	What is the periodicity of the payment at his/her main work?  Daily.....1 Weekly.....2 Monthly...3 →55a Others (specify)...4	How much did [Name] earn last week from his/her main work?		How much did [Name] earn last month from his/her main work?	
						Cash (Rs.)	In-Kind (Rs.)	Cash (Rs.)	In-Kind (Rs.)
	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54a</b>	<b>54b</b>	<b>55a</b>	<b>55b</b>
01									

I D C O D E	Did [Name] also do any other work within the last 7 days?  Yes.....1 No.....2→60	What type of secondary work did [Name] do in last 7 days?  <i>(If more than one job, get details of the main secondary job in which person spent most time)</i>		What is the main goods or service produced at the place where [Name] works in this secondary job?		What is/was the status of [Name] involved in this secondary job?  Paid employee.....1 Operating own business or farm with regular paid employees.....2 Operating own business or farm without regular paid employees...3 Contributing family member without pay.....4 Others (specify).....5	
		Description	NSCO Code	Produced goods or service	NSIC Code		
<b>56</b>		<b>57</b>		<b>58</b>		<b>59</b>	
01							

I D C O D E	How many hours does [Name] USUALLY work per week?			How many hours did [Name] ACTUALLY work last week?  <i>( Compare this with Q36T of Q. No. 36 )</i>			Subtract Q60 from Q63.  If Q63 – Q60 = 0 →68 If Q63 – Q60 = - →68 If Q63 – Q60 = + →67	What is the main reason that [Name] worked for more hours last week?  To have a higher income.....1 Exceptionally high workload that week.2 Variable in timetable.....3 Others (specify).....4
	Main activity	Other activities	Usual Total	Main activity	Other activities	Actual Total		
<b>60</b>		<b>61</b>	<b>62</b>	<b>63</b>	<b>64</b>	<b>65</b>	<b>66</b>	<b>67</b>
01								



## UNDEREMPLOYMENT

Check total hours worked (Q36T) entered under Q. No. 36, and enter ' - ' in Q. 68 if total hour in Q36T is 40 or more and then go to Q85, otherwise continue.

I D C O D E	Why didn't [Name] work more hours in last 7 days?  Could not find more work/lack of business...01 Lack of finance, raw materials.....02 Machinery, electrical , other breakdown.....03 Off season inactivity.....04 Industrial dispute (strike, laid off).....05 Other involuntary (specify).....06 Have sufficient work.....07→85 Household duties.....08→85 Student, unpaid training.....09→85 Illness, disability.....10→85 Vacation, family reason.....11→85 Pregnant/Delivery.....12→85 Other voluntary (specify).....13→85	How many more hours did [Name] want to work in last 7 days?	Has [Name] looked for more work in the last 30 days?  Yes.....1 No.....2 →75	Did [Name] apply to any employers in the last 30 days?  Yes.....1 No.....2	Did [Name] ask friends or relatives to find additional work in the last 30 days?  Yes.....1 No.....2	Did [Name] take action to start own business in the last 30 days?  Yes.....1 No.....2	Did [Name] look for more work in other ways in the last 30 days?  Yes .....1 No.....2	How long has [Name] been available for more work?  Less than 1 month.....1 1 to less than 3 months.....2 3 to less than 6 months.....3 6 to less than 12 months.....4 12 to less than 24 months.....5 24 months or more.....6
	<b>68</b>	<b>69</b>	<b>70</b>	<b>71</b>	<b>72</b>	<b>73</b>	<b>74</b>	<b>75</b>
01								

→85

## SECTION 4. UNEMPLOYMENT

Ask only to those who did not work in last 7 days and did not have any job or business to which he/she can return to work or not receiving any pay (in cash or in-kind) or profit from a job or business during the last 2 months, while not at work.

I D C O D E	Was [Name] available to work during the last 7 days?  Yes..1 No...2→84	Did [Name] look for work during the last 30 days?  Yes....1 No.....2→82	Did [Name] apply to any employers during the last 30 days?  Yes.....1 No.....2	Did [Name] ask friends or relatives to find work during the last 30 days?  Yes.....1 No.....2	Did [Name] take action to start own business during the last 30 days?  Yes.....1 No.....2	Did [Name] look for more work in other ways during the last 30 days?  Yes.....1 No.....2	Why didn't [Name] look for work in the last 30 days?  <i>(Give the main reason if more than one)</i>  Thought no work available.....1 Awaiting reply to earlier enquiries.....2 Waiting to start arranged job/business...3 Off season .....4 Not available.....5→84 Others (specify).....6	How long has [Name] been available for work?  Less than 1 month.....1 1 to less than 3 months.....2 3 to less than 6 months.....3 6 to less than 12 months.....4 12 to less than 24 months.....5 24 months or more.....6	What was the reason for [Name] not being available for work in the last 7 days?  Attending school.....1 Household duties.....2 Old/Sick.....3 Disabled.....4 Others (specify).....5
	<b>76</b>	<b>77</b>	<b>78</b>	<b>79</b>	<b>80</b>	<b>81</b>	<b>82</b>	<b>83</b>	<b>84</b>
01									

→83

→85

## SECTION 5: ACTIVITY IN LAST 12 MONTHS

We have finished talking about the activities of last 7 days. Now I would like to know about your activities during the last 12 months.

I D C O D E	During the last 12 months, how many months did [Name] work?  <i>(If worked for 12 months, → Q. No. 90)</i>	Of the months [Name] was not working during the last 12 months, how many months was [Name] available for work?	During the last 12 months, how many months was [Name] not working and not available for work as well?  <i>(Check that total of Q. No. 85, 86 and 87 must be "12")</i>	Write the total months of Q. No. 85 and 86.  <i>(If 6 months or more → 90)</i>	What was the reason for [Name] not being available for work most of the last year?  <i>(If more than one reason, code the main one)</i>  Attending school.....1 Household duties.....2 Disabled.....3 Income recipient.....4 Too old/Sick.....5 Retired.....6 Pregnant/Delivery.....7 Others (specify).....8	What was the main type of work [Name] did in the last 12 months?  <i>(If "0" in Q. No. 85, write "Not Working" in Q. No. 60 and → Q. No. 103)</i>	
	Months	Months	Months			Description	NSCO Code
	<b>85</b>	<b>86</b>	<b>87</b>	<b>88</b>	<b>89</b>	<b>90</b>	
01							

I D C O D E	Was this work the same as [Name's] main activity reported for the last 7 days?  Yes..1→END No...2	How long has been/was [Name] doing this type of work for?  Less than 1 year.....1 1 to less than 5 years.....2 5 to less than 10 years.....3 10 years or more.....4	What is the main goods or service produced at the place where [Name] works?	What is/was the status of [Name] involved in this main job?  Paid employee.....1 Operating own business or farm with regular paid employees.....2→101 Operating own business or farm without regular paid employees..3→102 Contributing family member without pay.....4→101 Others (specify).....5→101	What is the recruitment condition for [Name's] employment?  Permanent.....1→99 Contract.....2 Piece rate.....3	
			Produced goods or service	NSIC Code		
	<b>91</b>	<b>92</b>	<b>93</b>		<b>94</b>	<b>95</b>
01						

I D C O D E	What is the duration of [Name's] the contract?	Does employer pay social security contribution for [Name]?	Does [Name] benefit from paid leave or get compensation for unused leave?	What is/was the periodicity of the payment?	Where is/was [Name] working?	How many regular paid employees are/were employed in this business where [Name] works/worked?	Where is/was the enterprise/business/farm located?
	Daily.....1 Less than 1 month.....2 1 to 2 months.....3 3 to 6 months.....4 7 to 12 months.....5 Over 12 months.....6	Yes.....1 No.....2	Yes.....1 No.....2	Daily.....1 Weekly.....2 Monthly.....3 Others (specify).4	In government service.....1→END In financial public corporation.....2→END In non-financial public corporation.....3→END In NGOs/INGOs.....4→END In private registered financial company.....5→END In private registered non-financial company.6→END In private unregistered organisation.....7 Others (specify).....8	(Exclude employers, unpaid apprentices, unpaid family workers and casual workers)  None .....1 1 to 4 .....2 5 to 9.....3 10 or more.....4→END	In own home/farm.....1 In some other building/farm.....2 At fixed stall (roadside, market).3 Others(specify).....4
	<b>96</b>	<b>97</b>	<b>98</b>	<b>99</b>	<b>100</b>	<b>101</b>	<b>102</b>
01							

## SECTION 6: PAST EMPLOYMENT RECORD

[Ask those persons who did not work at all (if Q. No. 85 = 0) during the last 12 months]

Now I would like to ask you about previous work you might have done.

I D C O D E	Has [Name] ever worked in the past?	What was the last type of work which [Name] did?		What was the main goods or service produced at the place where [Name] worked?		For how long did [Name] work in the last job?
	Yes.....1 No.....2→END					Less than 1 year .....1 1 to less than 5 years....2 5 to less than 10 years..3 10 years or more .....4
	<b>103</b>	<b>104</b>	<b>NSCO Code</b>	<b>Produced goods or service</b>	<b>NSIC Code</b>	<b>106</b>
01						

I D  C O D E	When did [Name] stop working in that job?	What was the status of [Name] involved in that main job?	Where was [Name] working?	What was the reason for leaving the previous work?
	Less than 2 years ago .....1 2 and less than 5 years ago.....2 5 and less than 10 years ago...3 10 or more years ago.....4	Paid employee.....1 Operating own business or farm with regular paid employees..... 2→110 Operating own business or farm without regular paid employees..... 3→110 Contributing family member without pay...4→110 Others (specify).....5→110	In government service .....1 In financial public corporation.....2 In non-financial public corporation.....3 In NGOs/INGOs.....4 In private registered financial company.....5 In private registered non-financial company..6 In private unregistered organisation.....7 Others (specify).....8	Illness/Disability.....1 Personal /Family reason.....2 Study.....3 Laid off job.....4 Dissatisfied with work.....5 Unsatisfied from work.....6 Retired.....7 Others (specify).....8
	<b>107</b>	<b>108</b>	<b>109</b>	<b>110</b>
01				

→ END

## SECTION 7: ABSENTEES INFORMATION

111. Is/are there any person/s, who is/are currently away (absent) from your household?

Yes .....1

No ..... 2→122

If yes, mention number of absentees

A B S E N T E E  I D	List the name of all persons away (absent) from the household.  <i>(Do not list usual members of the household)</i>	What is the sex of [Name]?  Male ...1 Female.2	What was the age of [Name] at the time of leaving home?  <i>(complete years)</i>	What is the relationship of [Name] to the head of the household?  <i>(Use the relationship code from Q12)</i>	What was the highest level of education that [Name] completed at the time of leaving home?	What is the duration of [Name's] absence?	Where is [Name] living now?  <i>(If unknown, write "00")</i>	What is [Name's] occupation over there?  <i>(If unknown, write "000")</i>		Did your household receive any money or goods from [Name] during the past 12 months?  Yes .....1 No.....2→122	How much amount did your household receive during past 12 months?	
					Education Code	Months	District Code	Description	NSCO Code		Cash (Rs)	In-kind (Rs)
	<b>112</b>	<b>113</b>	<b>114</b>	<b>115</b>	<b>116</b>	<b>117</b>	<b>118</b>	<b>119</b>		<b>120</b>	<b>121a</b>	<b>121b</b>
01												

## SECTION 8: REMITTANCE RECEIVED FROM OTHER SOURCES

122. Did your household receive any money or goods from the source other than the person absent from your household in the last 12 months?

Yes .....1

No ..... 2 → END

If yes, number of donors

D O N O R  I D	List the name of all the remittance senders other than the absentees of the household.  <i>(Do not list usual household members and members absent from the household)</i>	What is the sex of [Name]?  Male ...1 Female.2	What is the age of [Name]?  <i>(complete years)</i>	What is the relationship of the [Name] to the head of household?  <i>(Use the relationship code from Q12)</i>	What is the highest level of education that [Name] completed?	Where is [Name] living now?  <i>(If unknown, write "00")</i>	What is [Name's] occupation over there?  <i>(If unknown, write "000")</i>		How much amount did your household receive during past 12 months?	
							Education Code	District Code	Description	NSCO Code
	<b>123</b>	<b>124</b>	<b>125</b>	<b>126</b>	<b>127</b>	<b>128</b>	<b>129</b>		<b>130a</b>	<b>130b</b>
01										

## HOUSEHOLD ROSTER

Total number of persons residing in the household

Tick √ if member of household and age is 5 years and above.	Age  <i>(Complete years)</i>	List all the persons residing in the household.  <i>(First of all write the name of household head, then head's spouse, son/daughter, grand-son/daughter, parents, etc. respectively.)</i>	I D  C O D E
A	B		
			01

# Annex C

## FLOWCHART OF QUESTIONNAIRE

### Cover page and Section 1 (General information)

Cover page  
And flap

Season, PSU code, household ID, district, VDC/municipality, ward, sub-ward, Village/  
Tole, Name & Religion of Household head, Team no., Household list, total household  
members, member aged 5 & over, date of interview,

### Section 1 Household Information

1, 2, 3,  
4, 5, 6

Ownership of dwelling, Source of drinking water, Main fuel for  
cooking, Lighting fuel, Type of toilet, Availability and no. of  
facility.

7

Agriculture land?

Code 2 (No)

Code 1 (Yes)

8

Unit & Area of different operated land

### Section 2: General information

General information

9, 10, 11, 12  
13, 14, 15

Sex, Age, Ethnicity, Relationship,  
Marital status (10+), Citizenship,  
and Months lived here

16

Household member?

Code 2 (No)

END

Code 1 (Yes)

17

Born in this Mun/VDC?

Code 1 (Yes)

18

Birth district

Code  $\geq$  81  
(Foreign)

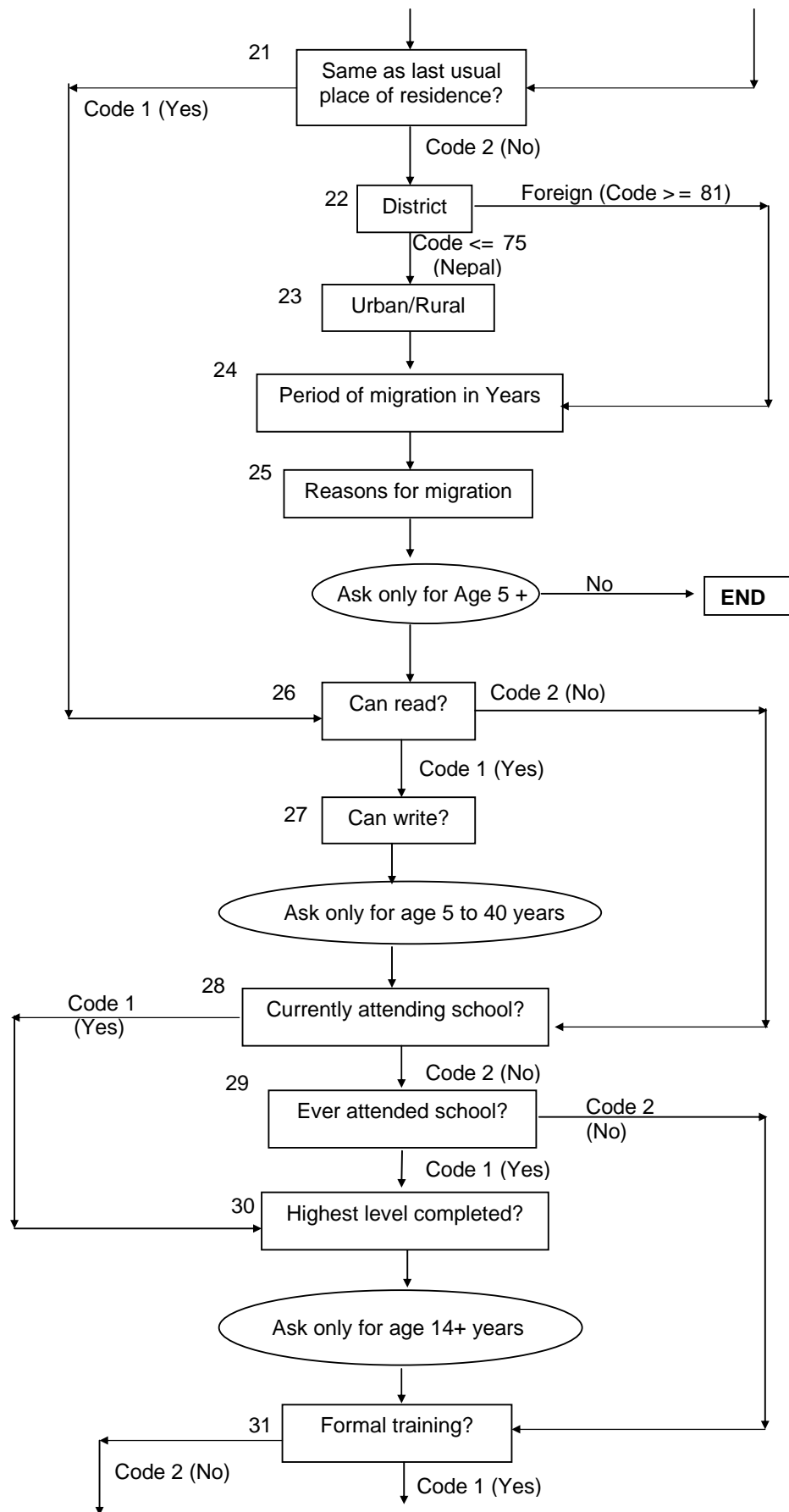
Code  $\leq$  75  
(Nepal)

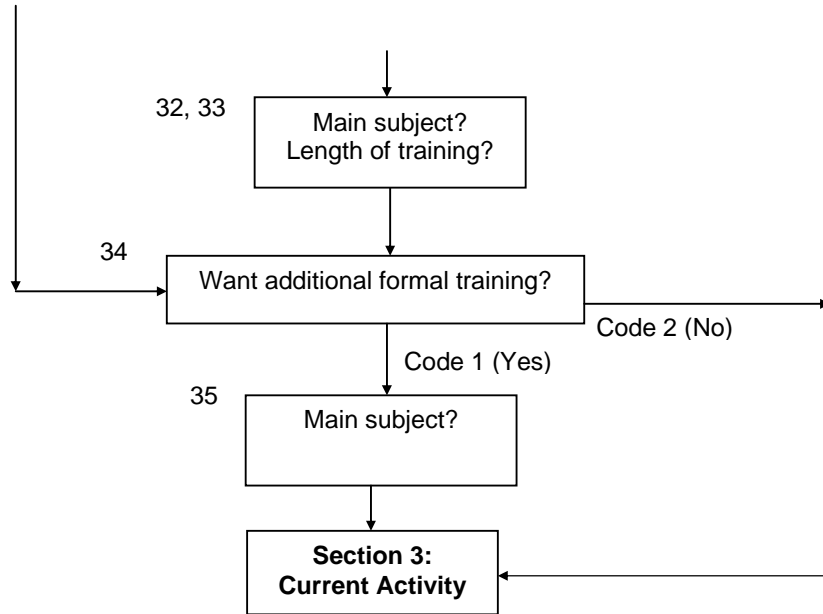
19

Urban/Rural?

20

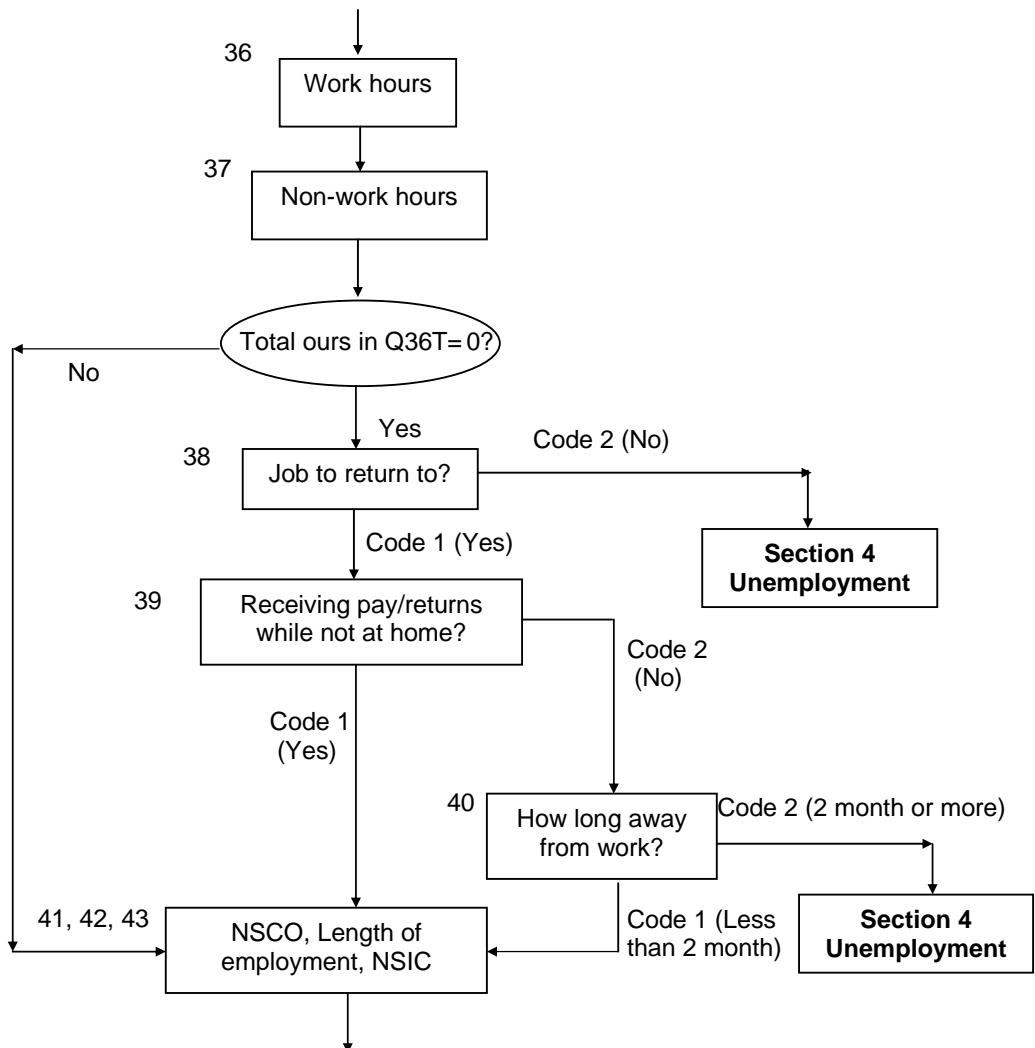
Main reason?



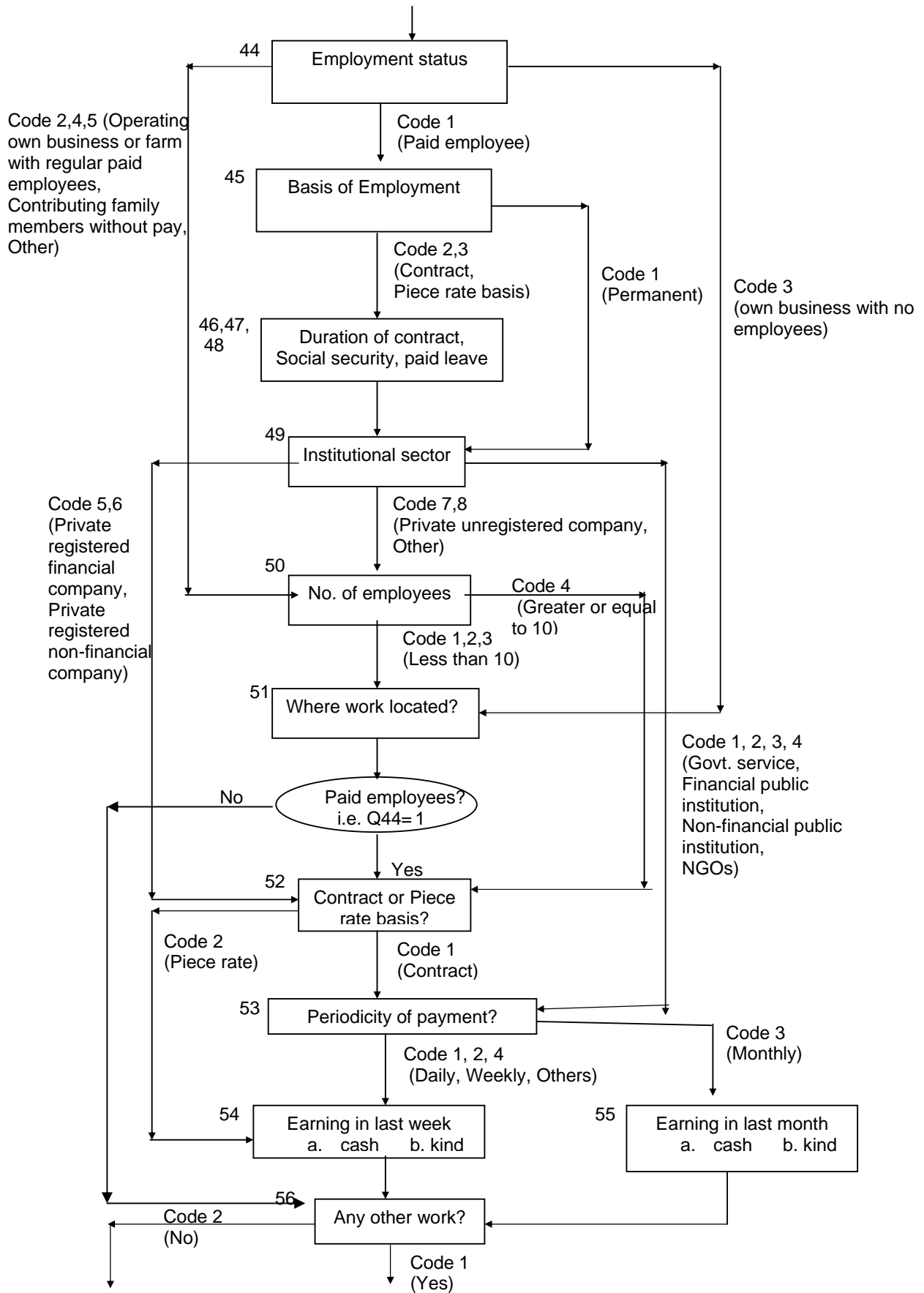


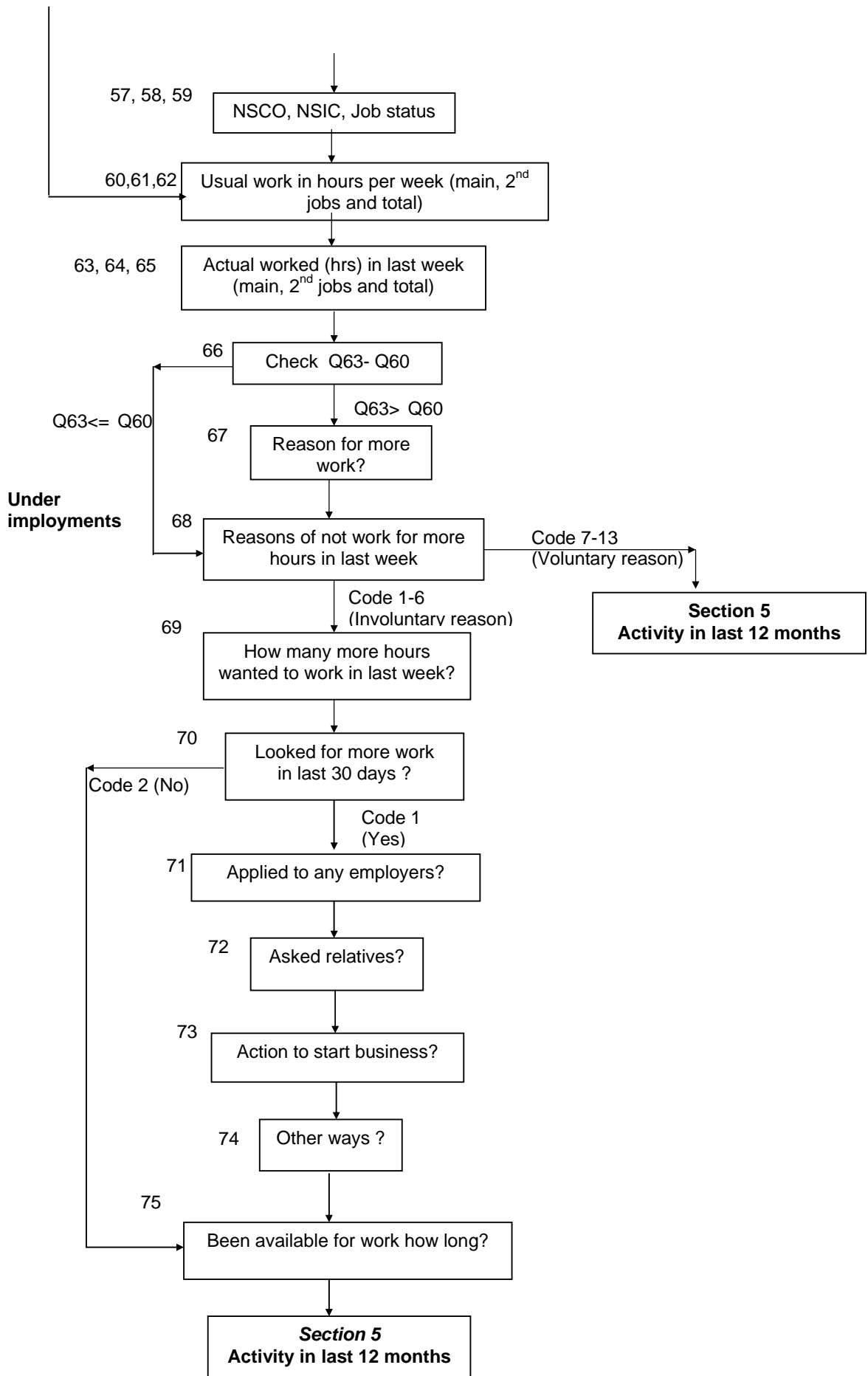
**Section 3: Current Activity**

All household members age 5+



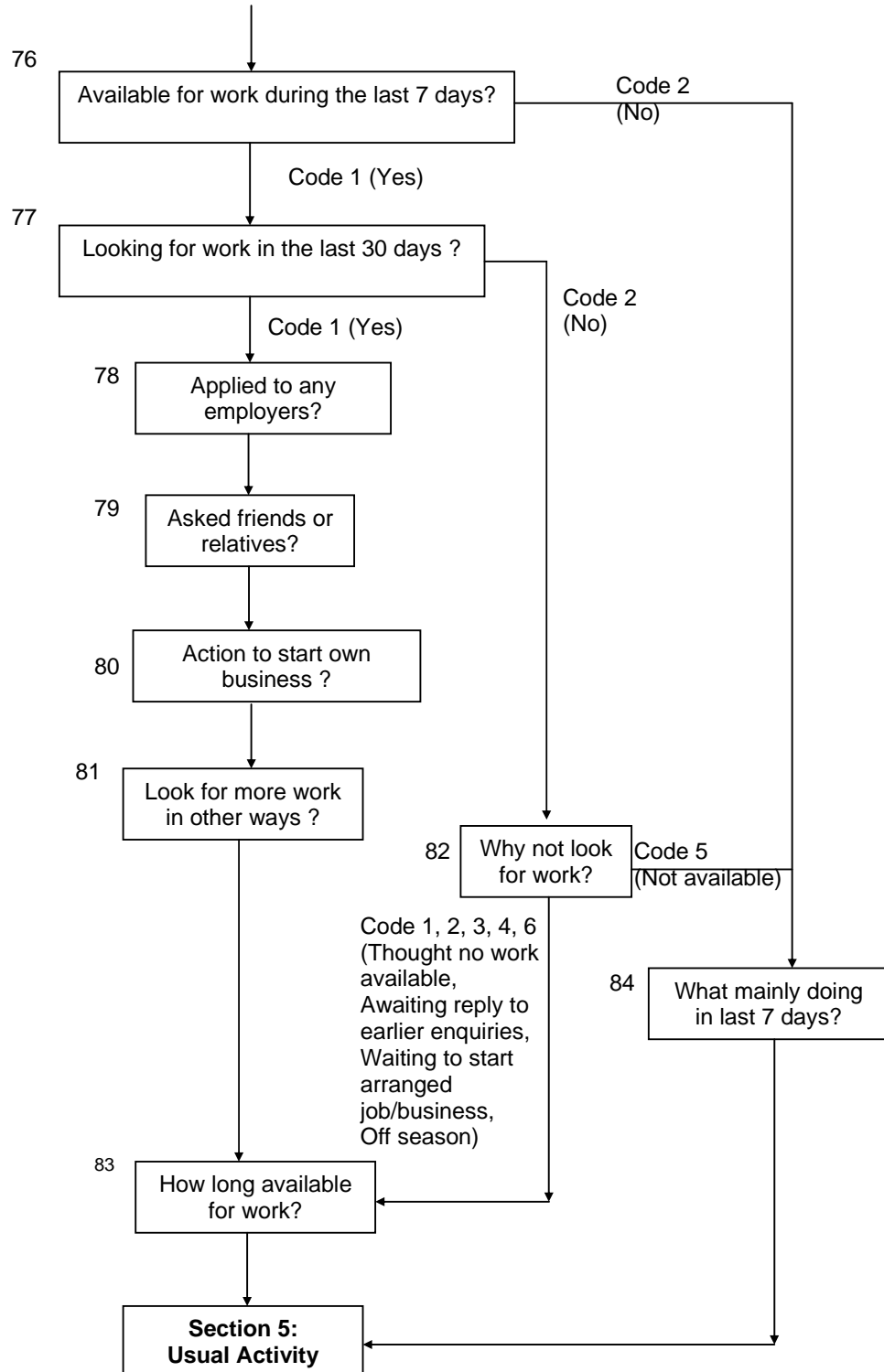






## **Section 4: Unemployment**

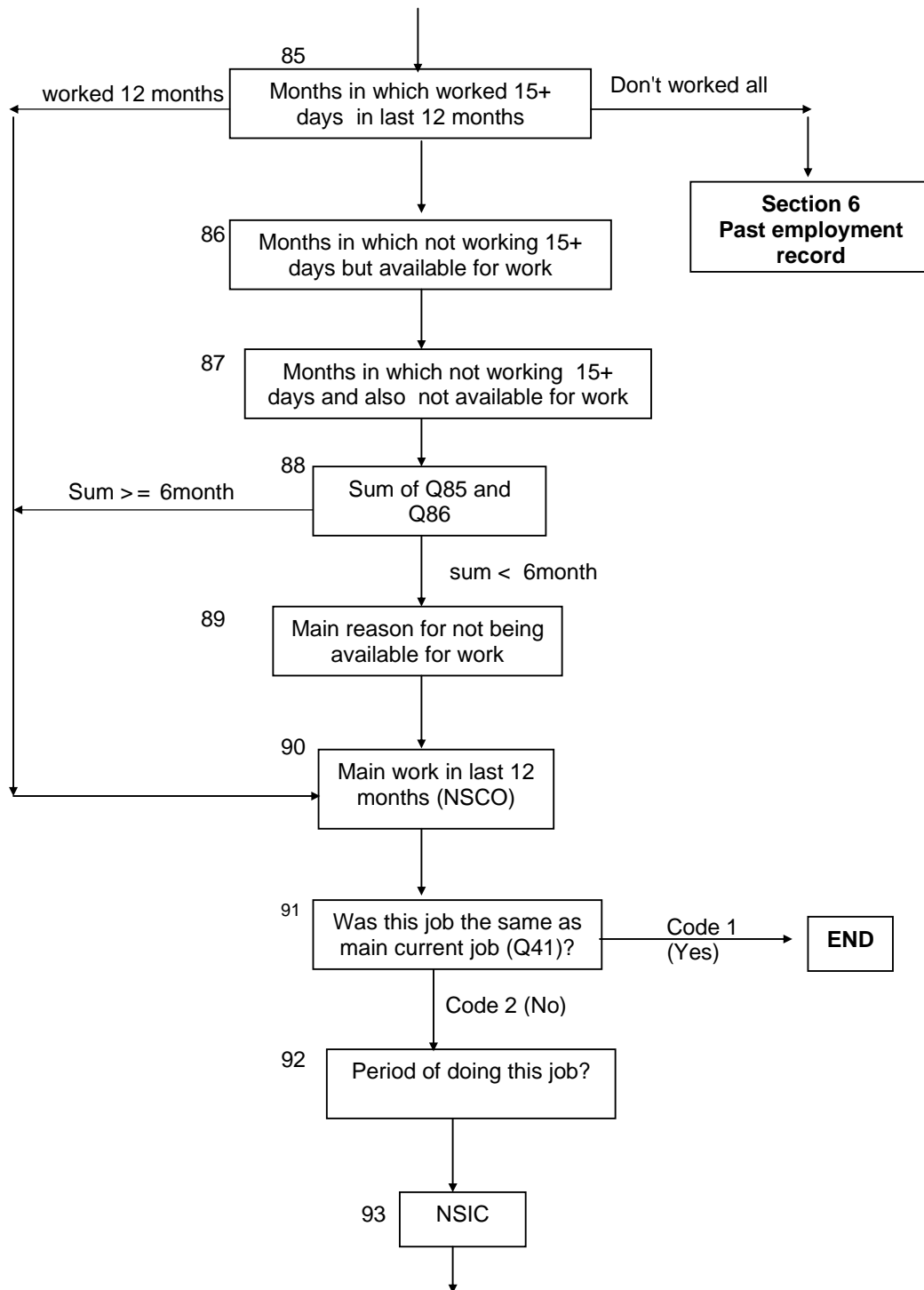
Household members aged 5+ who did not work in the last 7 days (Q36T=0) and who do not have a job to return to (Q38=No) or who do have a job to return to but have been away from it without pay or returns for two months or more (Q40= 2 months or more)

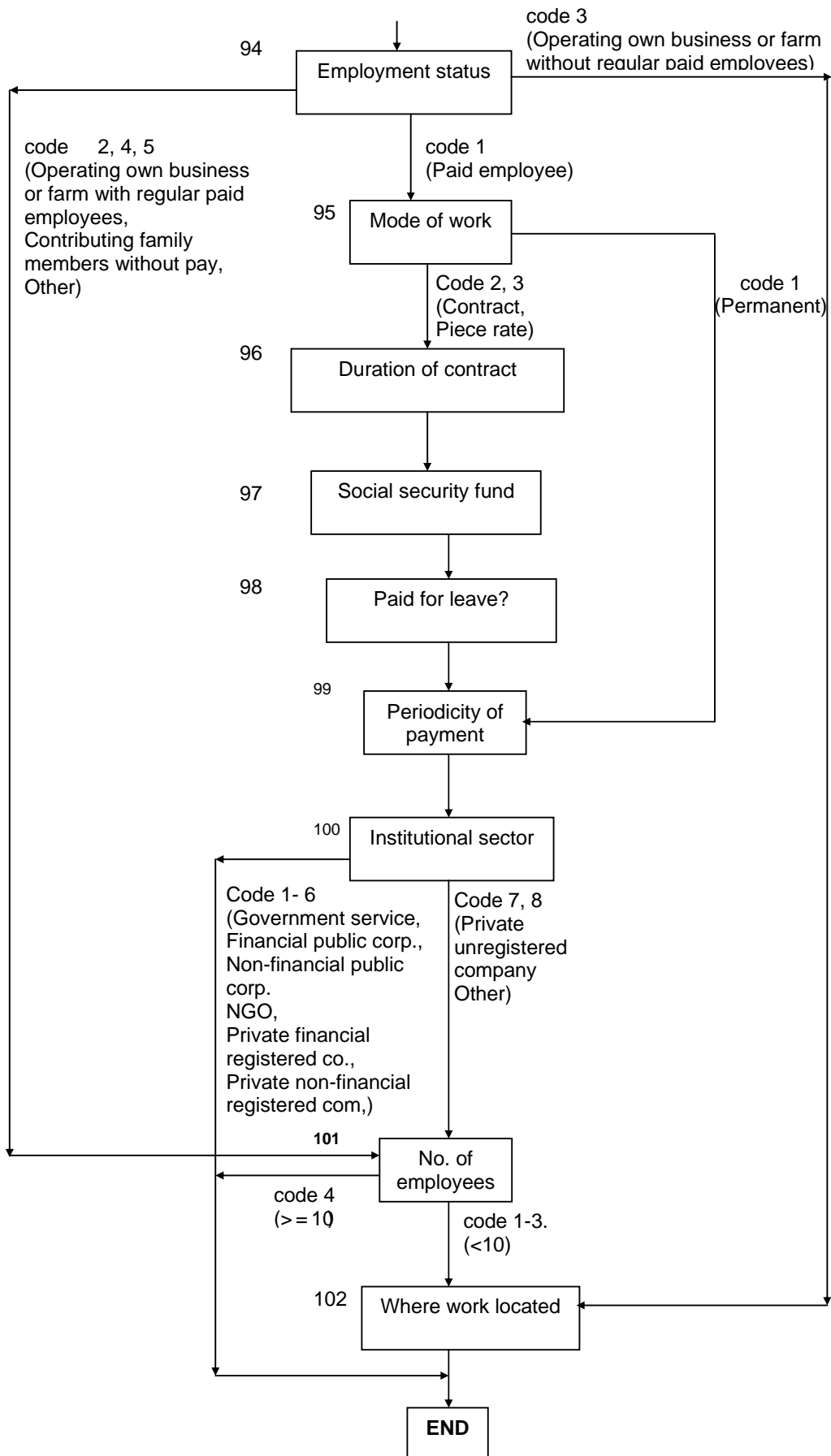


**Section 5: Usual Activity**

(NOTE: Under international statistical standards, "Usual activity status" is determined on basis of days or weeks employed or unemployed and not in terms of months employed or unemployed.)

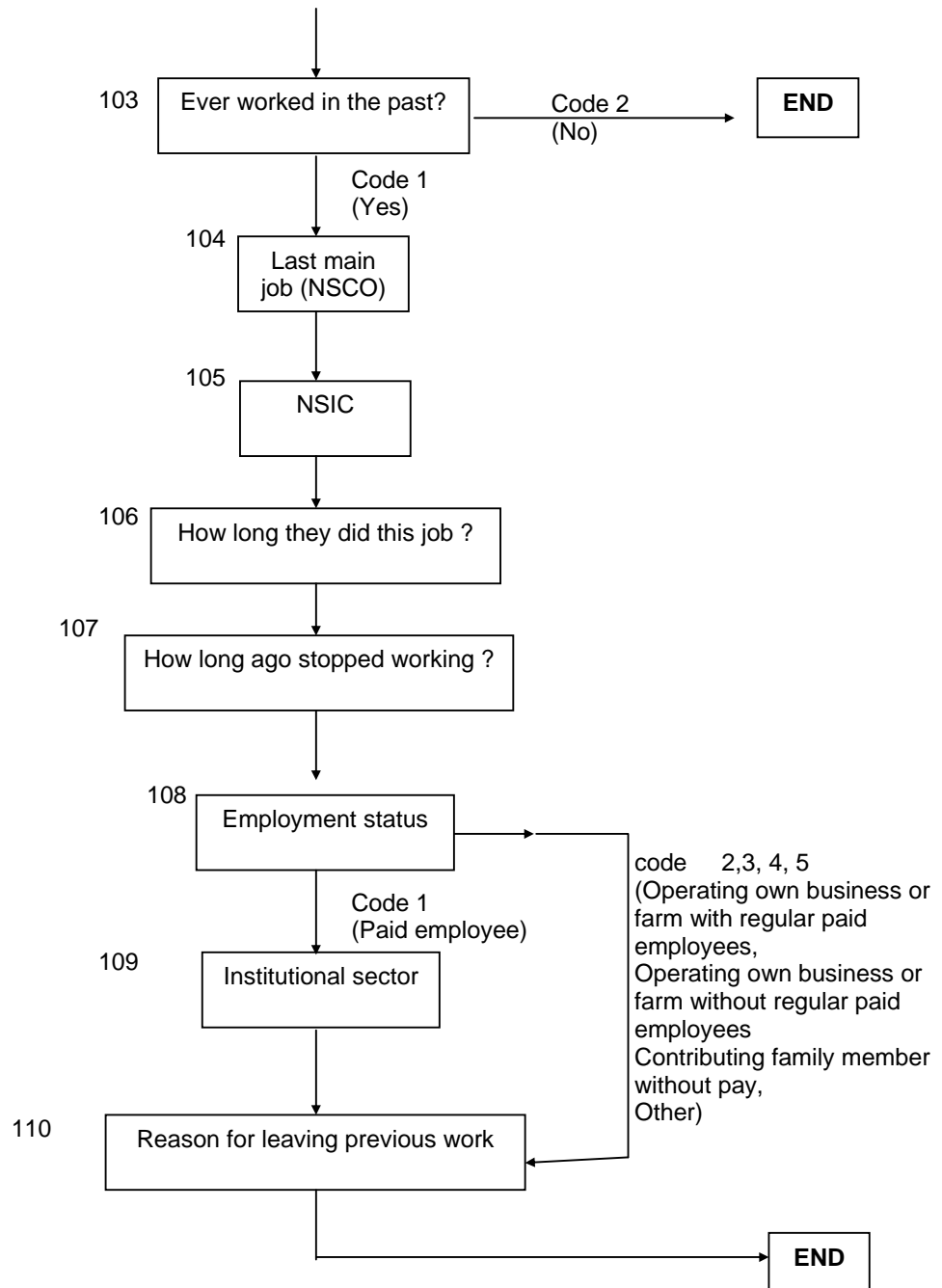
All household members aged 5+



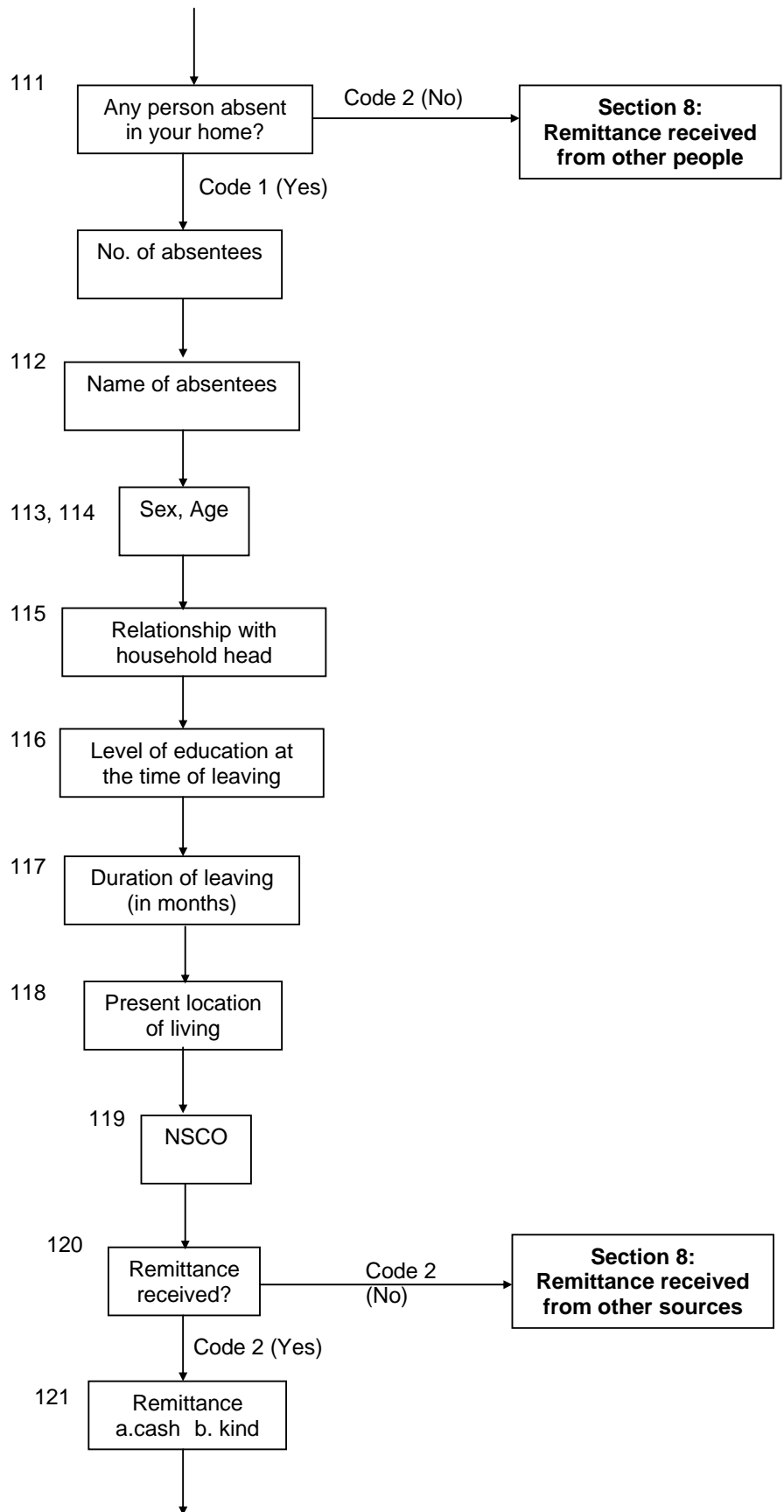


**Section 6: Past employment record**

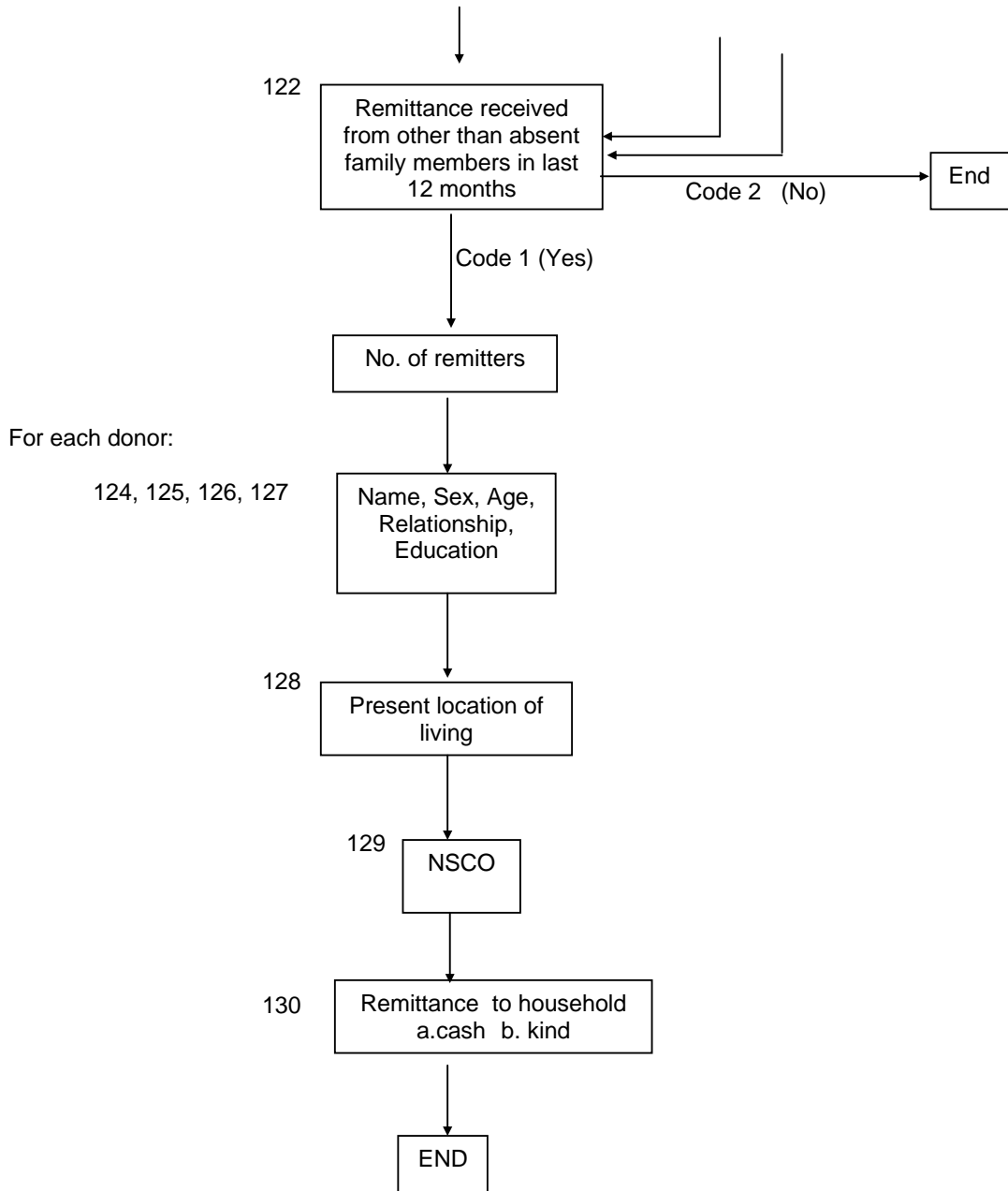
(Only those who did no work in the last 12 months – Q85=0)



**Section 7: Absentees information**



**Section 8: Remittance received from other people**





## Annex D

### INDUSTRY, OCCUPATION AND TRAINING CLASSIFICATION

In this annex, we list three classifications which have been used for analyzing the NLFS II data. These classifications are for industry, occupation and type of formal vocational or professional training.

#### 1. Nepal Standard Industrial Classification (NSIC)

(Used for recording responses to questions 43, 58, 93 and 105)

##### A. AGRICULTURE AND FORESTRY

- 01 Agriculture and related service activities
- 02 Forestry, logging and related service activities

##### B. FISHING

- 05 Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing

##### C. MINING AND QUARRYING

- 10 Mining of coal and lignite; extraction of peat
- 11 Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction excluding surveying
- 12 Mining of uranium and thorium ores
- 13 Mining of metal ores
- 14 Other mining and quarrying

##### D. MANUFACTURING

- 15 Manufacture of food products and beverages
- 16 Manufacture of tobacco products
- 17 Manufacture of textiles
- 18 Manufacture of wearing apparel; dressing and dyeing of fur
- 19 Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness
- 20 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
- 21 Manufacture of paper and paper products
- 22 Publishing, printing and reproduction of recorded media
- 23 Manufacture of coke, refined petroleum products and nuclear fuel
- 24 Manufacture of chemicals and chemical products
- 25 Manufacture of rubber and plastics products
- 26 Manufacture of other non-metallic mineral products
- 27 Manufacture of basic metals
- 28 Manufacture of fabricated metal products, except machinery and equipment
- 29 Manufacture of machinery and equipment n.e.c.
- 30 Manufacture of office, accounting and computing machinery
- 31 Manufacture of electrical machinery and apparatus n.e.c.
- 32 Manufacture of radio, TV and communication equipment and apparatus
- 33 Manufacture of medical, precision and optical instruments, watches and clocks
- 34 Manufacture of motor vehicles; trailers and semi-trailers
- 35 Manufacture of other transport equipment
- 36 Manufacture of furniture; manufacturing n.e.c.
- 37 Recycling

##### E. ELECTRICITY, GAS AND WATER SUPPLY

- 40 Electricity and gas supply
- 41 Collections, purification and distribution of water

- F. CONSTRUCTION**  
45 Construction
- G. WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES AND PERSONAL AND HOUSEHOLD GOODS**  
50 Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel  
51 Wholesale trade and commission trade, except of motor vehicles and motorcycles  
52 Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods
- H. HOTELS AND RESTAURANTS**  
55 Hotels and restaurants
- I. TRANSPORT, STORAGE AND COMMUNICATIONS**  
60 Land transport  
61 Water transport  
62 Air transport  
63 Supporting and auxiliary transport activities; activities of travel agencies  
64 Post and telecommunications
- J. FINANCIAL INTERMEDIATION**  
65 Financial intermediation, except insurance and pension funding  
66 Insurance and pension funding, except compulsory social security  
67 Activities auxiliary to financial intermediation
- K. REAL ESTATE, RENTING AND BUSINESS ACTIVITIES**  
70 Real estate activities  
71 Renting of machinery and equipment without operator and of personal and household goods  
72 Computer and related activities  
73 Researches and development  
74 Other business activities
- L. PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY**  
75 Public administration and defence; compulsory social security
- M. EDUCATION**  
80 Education
- N. HEALTH AND SOCIAL WORK**  
85 Health and social work
- O. OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES**  
90 Sewage and refuse disposal, sanitation and similar activities  
91 Activities of membership organizations n.e.c.  
92 Recreational, cultural and sporting activities  
93 Other service activities
- P. PRIVATE HOUSEHOLDS WITH EMPLOYED PERSONS**  
95 Private households with employed persons
- Q. EXTRA-TERRITORIAL ORGANIZATIONS AND BODIES**  
99 Extra-territorial organization and bodies

## **2. Nepal Standard Classification of Occupation (NSCO)** (Used for recording responses to questions 41, 57, 90, 104, 119 and 129)

### **1. LEGISLATORS, SENIOR OFFICIALS AND MANAGERS**

- 111 Legislators
- 112 Government officials
- 114 Officials of special interest organizations
- 121 Directors and chief executives
- 122 Production and operations department managers
- 123 Other department managers
- 131 General managers/managing proprietors

### **2. PROFESSIONALS**

- 211 Physicists, chemists and related professionals
- 212 Mathematicians, statisticians and related professionals
- 213 Computing professionals
- 214 Architects, engineers and related professionals
- 221 Life science professionals
- 222 Health professionals, except nursing
- 223 Nursing and midwifery professionals
- 231 College, university and higher education teaching professionals
- 232 Secondary education teaching professionals
- 233 Primary and pre-primary education teaching professionals
- 234 Special education teaching professionals
- 235 Other teaching professionals
- 241 Business professionals
- 242 Legal professionals
- 243 Archivists, librarians and related information professionals
- 244 Social science and related professionals
- 245 Writers and creative or performing artists
- 246 Religious professionals

### **3. TECHNICIANS AND ASSOCIATE PROFESSIONALS**

- 311 Physical and engineering science technicians
- 312 Computer associate professionals
- 313 Optical and electronic equipment operators
- 314 Aircraft controllers and technicians
- 315 Safety and quality inspectors
- 321 Life science technicians and related associate professionals
- 322 Modern health associate professional, except nursing
- 323 Nursing and midwifery associate professionals
- 324 Traditional medicine practitioners and faith healers
- 331 Primary education teaching associate professionals
- 332 Pre-primary education teaching associate professionals
- 333 Special education teaching associate professionals
- 334 Other teaching associate professionals
- 341 Finance and sales associate professionals
- 342 Business services agent and trade brokers
- 343 Administrative associate professionals
- 344 Customs, tax and related government associate professionals
- 345 Police inspectors and detectives
- 346 Social work associate professionals
- 347 Artistic, entertainment and sports associate professionals
- 348 Religious associate professionals

#### **4. CLERKS / OFFICE ASSISTANTS**

411 Secretaries and keyboard-operating clerks/assistants  
412 Numerical clerks/office assistants  
413 Material-recording and transport clerks/office assistants  
414 Library, mail and related clerks/office assistants  
419 Other office clerks/assistants  
421 Cashiers, tellers and related clerks/office assistants  
422 Client information clerks/office assistants

#### **5. SERVICE WORKERS AND SHOP AND MARKET SALES WORKERS**

511 Travel attendants and related workers  
512 Housekeeping and restaurant services workers  
513 Personal care and related workers  
514 Other professional services workers  
515 Astrologers, fortune-tellers and related workers  
516 Protective service workers  
521 Fashion and other models  
522 Shop salespersons and demonstrators  
523 Stall and market salespersons

#### **6. SKILLED AND SEMI- SKILLED AGRICULTURAL AND FISHERY WORKERS**

611 Market-oriented gardeners and crop growers  
612 Market-oriented animal producers and related workers  
613 Market-oriented crop and animal producers  
614 Forestry and related workers  
615 Fishery workers  
621 Subsistence agricultural and fishery workers

#### **7. CRAFT AND RELATED TRADES WORKERS**

711 Miners, shotfirers, stone cutters and carvers  
712 Building frame and related trades workers  
713 Building finishers and related trades workers  
714 Painters, building structure cleaners and related trades workers  
721 Metal moulders, welders, sheet-metal workers, structural-metal preparer  
722 Blacksmiths, tool-makers and related trades workers  
723 Machinery mechanics and fitters  
724 Electrical and electronic equipment mechanics and fitters  
731 Precision workers in metal and related materials  
732 Potters, glass-makers and related trades workers  
733 Handicraft workers in wood, textile, leather and related materials  
734 Printing and related trades workers  
741 Food processing and related trades workers  
742 Wood treaters, cabinet-makers and related traders workers  
743 Textile, garment and related trades workers  
744 Pelt, leather and shoe making trades workers

#### **8. PLANT AND MACHINE OPERATORS AND ASSEMBLERS**

811 Mining and mineral-processing plant operators  
812 Metal-processing-plant operators  
813 Glass, ceramics and relative plant operators  
814 Wood-processing and papermaking-plant operators  
815 Chemical-processing-plant operators  
816 Power-production and related plant operators  
817 Automated-assembly-line and industrial-robot operators  
821 Metal and mineral products machine operators  
822 Chemical-products machine operators  
823 Rubber and plastic products machine operators  
824 Wood-products machine operators

825 Printing, binding and paper products machine operators  
826 Textile, fur and leather-products machine operators  
827 Food and related products machine operators  
828 Assemblers  
829 Other machine operators and assemblers  
831 Locomotive-engine drivers and related workers  
832 Motor vehicle drivers  
833 Agricultural and other mobile-plant operators

**9. ELEMENTARY OCCUPATIONS**

911 Street vendors and related workers  
912 Shoe cleaning and other street services elementary occupations  
913 Domestic and related helpers, cleaners and launderers  
914 Building caretakers, window and related cleaners  
915 Messengers, porters, doorkeepers and related workers  
916 Garbage collectors and related labourers  
921 Agricultural, fishery and related labourers  
931 Mining and construction labourers  
932 Manufacturing labourers  
933 Transport labourers and freight handlers  
  
997 Household work (special code)  
998 Student (special code)  
999 Not working (special code)

**0. ARMED FORCES**

011 Armed forces

### **3. Formal vocational/professional training classification**

**(Used for coding responses to questions 32 and 35)**

**Based on the International Standard Classification of Education (ISCED), UNESCO, 1976.**

#### **GENERAL (INCLUDING LITERACY)**

011 General education (including literacy)

#### **TEACHER TRAINING, INCLUDING TRAINING FOR EXTENSION AND OTHER FIELDS OF NON-FORMAL EDUCATION**

021 Education science and teacher training for work in adult education.

022 Other programmes in teacher training

029 Teacher training n.e.c.

#### **FINE AND APPLIED ARTS**

031 Audio-visual (Radio/TV Program) and plastic arts, carving, sculpture

032 Handicrafts, spinning, weaving

033 Music, Dance

034 Drama

035 Other fine and applied arts (photography, cinematography, music production, printing/publication)

039 Fine and applied arts n.e.c.

#### **HUMANITIES**

041 A "foreign" or second language and its literature

042 History, archaeology

043 Other humanities (interpreter, translator)

049 Humanities n.e.c.

#### **RELIGION AND THEOLOGY**

051 Religion and theology

#### **SOCIAL AND BEHAVIOURAL SCIENCE**

061 Economics/banking

062 Political science

063 Sociology

064 Psychology

065 Geography

066 Other social and behavioural sciences (Journalism, information)

069 Social and behavioural science n.e.c.

#### **COMMERCIAL, CLERICAL, BUSINESS AND PUBLIC ADMINISTRATION**

071 Shorthand-typing (secretarial)

072 Clerical

073 Labour studies, including personnel administration

074 Accountancy

075 Other commercial, clerical, business and public administration (insurance)

079 Commercial, clerical, business and public administration n.e.c.

#### **LAW**

081 Law

#### **NATURAL SCIENCES**

091 Biology

092 Geology

093 Physics

094 Other natural sciences

099 Natural science n.e.c.

#### **MATHEMATICS AND COMPUTER SCIENCE**

101 Computer science (software development only)

102 Mathematics, statistics and actuarial work

<b>HEALTH-RELATED PROGRAMMES</b>	
111	Nursing and other medical auxiliary programmes (Traditional birth attendant)
112	Medicine, dentistry and surgery (Pathology service)
113	Other health-related programmes
119	Health n.e.c.
<b>CONSTRUCTION TRADES</b>	
121	House painting
122	Carpentry
123	Bricklaying
124	Plumbing
125	Electrician
126	Other construction trades
129	Construction and building n.e.c.
<b>OTHER CRAFT, TRADE AND INDUSTRIAL N.E.C.</b>	
131	Metal trades (welding)
132	Mechanic trades (including mechanical repair)
133	Furniture making and repair
134	Shoe making and repair
135	Printing and book binding trades
136	Mine safety and other mine related
137	Dressmaking, tailoring
138	Other craft, trade and industrial (repair of electrical/electronics appliances)
139	Trade and industry work n.e.c.
<b>ENGINEERING</b>	
141	Engineering (including watch, radio, TV, computer etc assemble and repairs)
<b>ARCHITECTURE AND TOWN-PLANNING</b>	
151	Architecture
152	Town or community planning
159	Architecture and town-planning n.e.c.
<b>AGRICULTURE, FORESTRY, AND FISHERIES</b>	
161	Agriculture, animal husbandry
162	Forestry and forest products technology
163	Fisheries
164	Animal health and veterinary science
<b>HOME ECONOMICS (DOMESTIC SCIENCE) N.E.C.</b>	
171	Programmes with emphasis on child care
172	Other home economics programmes
179	Home economics n.e.c.
<b>TRANSPORT AND COMMUNICATIONS</b>	
181	Driving skills and motor vehicle operation
182	Aircraft operation
183	Other transport and communication programmes
189	Transport and communications n.e.c.
<b>SERVICE TRADES</b>	
191	Cooking and food preparation
192	Other hotel and restaurant trades
193	Hairdressing, Beauticians work
194	Police work
195	Other protective services (Environment)
196	Other service trades ( including tourism)
199	Service trades n.e.c.
<b>MASS COMMUNICATION AND DOCUMENTATION</b>	
201	Mass communication and documentation
<b>OTHER</b>	
211	Physical training
212	Other education n.e.c.

## Annex E List of NLFS-II Staffs

### Core Staff

1	Mr. Uttam Narayan Malla	Director General
2.	Mr. Bikash Bista	Deputy Director General
3.	Mr. Rabi Prasad Kayastha	Director
4.	Mr. Prabodh Sagar Dhakal	Director
5.	Mr. Dhundi Raj Lamichhane	Director
6.	Mr. Shib Nandan Pd. Shah	Statistical Officer
7.	Mr. Anil Sharma	” ”
8.	Mr. Ishwori Prasad Bhandari	” ”
9.	Mr. Keshab K. Gautam	” ”
10.	Mr. Dinesh Bhattarai	” ”
11.	Mr. Binodh Manandhar	” ”
12.	Mr. Dol Narayan Shrestha	Computer Officer
13.	Mr. Shiv Lal Sharma	Statistical Assistant
14.	Ms. Samjhana Bista	Data Entry Operator
15.	Ms. Nilam Thapa	” ”
16.	Mr. Rameshwor Singh Thapa	” ”

### Field Staff

#### Supervisors

1	Mr. Anirudra Prasad Upadhyay	12	Mr. Kedar Prasad Neupane
2	Mr. Bikas Malla	13	Mr. Liladhar Bhatta
3	Mr. Bishnu Prasad Marasini	14	Mr. Narayan Rijal
4	Mr. Chandra Kaji Manandhar	15	Mr. Pom Narayan Poudel
5	Mr. Damodar Gautam	16	Mr. Prithvi Bijayaraj Sijapati
6	Mr. Damodar Shrestha	17	Mr. Ram Narayan Mahato
7	Mr. Dhan Bahadur B.C.	18	Mr. Ram Prasad Wagle
8	Mr. Fajal Karim Miyan	19	Mr. Rishikesh Timsina
9	Mr. Govinda Dhungana	20	Mr. Suman Shrestha
10	Mr. Hira Lal Dhanuk	21	Mr. Sunil Shrestha
11	Mr. Karna Bahadur Chhetri	22	Mr. Tulasi Paudel



## **Enumerators**

1	Mr. Arjun Adhikari	31	Mr. Mukti Nath Subedi
2	Mr. Ashok Prasad Neupane	32	Mr. Nagendra Prasad Kanu
3	Mr. Bala Ram Dulal	33	Mr. Narayan Karki
4	Mr. Bhan Bahadur Bad	34	Mr. Narayan Thapa
5	Mr. Bij Kumar Yadav	35	Mr. Nava Raj Pokharel
6	Mr. Bishnu Prasad Adhikari	36	Mr. Nava Raj Shrestha
7	Mr. Bishwa Darshan Dhungana	37	Mr. Pawan Kumar Thakur
8	Mr. Chandika Poudel	38	Mr. Rabilal Shrestha
9	Mr. Chandra Datta Sapkota	39	Mr. Raj Kiskwor Saha
10	Ms. Chhiring Yalmo	40	Mr. Rajan Thapa
11	Mr. Devi Prasad Humagain	41	Mr. Rajendra Prasad Yadav
12	Mr. Gajendra Shrestha	42	Mr. Ram Bahadur Kumal
13	Mr. Gaur Singh Karki	43	Mr. Ram Bahadur Thapa
14	Mr. Gaurav Panthi	44	Mr. Ram Chandra Gautam
15	Mr. Ghanashyam Sapkota	45	Mr. Ram Ekwal Yadav
16	Mr. Hari Bahadur Gharti	46	Mr. Ram Prit Yadav
17	Mr. Indra Bilash Koirala	47	Mr. Ramayan Prasad Kewat
18	Mr. Jaya Kisun Prasad Sonar	48	Mr. Ramesh Bahadur Shrestha
19	Ms. Kalkika Shrestha	49	Ms. Renu Ghimire
20	Mr. Kashi Mandal	50	Mr. Rugum Bahadur Thapa
21	Mr. Kiran Acharya	51	Mr. Santosh Chandra Thapa
22	Mr. Kiran Bista	52	Mr. Santosh Karki
23	Mr. Krishna Prasad Chaulagain	53	Mr. Saroj Pokhrel
24	Mr. Lanka Bahadur Bam	54	Mr. Shiva Hari Koirala
25	Mr. Madan Krishna Shrestha	55	Mr. Surya Giri
26	Mr. Madhav Paudel	56	Mr. Tek Bahadur Bohara
27	Mr. Mahanta Prasad Yadav	57	Mr. Tika Ram Sharma
28	Mr. Mohammad Isaik Rain	58	Mr. Tilak Prasad Acharaya
29	Mr. Mohan Singh Thagunna	59	Mr. Uttam Kumar Adhikari
30	Mr. Moti Ram Rokaya	60	Mr. Yam Bahadur Gurung

## **Supporting Staff**

1. Shyam Shrestha

## Annex F

### DISSEMINATION OF NLFS DATA TO USERS

All potential users of the NLFS data set will be required to adhere to the following conditions:

1. NLFS data is given to all users subject to the provision that (i) they duly acknowledge that the data used has been provided to them by CBS, and that (ii) CBS be provided with one copy of all publications in which NLFS data has been used.
2. They provide an undertaking that they will not pass copies of the data received to other individuals or organizations without first obtaining written permission from CBS allowing them to do so.
3. A fee will be levied on all users to cover the cost of preparation of the following materials. In the interests of encouraging as many users as possible to use the NLFS data, this fee will be levied at a different rate on users according to the following criteria:

**Materials:**

1. NLFS I & II Report	Approx. 148 & 246 pages
2. Data Diskettes	Approx. 1 CD

**Fees:**

NLFS I Data Set	Rate
1. Students in Nepal	NRs. 1,000
2. Other Nepalese Individuals	NRs. 2,000
3. GoN Departments, Agencies, NGOs, etc.	NRs. 3,000
4. Other users ( INGOs, International Agencies, Individuals Abroad etc.)	US \$ 160
NLFS II Data Set	
1. Students in Nepal	NRs. 2,500
2. Other Nepalese Individuals	NRs. 3,000
3. GoN Departments, Agencies, NGOs, etc.	NRs. 4,000
4. Others users ( INGOs, International Agencies, Individuals Abroad etc.)	US \$ 200
Both NLFS I and NLFS II Data Set	
1. Students in Nepal	NRs. 3,000
2. Other Nepalese Individuals	NRs. 4,500
3. GoN Departments, Agencies, NGOs, etc.	NRs. 6,500
4. Other users ( INGOs, International Agencies, Individuals Abroad etc.)	US \$ 250

## Pre-testing of questionnaire in different part of the country



## Supervision during interview in different part of the country



