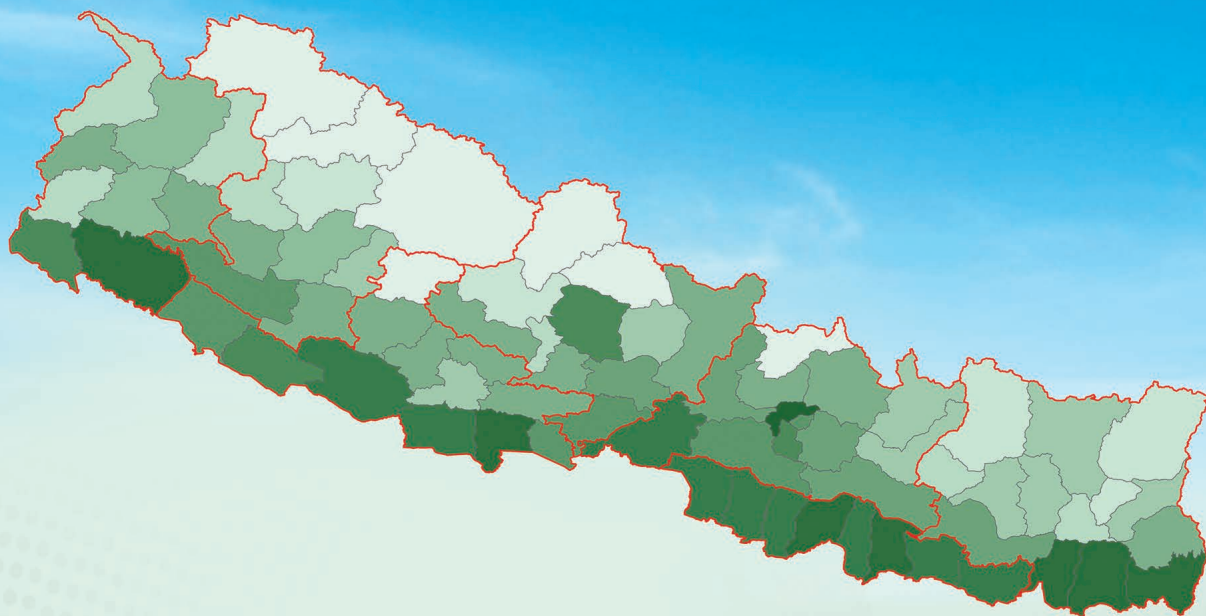
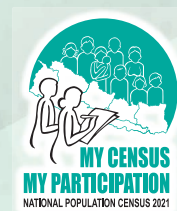


# National Population and Housing Census 2021

## Labour Force and Economic Activities in Nepal



Government of Nepal  
Office of the Prime Minister and Council of Ministers  
**National Statistics Office**  
Thapathali, Kathmandu



Thematic Report- XVI

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**Cover Map :** Population distribution by district, NPHC 2021



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## Foreword

The National Population and Housing Census (NPHC) is the only source that consistently provides demographic and housing data down to the lowest administrative unit, i.e., the Ward. To meet the needs of a broad range of users, we have included brief explanations of the data in our reports. Over the years, the National Statistics Office (NSO) has focused not just on statistical reports but also on valuable analytical ones that cater to a wide audience, both within and outside the country. The production and dissemination of quality statistics are not merely public goods but national resources in the data and information age.

The NSO is committed to serving as the central provider of high-quality official statistics to support informed decision-making. In the past, the former Central Bureau of Statistics (CBS) published population monographs following the release of all statistical results. This time, however, 21 thematic reports will be published, each focusing on key sectors of the national development plan.

I am pleased to present the long-awaited report *Labour Force and Economic Activities in Nepal*. Economic activities are driven by the engagement of the labor force, which is influenced by factors such as education, health, and employment opportunities. Changes in the size, structure, and distribution of the labour force have direct implications for national economic performance, sectoral growth, and income distribution. Understanding labour force trends is crucial for shaping policies that foster sustainable employment, enhance productivity, and promote equitable economic growth.

I extend my appreciation to all contributors for their dedication in bringing this important analysis to light. I am confident that these findings will guide policymakers and planners in shaping development strategies for a more prosperous and sustainable future.

I would like to specifically commend the Population Section staff for their tireless efforts in generating data, providing support, and reviewing the report. The Head of the Social Statistics Division at NSO played a crucial role in coordinating all activities, and I greatly appreciate his contributions. Special thanks to labour force experts Dr. Rudra Suwal and Dr Ramesh Babu Kafle for analyzing crucial data and presenting important findings, and to Mr. Uttam Narayan Malla, former Director General of the Central Bureau of Statistics, for reviewing the report from a government perspective. I also acknowledge the technical support provided by the United Nations Population Fund (UNFPA). Additionally, I extend my gratitude to the British Embassy Kathmandu and the Swiss Agency for Development and Cooperation (SDC) for their financial support at various stages of this report's development.

Lastly, I encourage constructive feedback from our users to improve future editions of this report.

Maddhu Sudan Burlakoti  
Chief Statistician

June 2025



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# कार्यकारी सारांश

## पृष्ठभूमि

नेपालको संविधानले मानव संसाधनलाई देशको आर्थिक र सामाजिक विकासको शक्तिको रूपमा पहिचान गर्दै सबै नागरिकलाई रोजगारीको हक सुनिश्चित गरेको छ। यसले दक्ष जनशक्ति विकास गर्ने, व्यावसायिक क्षमतामा वृद्धि गर्ने र देशभित्र रोजगारीका अवसर सिर्जना गर्ने प्रतिबद्धता व्यक्त गरेको छ। संविधानले 'सामाजिक सुरक्षा' को व्यवस्थासहित सम्मानजनक रोजगारी प्राप्त गर्ने आधारभूत हकको सुनिश्चितता गरेको छ। शिक्षा, स्वास्थ्य, र रोजगारीका अवसरहरूको विस्तारमार्फत युवाहरूलाई सशक्त पार्दै देशको समग्र विकासमा योगदान पुऱ्याउने लक्ष्य राखिएको छ। संविधानमा यस प्रकारका व्यवस्था भए तापनि, देशभित्र गुणस्तरीय श्रम शक्तिको उत्पादन र प्रयोगसम्बन्धी नीति निर्माणमा गम्भीर खाडलहरू देखिन्छन्। यसको परिणामस्वरूप, श्रमशक्तिको उचित उपयोगमा अनिश्चितता बढ्दै गएको छ। उत्पादन तथा उत्पादकत्वको स्तर निकै न्यून रहेको छ र यसले समृद्धि प्राप्त गर्ने उद्देश्यलाई अवरोध पुऱ्याएको छ।

दिगो विकास लक्ष्यको विश्वव्यापी एजेन्डामा हस्ताक्षरकर्ता राष्ट्रको रूपमा नेपालले सन् २०३० सम्म 'समावेशी र दिगो आर्थिक वृद्धि, सबैका लागि पूर्ण तथा उत्पादनशील रोजगारी र सम्मानजनक काम' प्रवर्धन गर्ने दिशामा लक्ष्य ८ सहित सम्पूर्ण लक्ष्य तथा उद्देश्य हासिल गर्ने प्रतिबद्धता जनाएको छ। दिगो विकास लक्ष्यका लागि राष्ट्रियस्तरमा निश्चित गरिएका गन्तव्यहरूअनुसार कति प्रगति हासिल भयो भन्ने मूल्याङ्कन गर्न पनि आवश्यक छ। त्यसैले, श्रमशक्ति तथा आर्थिक क्रियाकलापहरूको विस्तृत विश्लेषण गर्नु जरुरी छ। यस्तो विश्लेषणले एकातिर श्रमशक्तिको प्रवृत्ति, संरचना, सीपको स्तर र संलग्न क्षेत्रहरूको बारेमा विस्तृत जानकारी प्रदान गर्दछ भने अर्कातिर भविष्यका लागि अत्यावश्यक मानव संसाधन कार्ययोजना तर्जुमाका लागि पनि मार्गनिर्देशन गर्दछ। यस प्रतिवेदनको उद्देश्य दिगो विकासका यी मार्गनिर्देशन सिद्धान्तहरूलाई अनुशरण गर्दै नेपालमा श्रमशक्तिको अवस्थाबारे विस्तृत व्याख्या गर्नु रहेको छ।

नेपालमा आवधिक योजनाको अभ्यासको सुरुवातदेखि नै सबै आवधिक योजनाहरूले श्रमशक्तिको विषयलाई उल्लेख गर्दै आएका छन्। वर्तमान सोह्रौँ योजना (२०८१/८२-२०८५/८६) ले रोजगारीलाई सामाजिक न्याय प्राप्तिको दिशामा एक महत्वपूर्ण आयामका रूपमा प्राथमिकता दिएको छ। सोह्रौँ योजनाले प्रमुख आर्थिक क्षेत्रहरूको संरचनात्मक रूपान्तरणको परिकल्पना गरेको छ, जसअन्तर्गत निम्न प्रमुख रणनीतिहरू समेटिएका छन्:

- (१) उच्च आर्थिक वृद्धिद्वारा समष्टिगत आर्थिक आधार निर्माण,
- (२) उत्पादन र उत्पादकत्व वृद्धिका लागि प्रतिस्पर्धात्मक क्षमताको अभिवृद्धि, र
- (३) उत्पादनशील रोजगारी, सम्मानजनक काम, दिगो सामाजिक सुरक्षालगायत स्वस्थ, शिक्षित र सीपयुक्त मानव पुँजीको सिर्जना।



नेपालको आर्थिक गतिविधि र श्रमशक्तिको अवस्थाबारे स्पष्ट चित्र प्रस्तुत गर्नुपर्दा यिनलाई मार्गनिर्देशनकारी दस्तावेजका रूपमा लिन सकिन्छ जसका लागि आधार तथ्याङ्क राष्ट्रिय जनगणनाबाट प्राप्त हुन्छ । राष्ट्रिय जनगणना २०७८ ले आर्थिक गतिविधि र श्रमशक्तिका विभिन्न पक्षहरू समेटेको छ । दश वर्ष र सोभन्दा माथिका सबै व्यक्तिहरूबाट यसले देहायका विवरणहरू सङ्कलन गरेको छ ।

- आर्थिक क्रियाकलापमा संलग्न भए वा नभएको अवस्था
- प्रमुख पेसा
- आर्थिक काममा संलग्नताको औद्योगिक क्षेत्र
- रोजगार हुँदाको हैसियत
- आर्थिक रूपमा सक्रिय नभएको कारण
- कामको खोजी र कामका लागि उपलब्ध भए वा नभएको अवस्था

जनगणनाले विषयवस्तुको बृहत्तर दायरालाई समेटे तापनि र गुणस्तर अभिवृद्धि गर्नका लागि अन्य उपायहरू समेत अवलम्बन गरिएको भए तापनि जनगणनामा श्रम र रोजगारीसम्बद्ध केही विधिजन्य कमजोरीहरू थिए । बाह्र महिनाको लामो सन्दर्भ समयको कारणले गर्दा श्रम र रोजगारीका कतिपय नतिजा र तिनको आधारमा गरिएको सामान्यीकरणलाई नेपाल श्रमशक्ति सर्वेक्षणका नतिजाहरूसँग तुलना गर्नु युक्तिसङ्गत हुँदैन । अन्य देशका यस्तै तथ्याङ्क पनि तुलनीय नहुन सक्छन् ।

## नेपालको श्रम बजारको स्थिति

राष्ट्रिय जनगणना २०७८ अनुसार नेपालको कुल जनसङ्ख्या २ करोड ९१ लाख रहेको छ । कुल जनसङ्ख्यामध्ये २ करोड ३९ लाख (८२.२%) व्यक्ति १० वर्ष वा सोभन्दा माथिको उमेर समूहमा पर्दछन् जसको आर्थिक गतिविधिसम्बन्धी विवरण जनगणनामा सङ्कलन गरिएको थियो । तीमध्ये १ करोड ५७ लाख (६५.५%) व्यक्तिहरूलाई आर्थिक रूपले सक्रिय जनसङ्ख्या (Economically Active Population – EAP) वा श्रमशक्तिका रूपमा गणना गरिएको छ । कुल श्रमशक्तिमध्ये ८२ लाख पुरुष र ७५ लाख महिला रहेका छन् ।

यदि आर्थिक रूपले सक्रिय उमेर समूह (१५-६४ वर्ष) मात्र मानिएको खण्डमा कुल श्रमशक्ति १ करोड ३९ लाख रहेको देखिन्छ जसमा ७३ लाख पुरुष र ६६ लाख महिला समावेश छन् । आर्थिक रूपले सक्रिय जनसङ्ख्यामध्ये १ करोड २ लाख (६५.५%) व्यक्तिहरू रोजगार रहेको देखिन्छ जबकि ७ लाख ६० हजार (४.९%) बेरोजगार रहेका छन् र ४६ लाख (२९.७%) आर्थिक रूपले सक्रिय छैनन् । आर्थिक रूपले सक्रिय जनसङ्ख्याको सबैभन्दा ठुलो उमेर समूह २५-२९ वर्ष रहेको छ जसमा १९ लाख रहेका छन् भने त्यसपछिको दोस्रो ठुलो उमेर समूह २०-२४ वर्ष उमेर समूह रहेको छ र यसमा १८ लाख रहेका छन् । आर्थिक रूपले सक्रिय जनसङ्ख्याको तेस्रो ठुलो उमेर समूह ३५-३९ वर्ष रहेको छ जहाँ १७ लाख ८० हजार जनसङ्ख्या रहेको देखिन्छ ।

प्रदेशहरूमध्ये आर्थिक रूपले सक्रिय जनसङ्ख्या सबैभन्दा धेरै (३४ लाख) बागमती प्रदेशमा रहेको छ भने कर्णाली प्रदेशमा सबैभन्दा कम (९ लाख ५० हजार) मात्र रहेका छन् । भौगोलिक क्षेत्रानुसार हेर्दा तराईमा सबैभन्दा धेरै (७८ लाख) आर्थिक रूपले सक्रिय जनसङ्ख्या रहेको छ भने हिमाली क्षेत्रमा सबैभन्दा कम (१० लाख) रहेका छन् । सहरी तथा ग्रामीण वर्गीकरणको आधारमा हेर्दा आर्थिक रूपमा सक्रिय जनसङ्ख्यामध्ये सबैभन्दा धेरै (५९ लाख) अर्धसहरी (peri-urban) क्षेत्रमा रहेको छ । ग्रामीण क्षेत्रमा ५८ लाख र सहरी क्षेत्रमा ३९ लाख रहेका छन् । दश वर्ष वा सोभन्दा माथिका कुल ८२ लाख (३४.२७%) जनसङ्ख्या आर्थिक रूपमा सक्रिय नरहेको पाइएको छ जसले गर्दा नेपालमा श्रमशक्तिभन्दा बाहिर रहेको जनसङ्ख्या उल्लेखनीय रूपमा ठुलो देखिन्छ ।

### श्रमशक्ति सहभागितादर (Labour force participation rate – LFPR)

नेपालमा १० वर्ष वा सोभन्दा माथिको जनसङ्ख्याको श्रम सहभागितादर ६५.५% रहेको छ जसमा पुरुषतर्फ ७१.३ प्रतिशत र महिलातर्फ ६०.४ प्रतिशत रहेको छ । श्रम सहभागिताको उमेर १५-६४ वर्ष मान्ने हो भने यो दर पुरुषका हकमा ८०.३ प्रतिशत र महिलाका हकमा ६७.१ प्रतिशत रहेको छ । श्रम सहभागितादरलाई उमेर समूहअनुसार हेर्दा ४०-४४ वर्ष उमेर समूहमा सबैभन्दा उच्च (८५.४%) छ । त्यसपछिको दोस्रो (८४.९%) र तेस्रो (८४.४%) ठुलो उमेर समूह क्रमशः ३५-३९ वर्ष र ४५-४९ रहेको देखिन्छ । प्रदेशस्तरमा पुरुष, महिला र ती दुवैको समग्रलाई तुलना गर्दा श्रमशक्ति सहभागितादरमा उल्लेखनीय अन्तर देखिन्छ । सबैभन्दा उच्च श्रमशक्ति सहभागितादर कर्णाली प्रदेशमा ७१.१ प्रतिशत देखिएको छ भने सबैभन्दा कम (५७.२%) मधेश प्रदेशमा देखिएको छ । लैङ्गिक आधारमा श्रमशक्ति सहभागितादरको अन्तर सबैभन्दा बढी मधेश प्रदेशमा देखिन्छ (लैङ्गिक समता सूचक: ७०.७), भने सबैभन्दा कम कर्णाली प्रदेशमा (लैङ्गिक समता सूचक: ९५.६) रहेको छ ।

सहरी र ग्रामीण क्षेत्रमा श्रमशक्ति सहभागितादरमा स्पष्ट अन्तर देखिन्छ । ग्रामीण क्षेत्रमा श्रम शक्ति सहभागितादर सबैभन्दा उच्च (७४.०%) रहेको छ, त्यसपछि अर्धसहरी क्षेत्रमा (६३.६%) र सहरी क्षेत्रमा सबैभन्दा कम (५८.०%) देखिएको छ । लैङ्गिक दृष्टिकोणबाट श्रमशक्ति सहभागितादरको सबैभन्दा धेरै विषमता सहरी क्षेत्रमा विद्यमान रहेको देखिन्छ ।

जिल्लास्तरमा पनि श्रमशक्ति सहभागितादरमा व्यापक भिन्नता देखिन्छ । यस सूचकको मान सबैभन्दा उच्च (९१.३%) संखुवासभामा रहेको छ भने सबैभन्दा कम (५२.८%) महोत्तरी जिल्लामा देखिएको छ । त्यसैगरी १५-६४ वर्ष उमेर समूहमा पर्ने जनसङ्ख्याको श्रमशक्ति सहभागितादर ७३.२ प्रतिशत रहेको छ (पुरुषतर्फ: ८०.१% र महिलातर्फ ६६.९%) रहेको छ । कानुनतः स्वीकार्य नभए तापनि १०-१४ वर्ष उमेर समूहका बालबालिकाका लागि श्रमशक्ति सहभागितादर २८.७% रहेको छ । आर्थिक रूपले ६५ वर्ष र सोभन्दा माथिको जनसङ्ख्या पनि सक्रिय देखिन्छ र यो उमेर समूहमा श्रमशक्ति सहभागितादर ४५.९ प्रतिशत रहेको छ (पुरुषतर्फ ५३.४% र महिलातर्फ ३८.४%) ।

शैक्षिक योग्यताअनुसार श्रमशक्ति सहभागितादर तुलना गर्दा सामान्य अन्तर देखिए तापनि उच्चतम शिक्षित जनसङ्ख्याकै श्रमशक्ति सहभागितादर अधिकतम (७५.७%) (पुरुषतर्फ ८१.२% र महिलातर्फ ६७.९%) रहेको छ । त्यसैगरी, श्रमशक्ति सहभागितादरलाई घरपरिवारहरूको सम्पन्नताको तह (wealth index) अनुसार

विश्लेषण गर्दा विपन्न वर्गमा पर्ने परिवारका व्यक्तिहरूमा श्रमशक्ति सहभागितादर सबैभन्दा उच्च (७०.१%) छ, जहाँ यसको मान पुरुषतर्फ ७४.१ प्रतिशत र महिलातर्फ ६६.५ प्रतिशत रहेको देखिन्छ।

## अक्सर बेरोजगारी (Usual unemployment)

नेपालमा १० वर्ष वा सोभन्दा माथिको उमेर समूहमा अक्सर बेरोजगार व्यक्तिहरूको सङ्ख्या ७,६७,६५८ रहेको छ, जसमा ४,००,९२८ पुरुष र ३,६६,७३० महिला रहेका छन्। आर्थिक रूपले सक्रिय जनसङ्ख्याभित्र १५-६४ वर्षको उमेर समूहलाई समेट्दा अक्सर बेरोजगार व्यक्तिहरूको सङ्ख्या ७,१३,४७९ रहेको छ। समग्र बेरोजगारीदर ४.९ प्रतिशत छ तर यसलाई १५-६४ वर्ष उमेर समूहका हेर्दा ५.१ प्रतिशत रहेको छ। पछिल्लो १२ महिनामा १० वर्ष र सोभन्दा माथिको जनसङ्ख्याले कति अवधि आर्थिक काम गरेको थियो भन्ने आधारमा हेर्दा उल्लेखनीय अर्थात् ४६ लाख (२९.६%) जनसङ्ख्याले ६ महिनाभन्दा कम समय मात्र काम गरेको पाइयो।

उमेरानुसारको अक्सर बेरोजगारीदर विश्लेषण गर्दा खासगरी १५-१९ वर्ष समूहका युवामा उच्च (९.३%) बेरोजगारी रहेको छ भने दोस्रो (७.६%) र तेस्रो (६.७%) मा क्रमशः १५-१९ र २५-२९ वर्ष उमेर समूह रहेका छन्। ग्रामीण क्षेत्रको (४.१%) तुलनामा सहरी क्षेत्रको (५.६%) बेरोजगारीदर अधिक देखिएको छ। शैक्षिक बेरोजगारी भनिने शब्दावलीलाई पुष्टि गर्दै शिक्षाको स्तर जतिजति उच्च छ, बेरोजगारीदर पनि त्यति नै उच्च रहेको देखिन्छ। त्यस्तै, राम्रो आर्थिक स्थिति भएका घरपरिवारका व्यक्तिहरू माझमा पनि बेरोजगारीदर उच्च रहेको देखिन्छ।

विश्लेषणबाट देखिएअनुसार आर्थिक रूपले सक्रिय नहुनुको पछाडि उमेर, लिङ्ग, वैवाहिक स्थिति, प्रदेशगत विशिष्टता, बसाइँसराइ र शिक्षा आदि विविध कारक तत्वहरू रहेका देखिन्छन्। आर्थिक रूपले सक्रिय नरहेकामध्ये ४८.६ प्रतिशत मानिसहरूले विद्यार्थी हुनुको कारणले आर्थिक काम नगरेको देखिएको छ। त्यस्तै, अन्य महत्वपूर्ण कारणहरूमा घरधन्दा (२८.४%) र वृद्धावस्था (११.८%) रहेका छन्।

## रोजगारीको स्थिति (Status in employment)

राष्ट्रिय जनगणना २०७८ अनुसार, रोजगारको स्थिति चार प्रमुख श्रेणीहरूमा वर्गीकृत गरिएको छ, जसमा ४२ लाख (२८.६%), अरूको काम गर्ने, २ लाख (१.४%) रोजगारदाता, ८२ लाख (५५.३%) आफ्नै काम गर्ने र २१ लाख (१४.५%) परिवारलाई सघाउनेहरू देखिएका छन्। अन्तर्राष्ट्रिय श्रम संगठनले 'सामाजिक दृष्टिकोणबाट असुरक्षित रोजगारी' लाई आफ्नै काम गर्ने वा परिवारलाई सघाउने समूहलाई परिभाषित गरेको छ। जनगणना २०७८ ले १ करोड ४ लाख (६९.९%) श्रमशक्तिलाई असुरक्षित रोजगारीमा संलग्न देखाएको छ, जसमा ४९ लाख पुरुष (६३.२%) र ५४ लाख महिला (६३.२%) रहेका छन्।

प्रदेशस्तरमा तुलना गर्दा कर्णालीमा असुरक्षित रोजगारी उच्चतम (८४%) छ। ग्रामीण क्षेत्रमा असुरक्षित रोजगारीको अनुपात ८४.८ प्रतिशत छ। शिक्षित व्यक्तिहरूतर्फ असुरक्षित रोजगारीको अनुपात ७६.५ प्रतिशत छ भने अशिक्षित वर्गमा यो अनुपात ७३.५ प्रतिशत रहेको छ।

## पेसा र औद्योगिक क्षेत्र (Occupation and industry)

समग्र अर्थतन्त्रलाई विभिन्न औद्योगिक क्षेत्रहरूभित्र खण्डीकरण गरेर विश्लेषण गर्ने गरिन्छ। यसरी हेर्दा कुल श्रमशक्तिको सबैभन्दा ठुलो (८५ लाख, ५७.३%) हिस्सा प्राथमिक क्षेत्र (कृषि, वन र मत्स्यपालन) मा संलग्न रहेको छ। यसलाई लैङ्गिक आधारमा खण्डीकरण गरेर हेर्दा प्राथमिक क्षेत्रमा संलग्न पुरुषहरूको अनुपात ५०.६ प्रतिशत र महिलाहरूको अनुपात ६४.८ रहेको छ। उत्पादनमूलक अर्थात् औद्योगिक क्षेत्रमा १२.७% व्यक्तिहरू (पुरुषतर्फ १६.६% र महिलातर्फ ८.१%) मा संलग्न छन् र बाँकी ३० प्रतिशत (पुरुषतर्फ ३२.७% र महिलातर्फ २७.१%) सेवा क्षेत्रमा संलग्न छन्।

सहरी र ग्रामीण क्षेत्रको सापेक्षतामा हेर्दा प्राथमिक क्षेत्रमा संलग्न हुने श्रमशक्तिको अङ्गमा ठुलो भिन्नता देखिन्छ। ग्रामीण क्षेत्रमा ७७.६ प्रतिशत व्यक्तिहरू प्राथमिक क्षेत्रमा संलग्न छन् भने सहरी क्षेत्रमा मात्र २४.२ प्रतिशत व्यक्तिहरू प्राथमिक क्षेत्रमा संलग्न देखिन्छन्। त्यस्तै, ग्रामीण क्षेत्रमा १५.८ प्रतिशत व्यक्तिहरू सेवा क्षेत्रमा संलग्न छन् भने सहरी क्षेत्रमा ५७.७ प्रतिशत व्यक्तिहरू सो क्षेत्रमा संलग्न छन्।

## अक्सर रोजगार व्यक्तिहरू (Usually employed people)

नेपालको १० वर्ष र माथिका कुल जनसङ्ख्यामा केवल १ करोड ३ लाख (४२.९%) व्यक्तिहरू अक्सर रोजगार रहेका छन् (१२ महिनाको सन्दर्भ अवधिमा कम्तीमा ६ महिना कुनै पनि आर्थिक काम गरेका)। अक्सर रोजगार पुरुष र महिलाका बिचमा स्वाभाविक भिन्नता देखिएको छ। जनगणनाले ४० प्रतिशत महिला र ५२.५ पुरुष अक्सर रोजगारअन्तर्गत देखाएको छ। उमेर समूहअनुसार तथ्याङ्क केलाउँदा ३०-३४ देखि ५०-५४ वर्षका बिचमा रहेका ६० प्रतिशतभन्दा बढी व्यक्तिहरू अक्सर रोजगार देखिएका छन्।

प्रदेशगत तुलना गर्दा कोशी शीर्ष (४९.०%) स्थानमा छ र मधेस सबैभन्दा तल्लो अर्थात् सातौँ (३४.७%) स्थानमा छ। अक्सर रोजगार जनसङ्ख्याको अनुपात सहरी क्षेत्रमा ३९.० प्रतिशत र ग्रामीण क्षेत्रमा ४९.० प्रतिशत छ। यस्तो विषमताका पछाडि सहरी क्षेत्रमा अक्सर रोजगार हुने महिलाको न्यून सङ्ख्याले निर्धारण गरेको छ। सहरी क्षेत्रमा केवल २६.५ प्रतिशत महिला अक्सर रोजगार छन् भने ग्रामीण क्षेत्रमा ४५.१ प्रतिशत महिला अक्सर रोजगार छन्। अक्सर रोजगार जनसङ्ख्याको उच्चतम अनुपात (५९.६%) उच्च शिक्षा प्राप्त समूहमा र न्यूनतम अनुपात (३८.५%) आधारभूत शिक्षा प्राप्त व्यक्तिहरूमा देखिएको छ।

## बालबालिका र ज्येष्ठ नागरिकको आर्थिक क्रियाकलाप

### बालबालिका र आर्थिक क्रियाकलाप

नेपालको कानुनले १८ वर्षभन्दा मुनिका उमेरका सबैलाई बालबालिका मानेको छ। जनगणनामा १० वर्ष र सोभन्दा माथिको जनसङ्ख्याबाट मात्र आर्थिक कामसम्बन्धी विवरण संकलन गरिएको छ। यस अर्थमा १० देखि १७ वर्षसम्मका बालबालिकाको श्रमशक्ति सहभागितादर (LFPR) ३२.१ प्रतिशत छ (पुरुषतर्फ ३१.९% र महिलातर्फ ३२.२%)। कर्णाली प्रदेशमा बालबालिकाको LFPR सबैभन्दा उच्च (३९.५%) र मधेसमा सबैभन्दा कम (२६.९%) छ। यसैगरी, भौगोलिक क्षेत्रअनुसार हेर्दा हिमालमा LFPR सबैभन्दा उच्च (३९.१%) देखिन्छ। सहरी र ग्रामीण आधारमा हेर्दा यो ग्रामीण क्षेत्रमा ४०.३ प्रतिशत रहेको छ।

शिक्षाबाट वञ्चित बालबालिकाहरूको हकमा श्रमशक्ति सहभागितादर सबैभन्दा उच्च अर्थात् ४२.७ प्रतिशत रहेको छ। यसैगरी, अति विपन्न परिवारका बालबालिकाको हकमा यस सूचकको मान ३८.५ प्रतिशत रहेको छ। अधिकांश (५२.९%) बालबालिका १२ महिनाको सन्दर्भ अवधिमा तीन महिनाभन्दा कम आर्थिक रूपमा सक्रिय छन् र १३.४ प्रतिशत बालबालिका कम्तीमा ६ महिना आर्थिक रूपले सक्रिय देखिन्छन्। अधिकांश (५४.४%) बालबालिका घरायसी क्षेत्रमा संलग्न छन्। आर्थिक रूपले सक्रिय बालबालिकामध्ये ६९.५ बालबालिकाले कृषि, वन र मत्स्यपालन क्षेत्रका दक्ष कामदारका रूपमा काम गरेको देखिन्छ (पुरुषतर्फ ६९.६% र महिलातर्फ ७९.९%)।

समग्रमा हेर्दा ४.८ बालबालिका अक्सर रोजगार छन्। प्रदेश तहमा अक्सर रोजगार बालबालिका सर्वाधिक (५.४%) र न्यूनतम (३.७%) मध्येसमा देखिएको छ।

## ज्येष्ठ नागरिक र आर्थिक क्रियाकलाप

श्रमबजारमा जोखिमप्रभावी समूहहरू मध्येको एक समूह ६५ वर्ष र सोभन्दा माथिका ज्येष्ठ नागरिकहरू मानिन्छन् किनकि उनीहरूको शारीरिक दुर्बलताजन्य कारणले काम गर्नसक्ने क्षमता न्यून हुने गर्दछ अथवा उनीहरूलाई श्रमबजारमा आएका नवीनतम प्रविधि र प्रवृत्तिहरूसँग पर्याप्त सूचना नहुन सक्छ। नेपालमा ६५ वर्ष र सोभन्दा माथिको जनसङ्ख्या २० लाख रहेको छ जसमध्ये ४५.९ प्रतिशत आर्थिक रूपले सक्रिय छन् (पुरुषतर्फ ५३.४% र महिलातर्फ ३८.७%)। ज्येष्ठ नागरिकतर्फ श्रमशक्ति सहभागितादर कोशीमा सबैभन्दा उच्च (५९.२%) छ। हिमाली क्षेत्रमा ५६.३ प्रतिशत र ग्रामीण क्षेत्रमा ५४.२ प्रतिशत रहेको छ। अति विपन्न वर्गका ज्येष्ठ नागरिकहरूको श्रमशक्ति सहभागितादर ५३.० प्रतिशत रहेको छ।

## आर्थिक जीवन/कार्यशील जीवनको समयावधि

कामसँग सम्बन्धित जीवनतालिकाले देखाएअनुसार यदि उमेरविशिष्ट मृत्युदर र श्रमशक्ति सहभागितादर कुनै व्यक्तिको जीवनकालभरि यथावत् रहेको अवस्थामा नेपालमा १५ वर्षको उमेरमा प्रवेश गरेको व्यक्तिको कार्यशील जीवन ३९.२ वर्ष र निष्क्रिय जीवन १९.३ वर्ष हुनेछ। उमेरअनुसार १५ वर्षको प्रवेशविन्दु मानेर खण्डीकरण गरेर हेर्दा पुरुषको कार्यशील जीवन (४२.२ वर्ष) महिला (३६.३ वर्ष) को भन्दा लामो छ। पुरुषको भन्दा महिलाको जीवनप्रत्याशा बढी हुँदाहुँदै पनि कम श्रमशक्ति सहभागितादर भएको कारणले महिलाको औसत कार्यशील जीवन पुरुषको तुलनामा छोटो छ। नेपालको ६० वर्षको उमेरमा प्रवेश गरेको कुनै व्यक्तिको औसत कार्यशील जीवन थप ८.४ वर्ष (पुरुषतर्फ ९.४ वर्ष र महिलातर्फ ७.४ वर्ष) हुने देखिन्छ।

## निष्कर्ष र नीति सिफारिस

१. राष्ट्रिय जनगणना २०७८ को नतिजाले श्रमशक्तिका सूचकाङ्कहरूमा ठूलो भिन्नता देखाएको छ। उदाहरणका लागि श्रमशक्ति सहभागितादर, अक्सर बेरोजगारीदर, रोजगारीमा हुँदाको हैसियत, पेसा र औद्योगिक क्षेत्रानुसारको संलग्नता र जोखिमप्रभावी रोजगारीलाई लिन सकिन्छ। रोजगारीका सन्दर्भमा विद्यमान लैङ्गिक अन्तर, भौगोलिक क्षेत्र र प्रादेशिक स्तरमा रहेका भिन्नता, सामाजिक संरचनाजन्य विषमता आदिलाई दृष्टिगत गरेर यी अनिच्छित विषमताहरू न्यूनीकरणका लागि नीति तथा कार्यक्रम

अगाडि सारिनुपर्दछ । यसले क्षेत्रीय स्तरमा रहेका असन्तुलन र आर्थिक क्रियाकलापमा लैङ्गिक हिसाबले कमजोर रहेको सहभागितादरलाई पनि सम्बोधन गर्न सक्नेछ ।

२. उचित तालिम र सीप विकासमा दिइने प्राथमिकताबाट शैक्षिक बेरोजगारीलाई न्यूनीकरण गर्न मद्दत पुग्नेछ । निजी र सार्वजनिक क्षेत्रहरूमा औपचारिक रोजगारी सिर्जना गर्ने नीतिमार्फत रोजगारीको अवस्थालाई पुनः संरचना गर्न र सम्मानजनक कामहरूलाई प्रवर्धन गर्न सघाउ पुग्नेछ ।
३. बालश्रमको विद्यमान क्षेत्र र संवेदनशीलताको लेखाजोखा गर्नका लागि थप अध्ययन हुनु आवश्यक छ र बालश्रम समाप्त गर्नको लागि विद्यमान नीतिको पुनरावलोकन र कानुनी व्यवस्थाहरूको प्रभावकारी कार्यान्वयन आवश्यक छ ।
४. राष्ट्रिय अर्थतन्त्रको श्रमबजारमा उपलब्ध मानिसहरूलाई रोजगारीका अवसरहरू विस्तार गर्नका लागि रोजगारी नीतिलाई केन्द्रित गर्नुपर्दछ । उत्पादकत्वमा वृद्धिका साथसाथै श्रमको रूपान्तरण हुनु जरुरी छ । यसका लागि रोजगारीमा रहेको लैङ्गिक अन्तर पनि घटाउनुपर्दछ । औद्योगिक क्षेत्रमा महिला श्रमशक्तिको सहभागिता वृद्धि गर्न विशेष कार्यक्रमहरूको कार्यान्वयन अपेक्षित छ ।
५. आउँदा वर्षहरूमा जनसङ्ख्याको उमेर-लिङ्ग संरचनामा देखिने परिवर्तन र देशका आर्थिक तथा सामाजिक परिवेशमा हुन जाने द्रुततर परिवर्तन सँगसँगै नेपालको श्रम बजारमा उल्लेखनीय परिवर्तन हुनेछ । अर्थतन्त्रमा उपलब्ध काम गर्ने उमेरको जनसङ्ख्यालाई लाभमूलक रोजगारीका अवसरको सिर्जनाद्वारा अवशोषण गर्ने रणनीति जरुरी छ । यस अलावा वृद्धताउन्मुख जनसङ्ख्यासँग रहेको सीप र अनुभवलाई पुँजीकृत गर्ने खालका नीतिगत व्यवस्था पनि उत्तिकै अपेक्षित रहेको छ ।



# EXECUTIVE SUMMARY

## Background

The Constitution of Nepal states that all citizens have the right to work, recognizing human resources as a driving force for the country's economic and social development. It has also envisioned to develop the labour force, making professionals skilful and creating job opportunities within the country. The constitution has further guaranteed the basic rights for getting respected jobs with the provision of 'social security'. Through the enhancement of education, health and employment opportunities, youths will be empowered to contribute to the overall development of the country. Despite all these provisions in the constitution, there are serious policy gaps, especially in the production and use of quality labour force in the country. As a result, uncertainties in the proper use of labour force have hindered the prosperity of the country due to very low level of production and productivity.

Nepal, being signatory to the global Sustainable Development Goals (SDGs) agenda, is committed to achieve all the goals and targets including the Goal 8 of 'promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all' by 2030. Since Nepal has set several targets related to this goal, progress towards achieving SDG targets should be assessed. Therefore, analyzing labour force and the nature of economic activities in detail deems necessary not only for better understanding the dynamics of labour force in terms of its trend, composition, skill, and the areas of involvement but also for future planning of human resources in overall development of the country. This report aims to explain the situation of labour force of Nepal following these guiding principles of SDG.

From the very beginning of the periodic plan exercise in Nepal, all the periodic plans have mentioned about the issue of labour force and the current 16<sup>th</sup> plan emphasizes 'employment' as a component for achieving social justice. The current 16<sup>th</sup> plan 2024-2029 has envisioned structural transformation of the major sectors through (a) Enabling macroeconomic base through high economic growth (b) Increase competitive capacity in production and productivity and (c) Productive employment, respectful work and sustainable social security, and healthy, educated and skilful human capital formation. These are the guiding documents to show the economic activity and labour force status of Nepal mainly based on the NPHC 2021 data.

NPHC 2021 covered different aspects of economic activity and labour force. For all people aged 10 years and above, it collected information on economic activity status, major occupation, industrial sectors of involvement, status in employment, including the reasons for not being economically active and searching for a job and availability for a job. Despite the large coverage of the contents and other measures applied for maintaining data quality, it has some



methodological weaknesses. Use of a long reference period of 12 months is the main point due to which, the results based on NPHC 2021 data can't be directly compared with labour force survey results and with census results of many other countries.

### Nepal labour market status

NPHC 2021 counted 29.1 million populations of all ages. Out of total population, 23.9 million (82.2%) aged 10 years and above whose information on economic activities was collected in the census. Of these people, 15.7 million (65.5%) were enumerated as an economically active population (EAP) or the labour force. Out of total labour force 8.2 million is male and 7.5 million is female. If the active age group (15-64 years) is selected, the total number of labour force comes out to be 13.9 million; 7.3 million males and 6.6 million females. Among the EAP, usually employed population were counted 10.2 million (65.5%), usually unemployed 0.76 million (4.9%) and not usually active 4.6 million (29.7%). The EAP is largest in size in the age group 25-29 (1.9 million) followed by the age group 20-24 (1.8 million) and age group 30-34 (1.78 million). Among the provinces, Bagmati province has the highest number (3.4 million) of EAP and Karnali has the lowest (0.95 million) EAP. As proportionate to total population size, Tarai holds highest number (7.8 million) of EAP and lowest 1.0 million in the mountain zone. The largest group of EAPs is reported to be in peri-urban (5.9 million) residence followed by rural residence (5.8 million) and urban areas (3.9 million). A total of 8.2 million (34.3%) population of age 10 years and above are found not economically active and hence out of the labour force. Population size out of labour force is quite substantial in Nepal.

### Labour force participation rate

The labour force participation rate (LFPR) is 65.5 percent for population aged 10 years and above (71.2% for males, and 60.2% for females). For the age group 15-64 years it is 80.2 percent for males and 66.9 percent for females. The LFPR is found highest in the age group 40-44 years (85.1%) followed by age group 35-39 years (84.7%) and 45-49 years (84.2%). A substantial difference in LFPR exists at provincial level for males, females and both sexes combined. At provincial level, the highest level of LFPR is observed in Karnali (71.7%) and the lowest level in Madhesh (57.2%). Same scenario prevails for males and females LFPR. The male female gap in LFPR is most pronounced in Madhesh (gender parity index 70.7) and least evident in Karnali (gender parity index 95.6). Urban rural differences are quite evident where, LFPR is highest in rural place of residence (74.0%), followed by peri-urban residence (63.6%) and then urban residence (58.0%). With the highest gender gap in LFPR prevailing in urban residence. At district level, wide variation in LFPR is observed where, the highest level is found in Sankhuwasabha (91.3%) and the lowest in Mahottari (52.8%). The LFPR for people aged 15-64 is 73.2 percent (80.1% for males and 66.9% for females). For children aged 10-14 years, LFPR is 28.7 percent

(with almost no gender gap) and for elderly people aged 65 years and above, LFPR is 45.9 percent (53.5% for males and 38.7% for females). With some differences by educational attainment, the LFPR is highest among highly educated people (75.7% for both sexes, 81.2% for males and 67.9% for females). Similarly, with some differences, the LFPR is highest among people from lower wealth index category (70.1% for both sexes, 74.1% for males and 66.5% for females).

## Usual Unemployment

The number of usually unemployed persons in the age group 10 years and above was reported 767,658 persons: 400,928 males and 366,730 females. The same number in the age group 15-64 was 7,13,479. The overall usual unemployment rate was estimated at 4.9 percent. The usual unemployment rate in the age group 15-64 years was 5.1 percent. Based on the time-related work information (duration of involvement in economic activities in the reference period of 12 months), a significant number (4.6 million, 29.7% of labour force) is engaged in the economic activities for less than six months in the reference period of 12 months. The substantial number of 'usually not active' labour force is a matter of concern in the labour market of Nepal.

The age and sex-specific unemployment shows a high rate of unemployment in youths especially the age group 20-24 years (9.3%) followed by age groups 15-19 years (7.6%) and 25-29 years (6.7%). The unemployment rate is higher in urban areas (5.6%) as compared to that in rural areas (4.1%). Higher the educational attainment, higher is the unemployment rate, supporting the phenomenon of educated unemployment. Similarly, the unemployment rate is higher among people from better household economic condition.

To examine the association of different background characteristics with unemployment, logistic regression was used for people in the age group 15-64 years. According to the results, after controlling for other factors, differences in odds of unemployed retain by age, sex, marital status, degree of urbanization, and province.

However, the results indicate that there is no strong relationship of unemployment with education after controlling for other factors. Similar regression analysis carried out to see the relationship of not being economically active with different socio-economic variables reveals that the differences in the odds of not being economically active exist by age, sex, marital status, province, migration status, education. Responses on the reasons for not being economically active revealed that being in study is the major reason that is stated by 48.6 percent of people who were not economically active. Similarly, the other important reasons were household chores (28.4%) and old age (11.8%).

## Status in Employment

According to NPHC 2021, the status in employment, grouped into four main categories revealed that there are 4.2 million employees (28.6%), 0.2 million employers (1.4%), 8.2 million own account workers (55.3%) and 2.1 million contributing family members (14.5%). Among the different status in employment, own account workers and contributing family members are mainly unorganized sectors without any job security or social security benefits. The ILO defines 'vulnerable employment' as those who are employed in their own account work or contributing to family workers. The NPHC 2021 found 10.4 million (69.9 %) labour force (4.9 million or 63.2% among male and 5.4 million or 63.2% among female) in vulnerable employment. A higher percentage of women than men work in vulnerable employment. Substantial differences are observed in the distribution of status in employment by age, where higher proportion of people in vulnerable employment are found at extreme ages. Vulnerable employment is highest in Karnali (84%) among provinces, in rural residence (84.8%) among different types of residence, among uneducated or less educated people (76.5% for uneducated and 73.5% for those with basic education), and among those from the lowest wealth index (78.8%). After controlling for other factors, age, sex, marital status, migration status, type of residence and ecological zones were found to be major factors associated with vulnerable status in employment.

## Occupation and Industry

The industrial distribution of all economic activities shows that the largest share of labour force (8.5 million, 57.3%) is engaged in primary sector (agriculture, forestry and fishing) with substantial sex differentials (50.6% for males and 64.8% for females). There are 12.7 percent of people (16.6% for males and 8.1% for females) engaged in the secondary sector and remaining 30 percent (32.7% for males and 27.1% for females) in tertiary sector. A narrow secondary sector as compared to relatively larger tertiary sector is a peculiar characteristics of labour force engagement in Nepal. Large variations are observed in the distribution of industries by degree of urbanization. In rural areas, 77.6 percent are engaged in the primary sector whereas, in urban areas, only 24.2 percent are engaged in the primary sector. Similarly, 15.8 percent are in the tertiary sector in rural areas and 57.7 percent are in the tertiary sector in urban areas.

Based on occupation categories, the employment of people is mainly concentrated in 'Skilled agriculture, forestry and fishery work', where 7.5 million (50.1%) workers perform their economic activities. Similarly, 3.4 million (23.0%) are involved in elementary occupations. When disaggregated into broad age groups, in the age group 10-14, almost all (99.5%) are in two occupations: 59.2 percent people in elementary occupations and 40.3 percent in agriculture, forestry and fishery skilled works; with negligible gender gaps. In the main working age of 15-64 years, half of the population is in agriculture, forestry and fishery skilled works followed by 20.4 percent in elementary occupations with some gender gap. The other four major occupations are

service and sales workers (6.4%), craft and related trade workers (6.2%), managers (5.6%) and professionals (4.2%). Among the elderly age group (65+ years), people mainly engage in agriculture, forestry and fishery skilled works (61.8%) and elementary occupations (29.6%). In elderly ages, females are more in elementary occupations whereas, males are more in agriculture and related occupations.

### Usually employed people

Of the total population of 10 years and above, only 10.3 million (42.9%) people are usually employed (economically active for at least six months in the reference period of 12 months). Gender gap in usually employed exists where 34.0 percent among females and 52.5 percent among males are usually employed. In the age groups 30-34 to 50-54 years, more than 60 percent of people are usually employed. Among provinces, Koshi stands at the top (49.0% of usually employed people) and Madhesh at the bottom (34.7% usually employed people). The proportion of usually employed population is the lowest in urban residence (39.0%) and the highest in rural residence (49.0%) and the difference is mainly due the differences in the proportions among females where, only 26.5 percent females are usually employed in urban area and, 45.1 percent in rural area. The highest percentage of the usually employed population is observed among highly educated groups (59.6%) and the lowest is among people with basic education (38.5%). The same pattern is observed both for males and females with noticeable gender gap.

### Employment-to-population ratio

The employment to population ratio in Nepal is 51.2 based on the 15-64 years population and 42.9 based on 10+ years population. Gender difference is clearly observed where the ratio based on the 15-64 years population is 62.8 for males and only 40.5 for females. Among provinces, the employment to population ratio is highest ratio in Koshi (57.6 based on 15-64 population) and the lowest in Madhesh (41.8). Similarly, the ratio is highest in Mountain (60.1) and the lowest in Tarai (47.3); the highest in rural residence (59.3) and the lowest in urban residence (46.0).

### Economic activity of children and elderly

The LFPR of children aged 10-17 years is 32.1 percent, (31.9% for male and 32.2% for female). Karnali has the highest level of LFPR (39.5%) among such children and the lowest level of LFPR is observed in Madhesh (26.9%). Similarly, the highest LFPR among the ecological zones is found in Mountain (39.1%) and among the types of residence, it is in rural residence (40.3%). If children have no education, their LFPR is the highest level at 42.7 percent. Similarly, children from lowest wealth index means the highest level of their LFPR (38.5%).

Majority (52.9%) of the children aged 10-17 years are economically active for less than three months and 13.4 percent are active for at least six months in the reference period of 12 months. Similarly, the majority (54.4%) children are involved in the household sector. A vast majority (69.5%) of children have their occupation as skilled agriculture, forestry and fishery workers, with noticeable gender gap (61.6% males and 79.1% females). There are 76.7 percent children aged 10-17 years involved in the primary sector, 12.0 percent in the tertiary sector and 11.3 percent in the secondary sector of industries. Relatively higher proportion of female children engage in primary sector (86.3%) as compared to males (68.7%) and just opposite is the case in secondary and tertiary sector (secondary sector: 16.4% males and 5.2% females; tertiary sector: 14.9% males and 8.5% females). Overall, 4.8 percent children are usually employed, the highest 5.4 percent in Karnali and the lowest 3.7 percent in Madhesh.

One of the vulnerable groups in the labour market is the elderly people of age 65 years or above because they generally have lower capacity to work in terms of physical strength, or they might not be updated with the new technology or trends available in the labour market. Two million people in Nepal are of age 65 or above, among which 45.9 percent are economically active (53.4% for males and 38.7% for females). The LFPR among elderly people is highest in Koshi (51.2%), in Mountain zone (56.3%), in rural residence (54.2%) and among the lowest wealth index category (53.0%).

In terms of occupational distribution, nearly 80 percent of elderly people are engaged in skilled agricultural, forestry, and fishery work. In case of industrial distribution, the data shows the dominance of elderly engagement in the primary sector in Nepal and across all the provinces. The primary sector shows the highest involvement in Karnali (86.4%) and lowest in Bagmati (73.1%). On the other hand, the tertiary sector (services) has its highest share in Bagmati (20.3%) while Karnali (8.4%) shows the lowest.

### Length of economic life/ working life

The working life table shows that if age specific mortality and LFPR remains same, a person entering age 15 has 39.2 years of active working life and 19.3 years of inactive life in Nepal. When disaggregated by age, males have longer working life (42.2 years) than females (36.3 years) at age 15 years. Although the life expectancy of females is higher than that of males, due to lower level of LFPR among females, the average working life for females is smaller than that of males. The male-female gap in the expected working life seems to be highest (around 6 years) for early ages (at age 10, 15, 20, and 25 years), then reduces to some extent at middle-ages (between 3 to 5 years in age 30 to 50 years) and further declines at older ages (less than 3 years beyond age 55 years). The average working life of Nepali person who entered age 60 years is still 8.4 years, with the value 9.4 years for male and 7.4 years for female.

## Conclusions and policy recommendations

The result of the NPHC 2021 showed large variations on labour force indicators, like in LFPR, usual unemployment rate, status in employment, occupation and industrial involvement, and vulnerable employment. Policy focused on narrowing gender differences, regional differences and disparity based on other social constructs is deemed necessary for promoting equity in regional economic development and gender balance in economic participation. Education needs to be properly tailored to skill development can reduce educated unemployment. Policies promoting the creation of formal jobs in private or even in public sectors can restructure the status in employment and promote decent works. Further study is needed to assess the areas and vulnerability of child work, and it is suggested to review and strongly implement the existing policy on child labour for ending child labour. The policy should focus on enhancing job opportunities to absorb people in the labour market of the national economy. Focusing on the transformation of labour and enhancing productivity with reduced gender gap, a strong policy to expand the secondary sector with especial emphasis on enhancing females' involvement is suggested.

From the analysis of the NPHC 2021 data, it is indicated that the labour market of Nepal will change considerably in coming years with change in the age-sex structure of the population and rapid change in economic and social settings of the country. Policy should be oriented towards absorbing the working age population in the economy through gainful work opportunities. Simultaneously, policy orientation should also focus towards managing ageing population through specific policy measures. It is also expected that the data and information provided in this report will help planners and policymakers provide feedback and directions for the improvement of living standard of people as well as overall development of Nepal.



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# ABBREVIATIONS

<b>BS</b>	Bikram Sambat
<b>CAR</b>	Crude Activity Rate
<b>CBS</b>	Central Bureau of Statistics
<b>EAP</b>	Economically Active Population
<b>EAR</b>	Economic Activity Rate
<b>GWA</b>	Gainful Work Approach
<b>ICLSR</b>	International Conference of Labour Statisticians Resolution
<b>ILO</b>	International Labour Organization
<b>ILOC</b>	International Labour Organization Conference
<b>ISCO</b>	International Standard Classification of Occupation
<b>ISIC</b>	International Standard Industrial Classification
<b>LFA</b>	Labour Force Approach
<b>LFPR</b>	Labour Force Participation Rate
<b>LUA</b>	Labour Utilization Approach
<b>LUF</b>	Labour Utilization Framework
<b>NPHC</b>	National Population and Housing Census
<b>NSIC</b>	Nepal Standard Industrial Classification
<b>NSO</b>	National Statistics Office
<b>RAR</b>	Refined Activity Rate
<b>SDGs</b>	Sustainable Development Goals
<b>SNA</b>	System of National Accounts
<b>UNSD</b>	United Nations Statistics Division
<b>UNSNA</b>	United Nations System of National Accounts
<b>WTO</b>	World Trade Organization

# GLOSSARY OF TERMS

<b>Average length of working life</b>	<p>The average length of working life refers to the net average number of years of active and inactive life remaining at each age based on the current situation of age-specific mortality and age-specific labour force participation rates. The working life table brings the effects of mortality and retirement from labour force together and estimates the average working life for a hypothetical cohort by age at entry into the concerned age group.</p>
<b>Child work (Child labour)</b>	<p>According to the ILO and Statistical Information and Monitoring Programme on Child Labour (SIMPOC) classification, child work is defined by the following durations and conditions of work:</p> <ul style="list-style-type: none"> <li>• A child under 12 years who is economically active for one and more hours per week;</li> <li>• A child of 14 years and under who is economically active for at least 14 hours per week;</li> <li>• A child of 17 years and under who is engaged in 'hazardous work' for one or more hours per week;</li> <li>• A child of 17 years and under who is involved in an 'unconditionally worst form of child labour' e.g., bondage or forced labour and illicit activities.</li> </ul>
<b>Crude activity rate (CAR)</b>	<p>Crude activity rate represents the number of the economically active population as a percent of the total population.</p>
<b>Economic activity status</b>	<p>Individual's economic activity status is broadly divided into two groups: economically active and not economically active based on whether a person performed any work or searched for work during the past 12 months preceding the census enumeration. Furthermore, economically active population is divided into two groups: usually active and not usually active. Next, usually active population divided into two groups: usually employed and not usually employed categories.</p> <ul style="list-style-type: none"> <li>• Economically active <ul style="list-style-type: none"> <li>◆ Usually active <ul style="list-style-type: none"> <li>- Usually employed</li> <li>- Usually unemployed</li> </ul> </li> <li>◆ Not usually active</li> </ul> </li> <li>• Not economically active</li> </ul>

<b>Economically active population (EAP) / Total labour force</b>	Economically active population (EAP) also called total labour force, includes all people who performed any economic activity or were searching for a job during the last 12 months preceding the census enumeration.
<b>Economic activity rate/labour force participation rate</b>	Economic activity rate or Labour Force Participation Rate (LFPR) is the percentage of population aged 10 years or above who are participating in the labour market either by being in employment or actively looking for work.
<b>Economically inactive (not active) population / population not in labour force</b>	The population who are not in the labour force or not economically active or outside the labour force include all persons of age 10 years and above who didn't perform any economic activity and were not seeking job for work in the reference period.
<b>Educational attainment</b>	<p>Educational attainment of a person is defined as the highest grade completed within the educational system of the country where the education was received. For international comparison purposes, the 'grade' of the educational attainment is covered for all people 5 years of age and over. Data from the population census is needed for broadly three levels: primary, secondary, and post-secondary (tertiary).</p> <p>In the context of Nepal, the classification scheme of educational attainment is:</p> <ul style="list-style-type: none"> <li>• No education / Illiterate;</li> <li>• Basic education (1-8);</li> <li>• Secondary education (9-12);</li> <li>• Higher education (graduate and post-graduate)</li> </ul>
<b>Employment to population ratio</b>	It refers to the proportion of the country's working age population (usually 15-64 years age) that is employed. Employment to population ratio can be computed for different areas of analysis and particular age specific groups.
<b>General household</b>	A general household or household is defined as the arrangement made by persons for the purpose of providing themselves with food and other essentials for living. A household may be single person or multi-person. To define a household, income-expenses and kitchen sharing are the main basis for the identification of a general household.
	International Standard Industrial Classification (ISIC) of all economic activities is the basis of classifying industries where the labour force is engaged in the production of goods and services. All industrial

<b>Industry</b>	activities are also grouped into three broad industries/sectors: Primary, Secondary and Tertiary.
<b>Institutional household</b>	The collective arrangement of the living of individuals is known as an institutional household. Prisons, barracks, mental hospitals, orphan homes, child homes, hospitals, rehabilitation centres are examples of institutional households.
<b>Institutional units/sectors</b>	<p>Institutional units are units that are capable of owning assets and incurring liabilities, as well as engaged in the production of goods and services. The institutional sectors that comprise the total economy are grouped into five mutually exclusive categories:</p> <ul style="list-style-type: none"> <li>• The non-financial corporations sector;</li> <li>• The financial corporations sector;</li> <li>• The general government sector;</li> <li>• The non-profit institutions serving household sector; and</li> <li>• The household sector.</li> </ul>
<b>Not usually active population</b>	Not Usually active population are the complementary part of usually economically active population among economically active population. A person who worked less than six months and not searching for a job falls under the category of the not usually active population.
<b>Occupation</b>	<p>Occupation refers to the type of work performed by an employed person irrespective of industry or status of work. The classification of occupation prepared by ILO is used by countries to make data comparable and compatible. As per the International Classification of Occupation (ISCO) recommendations occupations are categorized into ten different major groups:</p> <ul style="list-style-type: none"> <li>• Armed forces;</li> <li>• Managers;</li> <li>• Professionals;</li> <li>• Technicians and associate professionals;</li> <li>• Clerical support workers;</li> <li>• Service and sales workers;</li> <li>• Skilled agriculture, forestry and fishery workers;</li> <li>• Craft and related trade workers;</li> <li>• Plant and machine operators and assemblers;</li> <li>• Elementary occupations.</li> </ul>
<b>Primary sector</b>	<p>The primary sector denotes the industrial sectors related to agriculture, forestry and fishing, mining, and quarrying.</p> <p><i>(Note: NSIC/ ISIC section A and B are classified as the Primary sector)</i></p>

<b>Refined activity rate (RAR)</b>	The refined activity rate (RAR), which is also known as General Activity Rate, is a more refined measure of economically active population. This is simply the activity rate for persons of working age.
<b>Secondary sector</b>	The secondary sector denotes the industrial sectors related to manufacturing, construction, and public utilities – electricity, gas and water. <i>(Note: NSIC/ ISIC section C-F are classified to the Secondary sector)</i>
<b>Status in employment</b>	The status of employment refers to the working condition, or capacity, that the economically active person holds in their job. The economically active population can be classified by status in employment as: <ul style="list-style-type: none"> <li>• Employees;</li> <li>• Employers;</li> <li>• Own-account workers; and</li> <li>• Contributing family workers.</li> </ul>
<b>Tertiary sector</b>	The tertiary or service sector denotes the industrial sectors related to wholesale and retail trade; transportation and storage; administration and support service activities; public administration and defence; compulsory social security; education; human health and social work activities; arts, entertainment and recreation service activities; other service activities; and activities of households as employees. <i>(Note: NSIC/ ISIC G–U goes to the Tertiary or services sector).</i>
<b>Usually economically active population</b>	Usually economically active population is a subset of economically active population consisting of all people who worked for six months or worked for less than six months and searched for work.
<b>Usually employed population</b>	Usually employed population are the subset of usually economically active population. This set refers to those population who worked for at least six months in the reference period or worked for 3-6 months and was searching for job. In other words, for a person to be usually employed, the sum of months worked and search for a job is greater than or equal to six months.
<b>Usually unemployed population</b>	Usually unemployed population are the complementary part of usually employed population of usually economically active population. This refers to those population who worked for less than six months and searching for a job in the reference period.
<b>Vulnerable employment</b>	Those persons who are self-employed as ‘Own account worker’ or ‘Contributing family worker’ are in vulnerable employment.

<p><b>Wealth index</b></p>	<p>The wealth index is a composite measure of a household's cumulative living standards. Selected assets owned by households are compiled and calculated to prepare an index to show the status of persons living in the households. Since there are no questions asked in the census regarding the income of households, information on wealth provides insight into the position of a household. It is a relative measure of the position of one household with other household in quintile groups. Indicators used in the construction of the wealth index from the NPHC 2021 were:</p> <ul style="list-style-type: none"> <li>• Foundation of buildings;</li> <li>• Outer wall;</li> <li>• House roof materials;</li> <li>• House floor materials;</li> <li>• Main source of drinking water;</li> <li>• Usual fuel for cooking;</li> <li>• Usual source of light;</li> <li>• Toilet facility; and</li> <li>• Household assets (TV, landline phone, computer/ laptop internet, car, motorcycle, refrigerator, washing machine).</li> </ul> <p>Based on responses to these questions, a household's wealth index is constructed as an ordinal variable measured in the five categories: Lowest, Lower, Middle, Higher and Highest. This variable is a proxy to economic condition of household.</p>
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## CHAPTER 1

# INTRODUCTION

### 1.1 Background

The labour force of a country plays an important role in vitalizing the economy. The size and composition of the labour force of a country has linkage with the economic activities of the country. The type of economic activities which people are engaged in reflects the situation of production of goods and services in the country, as well as the livelihood opportunities of people. The occupational structure of a population is closely linked with the national economic policy and strategies adopted for employment. Nepal, being signatory to the SDGs global agenda, is committed to achieve the goals and targets set by it. Goal 8 of the SDGs states to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all' by 2030 and Nepal has set several targets related to this goal (National Planning Commission (NPC), 2017). Therefore, Nepal's progress towards achieving the SDG targets should be focused on keeping 'full and productive employment' and 'decent work' as the main points in focus. Therefore, analyzing the labour force and the nature of economic activities in detail deems necessary not only to better understand the dynamics of the labour force in terms of its trend, composition, skill, and the areas of involvement, but also for future planning of human resources in overall development of the country. This report aims to explain the situation of the labour force of Nepal following the principles of 'full and productive employment' and 'decent work'.

### 1.2 Policies and programmes related to labour in Nepal

The Government of Nepal adopted its labour policy in 2056 BS highlighting the need for distinct policy in the labour sector. This policy created a base for the Nepalese labour sector to apply efforts for organizing and strengthening the labour sector as per the basic International Labour Organization (ILO) guidelines. Considering changes concerning technology and labour market, as well as Nepal's entry in World Trade Organization (WTO) which also led to globalization of labour and service markets, the Labour and Employment Policy 2062 (BS) was promulgated. The long-term goal of the Labour and Employment Policy 2062 BS was to provide productive, non-discriminatory, exploitation-free, decent, safe, and healthy work opportunities for working age citizens by building an environment of friendly investments, in addition to building and managing a labour market that contributes to the national economy so that it can compete at



the global level. However, after the globalization of the labour force, Nepal began sending its labour force into the global market. The parliament passed the new Foreign Employment Act 2064 (BS) in 2007, replacing a previous reiteration, and the government implemented the Foreign Employment Regulation 2064 (BS). This legal framework is aimed to safeguard the rights of individuals pursuing foreign employment and those involved as professionals in facilitating for prospective foreign employees. The framework helped support those seeking foreign employment. As per the Nepal Labour Migration Report 2022, around 0.63 million people obtained labour approval for foreign employment in the fiscal year 2021/2022 (Government of Nepal, 2022). Nepal has now been characterized as a country that exports labour force to foreign labour market.

The Interim Constitution of Nepal 2063 (BS) adopted employment as a fundamental right of its citizens. Moreover, other sectoral policies related to industry, agriculture, youth, technical education, and vocational training also came into effect and incorporated employment. From this background, the National Employment Policy 2071 (BS) was promulgated after assessing the major issues and challenges, as well as the past efforts made within labour and employment sector. This policy's inception was envisioned to link with other sectoral policies and aimed its focus at employment generation and providing productive and fruitful employment opportunities to all. This also aimed to transform informal sector labour engagement to the formal sector and enhance employment quality. This policy aimed to create opportunities to develop a labour force that is equipped with knowledge and skills as demanded by the labour market. The policy document also prioritized youth-centric employment opportunities. The policy emphasized the promotion of employment-friendly investment and a good industry-worker relationship.

Continuing the provision of the Interim Constitution of Nepal 2063 (BS), the Constitution of Nepal ensured employment as a fundamental right of each citizen. Guided by the constitutional provision and the policy, the Parliament of Nepal passed the Right to Employment Act 2075 (BS) in 2018. The main objective of this act was to safeguard the right to employment of every citizen, ensure opportunities to have a choice of employment as per one's own capacity, to define different conditions related with employment, and to make a provision for an unemployment fund. This remains an extensive legal framework addressing diverse issues related with employment and safeguarding the rights of employee.

Nepal has a long history of planned development efforts, and utilization of the labour force has been documented in Nepal in different plan periods as per the existing policies. Based on the NPC (2024), this section presents an overview on how different plan periods highlighted labour-related matters in planned development discourse of Nepal.

**Table 1.1: Major highlights in labour force-related matters in different plan periods, Nepal**

Plan	Plan Period	Highlights in labour-related matters
First Five-Year Plan	Fiscal Year 1956/67-1960/61 (2013/14-2017/18 BS)	Emphasized promotion of work.
Second Three-Year Plan	Fiscal Year 1962/63-1964/65 (2019/20-2021/22 BS)	Emphasized increasing employment.
Third Five-Year Plan	Fiscal Year 1965/66-1969/70 (2022/23-2026/27 BS)	Emphasized increasing agricultural production.
Fourth Five-Year Plan	Fiscal Year 1970/71-1974/75 (2027/28-2031/32 BS)	Highlighted effective use of labour force for balanced development of the country.
Fifth Five-Year Plan	Fiscal Year 1975/76-1979/80 (2032/33- 2036/37 BS)	Aimed to increased production through optimum utilization of labour force; put special focus on transition of labour force to non-agricultural sector, especially to small industries.
Sixth Five-Year Plan	Fiscal Year 1980/81-1984/85 (2037/38-2041/42 BS)	Prioritized the generation of productive employment for the existing labour force in the country.
Seventh Five-Year Plan	Fiscal Year 1985/86-1989/90 (2042/43-2046/47 BS)	Reinforced the promotion of productive employment.
Eighth Five-Year Plan	Fiscal Year 1992/93-1996/97 (2049/50-2053/54 BS)	Focused on reducing population growth rate; highlighted the human resource development and employment generation.
Ninth Five-Year Plan	Fiscal Year 1997/98-2001/2002 (2054/55-2058/59 BS)	Introduced a 20-year vision that kept human resource development and social development in focus.
Tenth Five-Year Plan	Fiscal Year 2002/03-2006/07 (2059/60-2063/64 BS)	Focused on poverty alleviation and internalized the Millennium Development Goals.
Eleventh Three-Year Plan	Fiscal Year 2007/08-2009/10 (2064/65-2066/67 BS)	Envisioned socio-economic transformation; kept human resource development in priority.
Twelfth Three-Year Plan	Fiscal Year 2010/11-2012/13 (2067/68-2069/70 BS)	Focused on employment-centred inclusive and equitable economic growth for poverty alleviation.
Thirteenth Three-Year Plan	Fiscal Year 2013/14-2015/16 (2070/71-2072/73 BS)	Aimed to graduate Nepal from a least developed country to a developing country; focused on poverty alleviation; prioritized on increasing agricultural productivity and development of industrial sector.
Fourteenth Three-Year Plan	Fiscal Year 2016/17-2018/19 (2073/74-2075/76 BS)	Focused on productive employment and justful distribution for achieving a high economic growth rate and hence alleviate poverty.
Fifteenth Five-Year Plan	Fiscal Year 2019/20-2023/24 (2076/77-2080/81 BS)	Emphasized productive and descent employment.

The Fourteenth Plan (2016/17-2018/19) was the first development plan after the promulgation of the Constitution of Nepal which ensured employment as a fundamental right of each citizen and adopted the federal governance structure of the country. It advocated for productive employment and for justful distribution for achieving a high economic growth rate and hence to alleviate poverty. The Fifteenth Plan (2019/20-2023/24) envisioned a 'Long-term Vision 2100 BS (2043)' for the country (NPC, 2020). With the slogan 'Prosperous Nepal, Happy Nepali', this document characterized Nepal as 'a prosperous, independent, and socialism-oriented economy with happy, healthy, and educated citizens enjoying equality of opportunities, dignity, and high standards of living'. The vision paper assumes attaining prosperity in the country through a high and equitable national income backed by a high and sustainable production and productivity; for which, development and full utilization of human capital potentials is regarded as a major pillar. This vision document not only foresees the country to be graduated from the least developed country to the developing country but also envisages graduating to an upper-middle-income country by 2030 by achieving the SDGs. Moreover, the vision paper foresees the country to graduate to reach the level of developed countries by 2043. For this, formation and utilization of quality human capital is essential to harness the natural resources of the country and achieving a sustainable and high economic growth coupled with a just distribution system to ensure every person in the mainstream of development.

Long-term national strategies of the vision 2043 mentions achievement of rapid, sustainable and employment-oriented economic growth, and increasing production and productivity. For this, labour and employment are regarded as a cross-cutting issue and the necessity to identify, produce, and promote competitive goods and services to generate employment within the country is realized. Based on this vision document, the fifteenth plan emphasized on productive and descent employment and kept quantitative targets of achieving labour force participation rate (population age above 15 years) of 49 percent and, 50 percent share of formal sector in employment by fiscal year 2023/24 (NPC, 2020). Similarly, the structure of economy is envisioned to be service oriented, with a targeted 58.9 percent contribution of service sector in the economy by fiscal year 2023/24. The fifteenth plan also mentioned increasing production and productivity as one of the national strategies.

The Sixteenth Plan (2024/25-2028/29) has been implemented as of the beginning of the fiscal year 2024/25. The sixteenth plan envisions good governance, social justice, and prosperity in the country (NPC, 2024). This emphasizes employment as a component for achieving social justice. Based on the experience of a long history of planned development efforts in the country, the sixteenth plan highlighted several points as important issues and challenges. Those challenges connected with the labour force and economic activity are as follows:

- A continuous slow economic growth, structural problem in the economy, shrinking production of the industrial sector and a reducing contribution of secondary sector in the economy, expansion of tertiary sector without a strong base of primary and secondary sector;
- The low production and productivity, increased cost of production and weak competitive capacity, increased repulsion on agriculture occupation, and increased dependence on basic food stuffs;
- Consumption focused import and low export capacity, and high trade deficit;
- A youth labour force drain to foreign labour markets due to limited employment opportunities within the country;
- No linkage of the education system with production, the problem of quality and timeliness in higher education, weak human resource management;
- Financial resource mobilization among limited persons and entrepreneurs, less than expected contribution of the mobilized financial resources on production and employment generation.

The sixteenth plan also identified the following labour force-related issues for structural transformation:

- Promotion of production, productivity and competitive capacity;
- Productive employment, dignified labour and sustainable social security;
- Healthy, educated and skilled human resource.

In summary, there is a sufficient policy and legal framework developed in Nepal with the purpose of safeguarding labour and employment within the country and abroad. However, many challenges remain unaddressed. The major challenges, among others, concern the creation of new employment opportunities within the country, the promotion of production with increased productivity, and the overall transformation of labour to bring it within the formal sector of the economy.

### 1.3 Objectives

In this background chapter and the following policy section, this thematic report examines the details of the labour force and economic activities in Nepal. The National Population and Housing Census (NPHC) 2021 data is the major source of data which contains information and perspectives on the population's economic involvement, the area of involvement, and other related characteristics of all people beyond a certain age i.e., 10 years. By using this census data, the major objectives of this thematic report are to examine the trends in the labour force, the current situation of the labour force, the major economic activities of Nepal's people, employment status, unemployment status, and its reasons. The report will also address the

situation of labour force participation of vulnerable people, especially children and older persons. Additionally, the report presents a working lifetable and a projection of labour force as an aggregate.

## 1.4 Conceptual framework

The concept of economic activity contains several issues regarding the uniform understanding of the term, in addition to its measurement. Status of economic activity, with reference to time-period, is generally measured by two approaches: 'current activity status' which is measured with a short reference period, one day or a week; and 'usual activity status' which is measured with a longer reference period of generally 12 months (UN, 2017). An economically active population is defined accordingly as the approach used to measure the activity status.

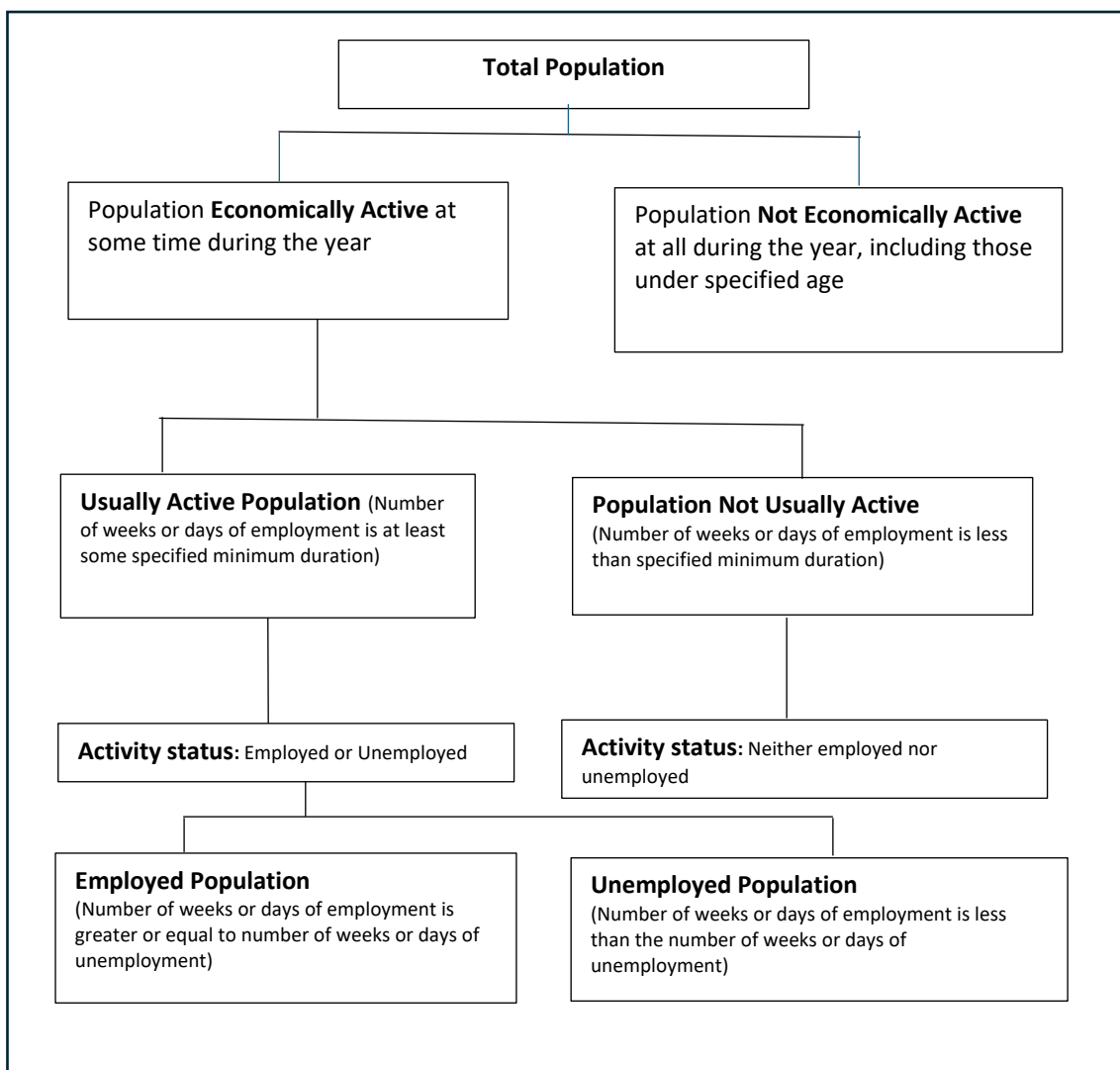
Different approaches are adopted for measuring the term 'economic activity'. These are the Gainful Work Approach (GWA), Labour Force Approach (LFA) and Labour Utilization Approach (LUA). The GWA is based on the concept that everyone has a stable, functional role or occupation, independent of activity, at any given time (Barkat-e-Khuda, 1979). The main purpose of this approach is to quantify the occupation of a person. Using this approach, individuals who are without employment or an occupation are therefore considered to be out of the labour force. Additionally, the LFA is based on an economic theory which was introduced to capture the supply of labour to produce goods and services within a fixed reference period, specifying the minimum age to enter the labour market. It considers both employed and unemployed labour into labour force. Lastly, the LUA (also called Labour Utilization Framework, (LUF)) is another approach to measure the extent of underemployment, especially in developing countries (Zhou, 2004). This approach also uses the concept of minimum age and reference period to classify the workforce into different functional categories to assess the total workforce. These categories reflect an adequately utilized and inadequately utilized workforce. The second category includes those who are utilized inadequately due to: i) unemployment; ii) inadequate hours of work; iii) inadequate income, or iv) mismatch between education/training and occupation. Individuals who fall under the second, third and fourth categories are the underemployed (Smith & Domingo, 1977).

As outlined in the United Nations System of National Accounts (UNSNA), the concept of economic activity for the measurement of the economically active population is defined in terms of production of goods and services. Economic activities are directly related to the production of goods and services and the boundary of production is defined in the system based on the concept of economic and non-economic activity. The measurement of the economically active population (EAP) contains three issues, namely: the scope of the population to be covered; the demarcation of economic and non-economic activities, and a measurement framework for

employing the distinctions between these populations. Another important aspect for measuring economic activities is the ‘reference period’ used in data collection. Despite both ‘short’ and ‘long’ reference periods being referenced earlier in the report, the literature at present argues that the long reference period is not recommended for data collection in economic activities (ILO, 2019).

In 2013, the Nineteenth International Conference of Labour Statisticians adopted its resolution concerning statistics of work, employment and labour underutilization with new international recommendations that recommended using ‘short’ reference period in the census (ILO 2013). Accordingly, all countries were encouraged to develop their statistical system to cover work statistics, including statistics on the labour force, based on their specific national needs and resources; the updated international standards would ideally be implemented over time, in a way that is feasible for national statistical systems (UN, 2017). Following the essence of these recommendations, Nepal conducted its labour force survey in 2017/18. However, the NPHC 2021 did not follow many of these recommendations, resulting in data that is comparable only with previous census data of the country, therefore missing an opportunity to be comparable with census data of many other countries and surveys which were used during the short reference period. Since the Nepal Population and Housing Census 2021 utilized a ‘long’ reference period, for the purpose of this thematic report, the International Labour Organization (ILO) proposed alternative framework for measuring economic activity as usually active, employed, unemployed, usually not active, and economically not active (Box 1.1) shall be used for the purposes of this report’s analysis.

**Figure 1.1: ILO Framework for measurement of the usually active population**



**Source:** Adapted from R. Hussmanns, F. Mehran & V. Verma. (1992). *Surveys of the Economically Active Populations, Employment, Unemployment and Underemployment: An ILO Manual on Concepts and Methods (Second Impression)*. Geneva: International Labour Organization. P.52 and Suwal, R. & Dahal, M. P. (2014). *Economically active population: dimensions and dynamics*. In *Population Monograph of Nepal, Volume III (Economic Demography)*. Kathmandu: Central Bureau of Statistics.

The criterion and guidelines for the measurement of the EAP are defined in the International Labour Organization Convention (ILOC) and the International Conference of Labour Statisticians Resolution (ICLSR). According to the guideline, the economically active population comprises of all people who, during a specified time, contribute to or are available to contribute the production of goods and services as defined by UNSNA. The former resolution of the Thirteenth

International Conference of Labour Statisticians 1982, concerning statistics of the economically active population, employment, unemployment and underemployment, defines an economically active person as ‘a person who, during the referenced period, performs any activity to produce goods or services of the type that falls within the economic production boundary defined by the SNA or who is temporarily absent from an activity of this type’ (ILOSTAT: Volume 5: Total and Economically Active Population, Employment and Unemployment (Population Censuses) (E)). However, this has been amended several times and according to new resolutions, using long reference period is not recommended (UN, 2017).

The ILO’s alternative framework (Fig. 1.1) is only a key basis for classifying workforce based on NPHC 2021 data. The framework serves to analyze labour force, economically active sometime during the year and provides a link between current and usually active, where both measurements are made in the same survey and where the short reference period is used for current activity measurement. Despite the current international recommendations, only the usual activity concept that uses a long reference period of 12 months that is used in NPHC, 2021 and it allows obtaining data on work and the pattern of economic activity of individuals over the course of the year, rather than current labour force status.

The NPHC 2021 has collected data on economic activities by using a certain set of questions. The minimum age for asking questions on economic activities is consistently considered to be 10 years since the 1991 census in Nepal and a blend of gainful work and labour force approach has been used to collect data on economic activity since the 1991 census (Suwal & Dahal, 2014). The definition of economic activities in the census included a person’s full or partial involvement in all the works including those related to own account agriculture or household entrepreneurship, irrespective of meaningful employment whether there was income generated. In Nepalese censuses, economically active population has been defined as those people working for any length of time in the reference period. As in the previous censuses of 1991, 2001 and 2011, the NPHC 2021 uses a long reference period of 12 months and allows to use ‘usual activity’ approach to measure economically active population.

However, there are some differences in the contents of questions in economic activities from census to census. In the 1991 census, the question was designed to collect data on duration of work in the reference period for the first time and in the census 2001, the definition of work was further stretched to capture extended economic activities (activities like collecting firewood for household use, fetching water, food processing for household consumption) within it (Suwal & Dahal, 2014). The 2011 census used the same definition of work as in 2001 and collected data on duration of work in specific kind of activity or occupation, measured in number of months (Suwal & Dahal, 2014). But the questions in NPHC 2021 are little bit limited as compared to those in 2011 census because, the duration of work in NPHC 2021 has been measured as a categorical



variable, and it cannot capture the actual duration of work in different kinds of activities since more than one activity are performed by a person at a time. Therefore, care should be taken while analyzing and interpreting the data on economic activities based on NPHC 2021 data.

## 1.5 Organization of the report

This report comprises six chapters. The first chapter reviews policies and programmes related to labour in Nepal, highlighting the objectives of the report and discussing the conceptual framework of analyzing the census data on economic activities. The second chapter deals with data and methodology, highlighting the content of census data on economic activity and the data quality aspects and methods of analysis used in this report. The third chapter approaches the characteristics of the labour force, especially focusing on labour force participation rates, employment, unemployment, vulnerable employment, and determinants of unemployment. The fourth chapter presents the economic activities of the labour force with a focus on occupational and industrial involvement of the population. The fifth chapter explains the situation of disadvantaged and vulnerable population groups in the labour force, with coverage of economic activity of children aged 10-17 years and elderly people aged 65 years and above. The final chapter presents discussions and conclusions.

## CHAPTER 2

# METHODOLOGY

### 2.1 Census data on economic activity

Nepal has conducted population censuses almost decennially and NPHC 2021 is the 12<sup>th</sup> national census, marking 110 years of census taking in Nepal. The NPHC 2021 was conducted with slogan 'My Census, My Participation' and is the first census ever in the new federal structure of the country which was designed to generate significant statistics pertaining to the social, economic, and demographic aspects of the population at the national, provincial and local levels. The census questionnaire covered demographic, social and economic aspects. In the economic section, seven questions were included with the purpose of retrieving information on labour force and economic activities (Table 2.1).

These seven questions (serial No. 31 to 37 in the questionnaire) were asked with proper skip patterns to ease classification of persons by their activity and employment status, their major occupation, major industrial area of involvement, and status in involvement. The first question focused on the duration of economic activities performed in the reference period of past 12 months measured in four categories: six months and above, three to less than six months, less than three months and no economic activity performed. For this first question, all the jobs with or without income including family farming and business-related economic activities involved as full time and part time were included. Those who stated activity for less than six months or 'no economic activity' in the reference period were directly skipped for stating the reasons for not being economically active or being active only for less than six months. Such persons were further asked whether they looked for work or were available for work in the reference period. Those who were involved in economic activity in the reference period were asked about their major occupation with job description and post, the name of institution the person is involved in including the name of goods and services produced, the capacity of involvement as an employee or employer or own account worker, and the type of institution involved. The type of occupation and type of industry that a person was usually engaged in most of the time for the 12 months reference period was collected by using two - questions. Enumerators were instructed to obtain a concise but detailed description of the respondent's occupation and industry and assign numeric code (single digit code from 0 to 9 for 10 major occupations and codes 1 to 21 for 21 industrial sectors).

**Table 2.1: Economic activity-related questions, NPHC 2021**

Question Number	Question	Answer options	Skip pattern
31.	How many months did the [Name] do economic work during the past 12 months with or without any income? ( <i>Family farming and business-related economic activities involved as full time or part time are also included</i> )	-6 and more months -3 to less than 6 months -Less than 3 months -No economic activity performed	-Continue -Skip to 36 -Skip to 36 -Skip to 36
32.	What was the main economic work done by the [Name]? (If more than one economic works were performed with or without income, what was the main job (occupation) and describe about the post of the job?)	Job description and post (with code) ..... .....	
33.	In the workplace/ institution the [Name] works, what type of goods and services are mainly produced?	Name of the workplace/ institutions and name of goods and services produces (with code) ..... .....	
34.	In what capacity is the [Name] involved in that institution?	-Employee -Employer -Own account work - Family support only	
35.	What is the institutional area of the economic work the [Name] is involved in?	-Government -Financial institution -Non-financial institution -Non-profit institutions -Household	
36.	What is the reason for not working by [Name] in past 12 months?	-Student -Household chores -Family care -Aged -Disable/sick -Pension/property income -Social work /volunteer -Others	
37.	Were the [Name] searching job or available for job in last 12 months?	-Yes (full time) -Yes (part time) -No	

Source: National Population and Housing Census, 2021

## 2.2 Quality of census data

### 2.2.1 Strengths

The minimum age for asking questions on economic activities is recommended not to exceed 15 years and the maximum age limit should remain open (UN 2017). The NPHC 2021 uses a minimum age limit of 10 years, and a maximum age is left open, complying with international recommendations. Similarly, of the major content recommendations for incorporation in the census (UN, 2017), a majority are included in the NPHC 2021 questionnaire. Moreover, the recommended classifications of occupation and industry were followed.

Different approaches and efforts were applied to enhance the quality of census data. To minimize the errors in census data, various precautionary measures were taken during pre-census, during-census and post-census phases. Several consultations and workshops/seminars were carried out with different stakeholders and data users to meet their data needs before finalizing the census tools. The questionnaire was pilot tested in the field and necessary corrections were made prior to implementation. In the final questionnaire, the questions were framed with proper skip pattern and following proper sequence with the purpose to enhance the quality of the responses. Ward-level census facilitation committees were formed at each ward of the local governments to ensure complete enumeration and to provide support for the census field work. Enumerators were adequately trained with real field practice to comprehend the meanings of the items included in the census questionnaire. To minimize the errors during the data entry stage, a range edit check process was developed and used to validate and make the data consistent with other related variables.

A Post Enumeration Survey (PES) was conducted to assess the quality of census data in terms of coverage and content errors. A net omission rate was 2.58 percent in the NPHC 2021 and appears higher in urban domains (2.95%) as compared to rural domains (1.96%). The net undercount in NPHC 2011 was observed to be 3.6 percent. The findings indicate that the coverage error in the census data is minimal and even at a lower rate than the earlier censuses. Therefore, the data obtained from census are regarded as of good quality to accomplish the analysis in this thematic report.

### 2.2.2 Weaknesses

As 'age' is one of the most important variables in demographic data analysis, it is most important to mention the quality of age reporting in census data. NSO (2024a) has presented several indices of quality of age data in the NPHC 2021. According to this, a Whipple's Index score of 149 both for males and females indicates an equal amount of age heaping, resulting in a data quality status of 'Rough (125 – 174.9)' for age data. The overall index for age accuracy based on

the Myer's Index is 9.9 and the UN Age-Sex Accuracy Index value is 21.2; despite both being lower than those in previous censuses, the scores still indicate 'inaccurate' age reporting in NPHC 2021 data. Therefore, results associated with age data are to be interpreted with caution.

There are some methodological weaknesses associated with the NPHC 2021 data on economic activities. The most important is the choice of a long reference period of 12 months, which is less used as of now. Long reference periods are subject to important reporting errors, increasing burden on the respondents, and do not allow for the capturing of economic characteristics of the population with respect to a particular point in time, in addition to not supporting coherence with other labour force statistics (UN 2017). In addition, an important weakness is the absence of the possibility to distinguish between subsistence work and employment based on the new definition of work as 'work for pay or profit', which is not possible to retrieve based on the data collected in the NPHC 2021. International recommendations suggest classifying the status of labour force as 'labour force (employed or unemployed)' or 'outside of labour force', however the NPHC 2021 data cannot precisely classify respondents, accordingly, thus leaving a large gray area. Based on the NPHC 2021 data alone, there is no way to identify the employed population according to the principle of either doing work for pay or profit, or to identify the unemployed population according to the 3 conditions of: a) not employed; b) seeking work, and c) being available for work.

Moreover, the misunderstanding of the open-ended response category on industry and occupation creates concerns in data quality, especially in the distribution of persons' engagement in economic activities. Possible changes in the activity status of a person in the long reference period, especially from economically inactive to economically active, or from unemployed to employed or vice versa, creates additional complexities on the part of respondents. Although the enumerators were instructed to write a concise but detailed description of the respondent's occupation and industry, this may have created confusion from the enumerator's side to precisely mention the occupation and industry of involvement. Moreover, the use of the 'usual activity' approach (with a long reference period of 12 months) may have caused errors due to recall lapse and memory losses in the reported data. Therefore, some latent errors from the enumerators' side and poor responses from respondents' side due to lack of proper understanding of complexity of the question cannot be ruled out.

The main aim of the census should be to capture the situation of the respondent regarding their engagement in the labour market around the time of the population census (UN, 2017). However, this is not entirely possible when using a long reference period. The use of long reference periods may lead to an exaggerated picture of labour force participation (CBS, 1987; p.202). The Labour Force Survey 2017/18 provides greater details about the labour market

situation in Nepal than the NPHC 2021. Comparing the labour force survey results with the census data is difficult because the survey refers to the ‘current activity status’ approach, whereas the census followed a ‘usual activity status’ approach.

Apart from the issue of reference period, there are some inherent limitations in the questionnaire itself. The first issue is that the first question on economic activity does not capture the exact number of months worked in the reference period. Instead, it is made categorically, thus hiding some details regarding the duration of the work. Secondly, the last question merged the two different responses of ‘searching for a job’ and ‘available for a job’, thus creating confusion for respondents. There is no clarity on whether an individual is ‘available for a job’ or actively ‘searching for a job’. Moreover, in the same question, only ‘full time’ and ‘part time’ options are provided which does not give details of the duration in which a person is available for a job within the reference period. This means that the response of those available for full-time job could be interpreted as available for at least six months, and those available for part-time job could be assumed to be available for less than six months. Therefore, some ambiguity is sustained in the classification of activity status of a person as, for example, a person who has worked for 3-5 months and was available for a part time job may have been categorized as ‘usually employed’, and a person who has worked for less than 3 months and was available for part time job may have been classified as ‘not usually active’.

Collection of data from the NPHC 2021 may have been affected by the COVID-19 pandemic due to the shorter follow-up period after the postponement of census-taking in the usual time (NSO, 2024a). As censuses are necessarily limited in the collection of information, the NPHC 2021 is also subject to limitations such as limited capturing of data regarding the quality of work, hours worked, formal/informal status of the occupation and industry, identification of the potential labour force, among others.

The above discussion regarding methodological weaknesses implies that standard labour force indicators – such as labour force participation rate, employment to population ratio, and unemployment rate – cannot precisely be calculated based on NPHC 2021 data. The indicators that are produced in the report are not compliant with international recommendations, and not comparable with the LFSs and censuses of those countries following a short reference period.

## 2.3 Methods

This thematic report is descriptive, primarily data driven and heavily based on the census return data from Nepal’s National Population and Housing Census 2021. However, data from the previous censuses are also utilized to examine trends.

This report analyses the status of economic activity, occupational involvement, employment status, and the reasons for participants/economical non-activity. The main indicators used for data presentation are the Labour Force Participation Rate, which is also referred to as the Refined Activity Rate (RAR), and the unemployment rate. Trends in selected indicators are presented. The gender disaggregated data on these indicators are presented by selected background characteristics. Mainly, data are disaggregated by age group, province, ecological zone, degree of urbanization, educational attainment, and wealth quintile. District level and local level analysis has also been carried out for selected key indicators.

Age is measured in completed years and generally grouped as conventional five-year age-groups. However, in some instances, age in single years is also used. Sex is measured as a binary variable: male and female. Province indicates the seven provinces as per the constitution of Nepal, namely: Koshi, Madhesh, Bagmati, Gandaki, Lumbini, Karnali and Sudurpashchim. Ecological zone represents the well-known three ecological zones of Nepal: Mountain zone in the north belt, Hill zone in the central area, and Tarai zone in the southern plains.

As per the NSO (2024b) published report on the degree of urbanization in Nepal, the place of residence is categorized into three groups: Urban, Peri-urban and Rural and the variable is named as 'Degree of urbanization'. The ward-level administrative boundaries of rural municipalities and municipalities are classified into these three hierarchical categories based on a set of criteria thus reflecting the degree of urbanization. These criteria incorporated population density, population size, and contiguity of the settlements. Further detail on the classification is available in NSO (2024b). Instead of urban-rural classification, based on administrative boundaries of rural municipalities and urban municipalities, this report uses a classification for type of residence based on the degree of urbanization.

Educational attainment is a social indicator used as a categorical variable which is measured as: no education, basic education (ECD to class 8), secondary education (class 9-12), and higher education (greater than class 12). Those mentioning 'other' educational categories and those who did not state their educational attainment status are considered as separate categories because of their dissimilarity with any other category.

Using census data on different household utilities and amenities, a proxy of economic status at the household level is computed and named as the household wealth index which is measured into five quintiles, with each individual classified into one of the five wealth index categories, ranging from the lowest to the highest based on the ranking of the household of the individual. The detailed methodology of computation of wealth quintiles is presented in NSO (2024b). As a proxy for economic conditions, this report uses the following wealth index categories: Lowest, Lower, Middle; Higher, and Highest.

This report uses logistic regression to examine the determinants of people being not economically active, being unemployed, and being in vulnerable employment. Similarly, the average length of working life is computed based on the current level of LFPR and the mortality of population. Further details on the associated methods are presented in the corresponding chapters and sections.

Based on the questions asked in the census, the skip pattern of questions, and considering the comparability of data with 2011 census, the following categorization of the economic activity status of respondents is made (Table 2.2).

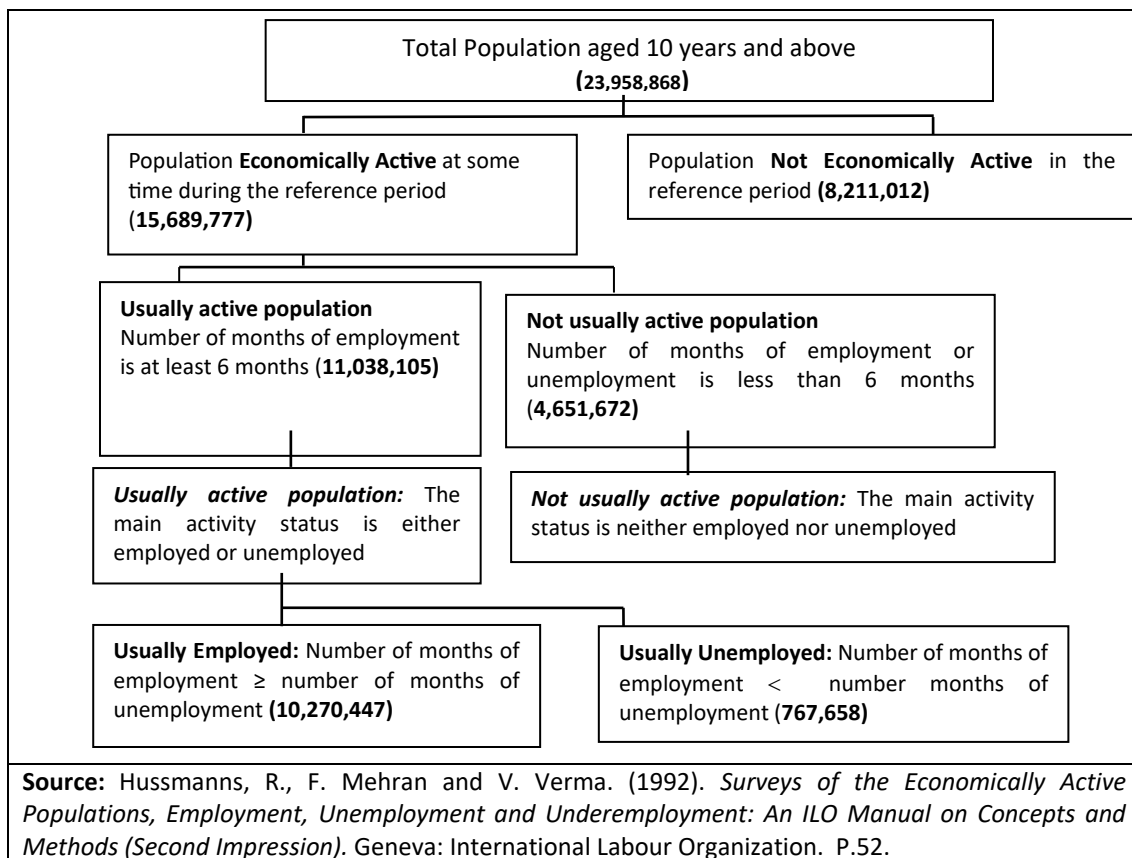
**Table 2.2: Classification of economic activity status from census questions based on duration of work and job seeking status in the reference period of 12 months, NPHC 2021**

Duration of work	Status of seeking job	Category of activity status	Economically active or not
6 months and above	Not applicable	Usually employed	Economically Active
3 to less than 6 months	Yes (Full time)	Usually unemployed	Economically Active
	Yes (Part time)	Usually employed	Economically Active
	No	Not usually active	Economically Active
Less than 3 months	Yes (Full time)	Usually unemployed	Economically Active
	Yes (Part time)	Not usually active	Economically Active
	No	Not usually active	Economically Active
Not worked	Yes (Full time)	Usually unemployed	Economically Active
	Yes (Part time)	Not usually active	Economically Active
	No	Not economically active	Not Economically Active

The questions in NPHC 2021 related to economic activity were posed to all individuals of age 10 years and above in each household. Therefore, this report is based on individual level analysis of the data obtained from complete enumeration for all people aged 10 years or above. In earlier censuses, these questions on economic activity were asked on a sample basis. An overview of the measurement of the labour force, which is based on the usual activity approach, as per the ILO's alternative framework, is presented in the schematic flow diagram (Figure 2.1). This flow diagram helps understand the different subsets of population with respect to the usual activity status. This framework (Figure 2.1) is a key basis for categorizing people in various groups – economically active, not economically active, usually active, not usually active, usually employed, and usually unemployed. The analysis of this thematic report is based on the subgroups of population presented in the diagram.



**Figure 2.1: ILO Framework for measurement of the economically active population fitted into NPHC 2021 data**



## CHAPTER 3

# CHARACTERISTICS OF THE LABOUR FORCE

## 3.1 Labour force in Nepal

### 3.1.1 Overview of economic activity status and labour force

The economically active population in the 2021 census includes all individuals aged 10 years and above who are engaged in any kind of economic activity in the reference period of 12 months from the census date. The changes in the size of the total population of this age bracket, by broad age group and the economically active population between 2011 and 2021 census data, is presented in Table 3.1. Amidst the annual exponential growth rate of 0.92 percent of the total population, the population aged 10 years and above appears to increase at a higher rate of 1.39 percent. This means that the proportion of the population of older than 10 years is increasing over time. When disaggregated into the broad age groups of 10-14, 15-64 and 65+, the scenario differs. As a result of fertility decline in the recent past, the size of the cohort aged 10-14 years has decreased with a rate of 1.71 percent. In future periods, this will influence the rate of new entry into the labour market. On the other hand, in the actual age group for the economically active population – aged 15-64 years – the size is seen to be growing exponentially at a rate of 1.75 percent, which is noticeably higher than the growth rate of the total population. This indicates that the population size in the internationally defined economically active age group is increasing at a very rapid rate in Nepal. Most importantly, the population size of those aged 65+ is increasing at a significantly high the rate of 3.54 percent annually. This means that a larger cohort of older ages may not be healthy enough to be economically active and that the nation may wish to plan for the management of its fast-growing elderly population. Based on the census questionnaire on economic activity, the size of the economically active population in Nepal has increased by 3.31 percent annually between 2011 to 2021. The growth rate of the economically active population exceeded the growth rate of total 10+ years population.

**Table 3.1: Size of total population and economically active population and the intercensal growth rate, Nepal, 2011-2021**

Population	Census year		Increase in population size	Exponential growth rate
	2011	2021		
Total population	26,494,504	29,164,578	2,670,074	0.92
Population aged 10+ years	20,721,682	23,958,868	3,237,186	1.39
Population aged 10-14 years	3,475,424	2,909,865	-565,559	-1.71
Population aged 15-64 years	15,848,675	19,027,289	3,178,614	1.75
Population aged 65+ years	1,397,583	2,021,714	624,131	3.54
Economically active population (10+ years)	11,108,915	15,689,777	4,580,862	3.31
Source: National Population and Housing Census 2011 (National Report); National Population and Housing Census 2021 (National Report)				

The economic activity status of population, based on the first and the last question regarding the economic activity of populations aged 10 years and above and with a reference period of 12 months preceding the census, is presented in Table 3.2. Of the total figure of 23,958,868 people aged 10+ years, 10,270,447 are employed, 767,658 are unemployed; both of these groups are considered to be usually economically active. There are 4,651,672 individuals who are not usually economically active, which means they are involved in economic activity for less than six months in the reference period and did not state that they were available for job. This group of individuals can be inferred to exist in a form of underemployment. There are 8,211,012 people who are not economically active, and 58,079 persons did not mention their economic activity status. Figure 3.1 shows that, among the population aged 10+ years, 43.0 percent are employed, 3.2 percent are unemployed, and 19.5 percent are not usually economically active (underemployed). Moreover, the remaining 34.4 percent are not economically active at all.

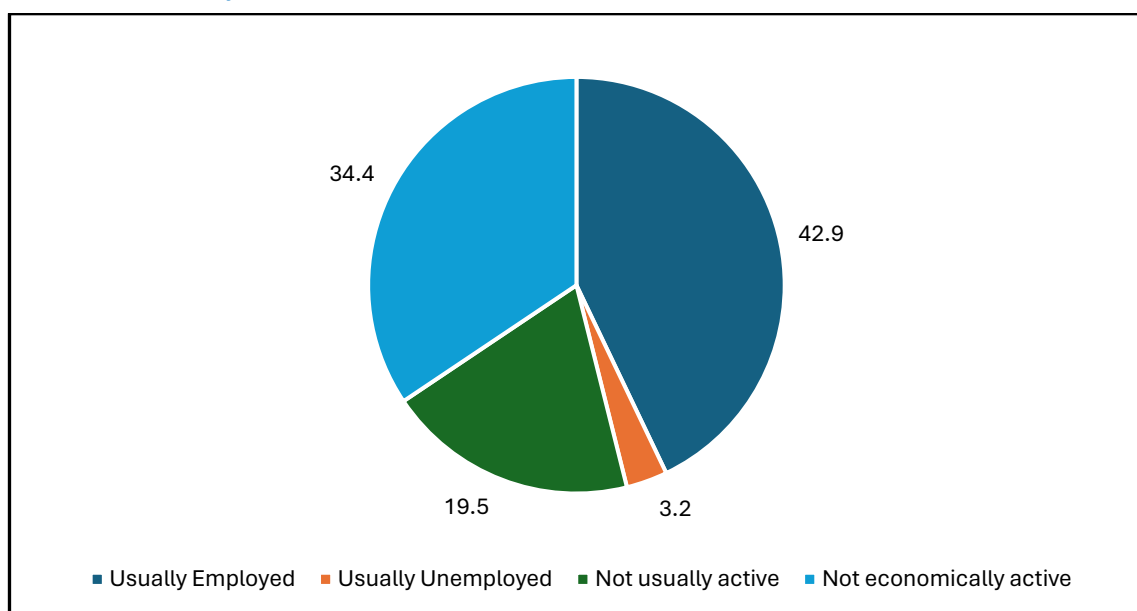
**Table 3.2: Status of economic activity of population aged 10+ years, NPHC 2021**

Population characteristics by activity status			Sex	Nepal
Total Population 10 years and above			Male	11,519,621
			Female	12,439,247
			Both sexes	23,958,868
Economically active population	Usually active	Employed	Male	6,043,087
			Female	4,227,360
			Both sexes	10,270,447
		Unemployed	Male	400,928
			Female	366,730
			Both sexes	767,658
	Not usually active		Male	1,752,493
			Female	2,899,179

Population characteristics by activity status		Sex	Nepal
		Both sexes	4,651,672
Not economically active		Male	3,297,328
		Female	4,913,684
		Both sexes	8,211,012
Economic activity not stated		Male	25,785
		Female	32,294
		Both sexes	58,079

*Note: Similar overview for all provinces has been presented in Annex (Annex Table 3.1)*

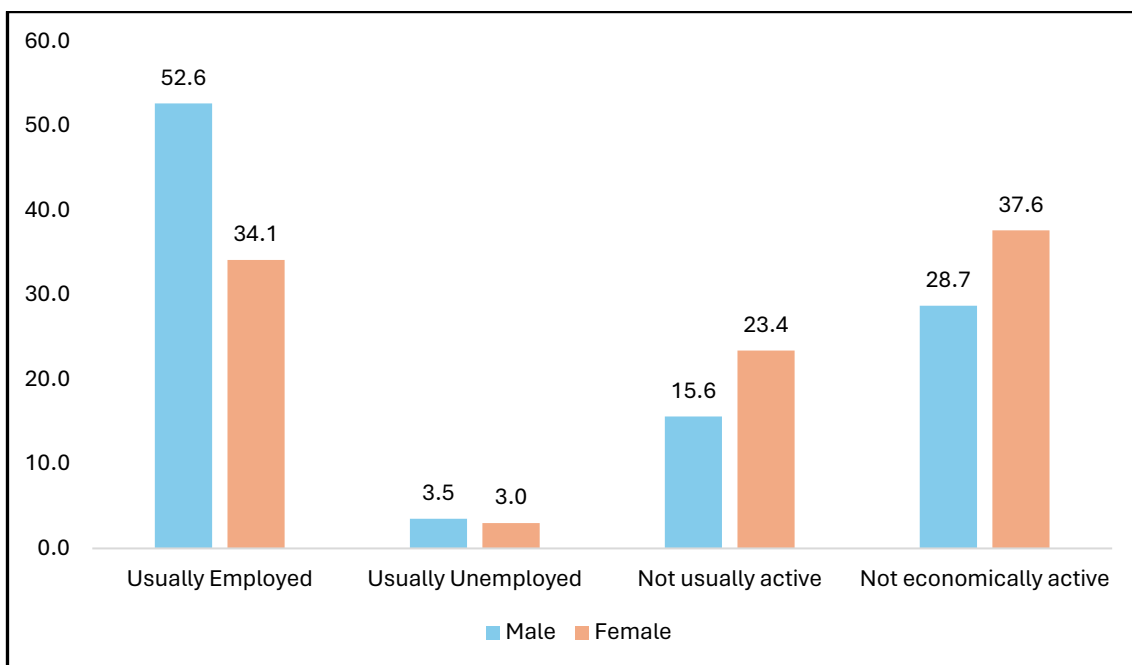
**Figure 3.1: Percentage distribution of population aged 10+ years by status of economic activity, NPHC 2021**



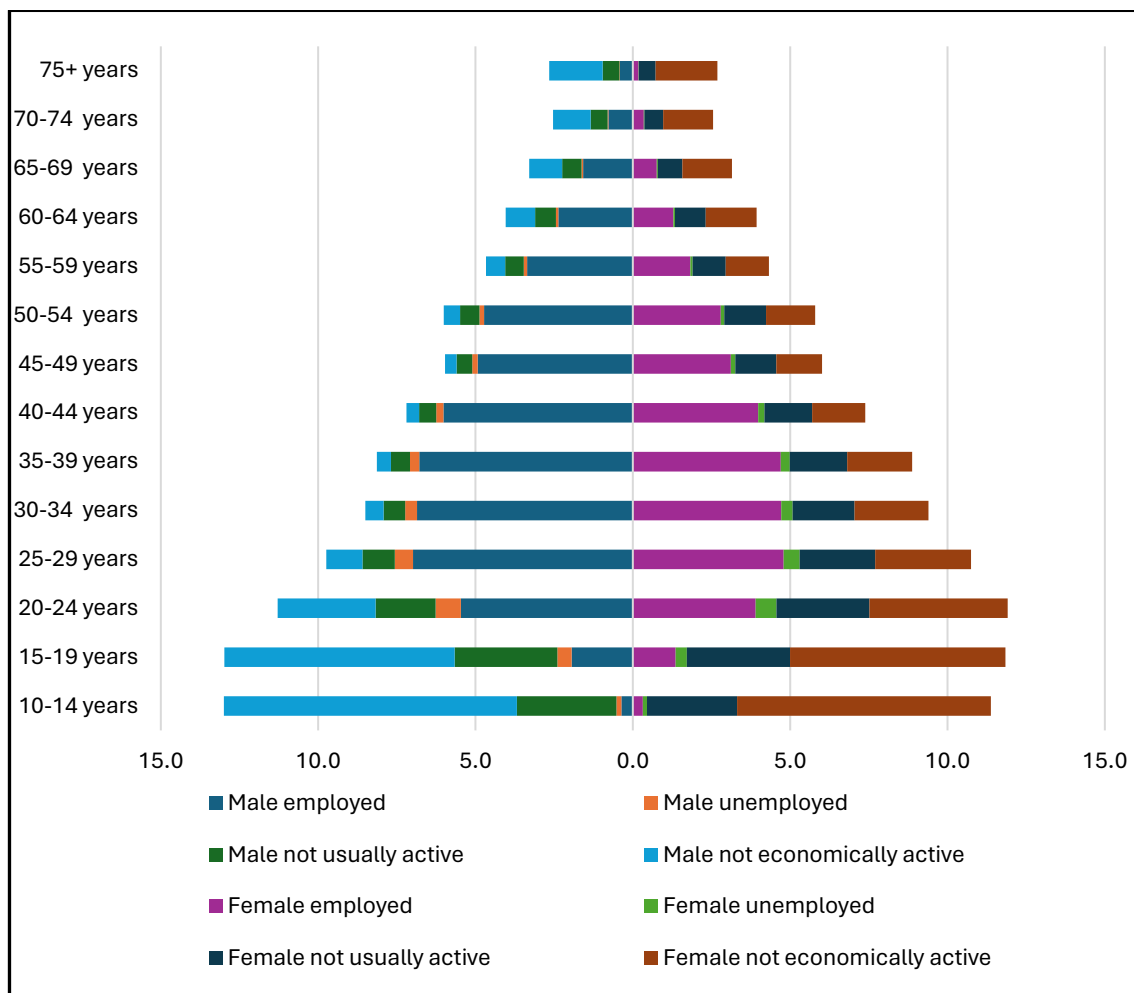
*Note: Those who didn't state their economic activity were omitted from calculations*

Figure 3.2 depicts the percentage distribution of economic activity status by sex. It allows for a comparison on the status of male and female respondents in terms of their economic activity. Though the proportion rate of those who are unemployed is comparable (3.5% for male and 3.0% for female respondents), a vast difference is seen in other statuses of economic activity. There are 52.6 percent of males employed yet the employment figure for females is only at a rate of 34.1 percent; similarly, 15.2 percent of males are not usually active, but 23.4 percent of females are not usually active. The share of economically inactive females is somewhat higher for females (37.6%) as compared to males (28.7%).

**Figure 3.2: Percentage distribution of population aged 10+ years by activity status and sex, NPHC 2021**



The status of economic activity not only differs by sex but also differs by age. The age specific status of economic activity is presented in the pyramid (Figure 3.3). This shows the age specific situation of economic activity status of the 10+ years population by sex. A larger share of the not economically active population is observed at younger ages, which continues to decline more rapidly for males as compared to females across the age groups. Similarly, the share of the not usually active population is larger for females than males in all ages and declines for both the sexes over the age groups. The share of the employed population is larger for males than females in all age groups, increases rapidly until age 20 and then gradually declining from age 40 for both sexes.

**Figure 3.3: Population pyramid of age 10+ years by activity status and sex, NPHC 2021**

The status of economic activity is further examined at provincial level, with the result presented in Table 3.3. The share of the employed population varies across provinces. The highest proportion of the employed population is in Koshi (49.0%) and the lowest is seen in Madhesh (34.7 %). For males, similarly, the highest proportion is again seen in Koshi (58.4%) and the lowest is seen in Sudurpashchim (47.6%). Among females, Karnali (42.4%) and Madhesh (20.3%) provinces witness the highest and the lowest shares of employed population. The gender gap in the share of employed population seems to be the narrowest in Karnali (8 percentage points) and the widest in Madhesh (29.2 percentage points). However, greater proportions of males are employed in all provinces as compared to females.

The proportion of the unemployed population, although small (3.2%), demonstrates some variation across provinces. For both sexes combined, Karnali (3.8%) shows the highest

proportion of unemployed population and Koshi (2.7%) shows the lowest rate. A similar trend is seen when analyzing the situation for males alone, where Karnali shows a percentage rate of 4.2 percent and Koshi shows a rate of 2.9 percent. Among females, both Karnali and Sudurpashchim provinces show the highest rate (3.4%) and Koshi Province shows the lowest (2.7%). The proportion of the not usually active population is greatest in Sudurpashchim (24.1%) and least in Bagmati (16%) provinces. The share of the not economically active population is highest in Madhesh (42.7%) and the lowest in Karnali (27.9%) provinces.

**Table 3.3: Percentage distribution of population aged 10 years and above by economic activity status, Province, NPHC 2021**

Sex	Economically active			Not economically active	Economic activity not stated	Total population 10 years and above
	Usually active		Not usually active			
	Employed	Unemployed				
Nepal						
Male	52.5	3.5	15.2	28.6	0.2	11,519,621
Female	34.0	2.9	23.3	39.5	0.3	12,439,247
Both sexes	42.9	3.2	19.4	34.3	0.2	23,958,868
Koshi						
Male	58.4	2.9	15.1	23.5	0.1	1,987,135
Female	40.3	2.5	23.2	33.9	0.1	2,139,959
Both sexes	49.0	2.7	19.3	28.9	0.1	4,127,094
Madhesh						
Male	49.5	3.4	14.4	32.7	0.1	2,355,108
Female	20.3	2.9	24.4	52.4	0.1	2,414,905
Both sexes	34.7	3.1	19.4	42.7	0.1	4,770,013
Bagmati						
Male	55.2	3.1	12.3	29.3	0.1	2,595,088
Female	36.7	2.7	19.6	41.0	0.1	2,665,603
Both sexes	45.8	2.9	16.0	35.2	0.1	5,260,691
Gandaki						
Male	49.8	4.0	15.1	30.0	1.1	973,399
Female	38.2	3.1	21.7	35.8	1.3	1,122,075
Both sexes	43.6	3.5	18.6	33.1	1.2	2,095,474
Lumbini						
Male	50.7	4.0	16.4	28.6	0.3	1,963,780
Female	32.6	3.3	25.1	38.7	0.3	2,220,519
Both sexes	41.1	3.6	21.0	34.0	0.3	4,184,299

Sex	Economically active			Not economically active	Economic activity not stated	Total population 10 years and above
	Usually active		Not usually active			
	Employed	Unemployed				
Karnali						
Male	50.4	4.2	18.7	26.3	0.4	641,858
Female	42.4	3.4	24.4	29.4	0.5	696,035
Both sexes	46.2	3.8	21.7	27.9	0.5	1,337,893
Sudurpashchim						
Male	47.8	4.1	20.4	27.6	0.1	1,003,253
Female	38.1	3.4	27.2	31.2	0.2	1,180,151
Both sexes	42.6	3.7	24.1	29.5	0.1	2,183,404

### 3.1.2 Crude and refined economic activity rates

The Economic Activity Rate (EAR) is one of the most important indicators of the labour force that assesses the engagement of population in some form of production activity. In the analysis of activity rates, there are two types of activity rates discussed in the literature, namely the Crude Activity Rate (CAR) and the Refined Activity Rate. The CAR is the proportion (as percentage) of labour force (economically active population) in the total population, and the refined activity rate is the proportion of the labour force (economically active population) in the total population of the minimum working age population i.e., in the case of Nepal, 10 years and above. The RAR is also called labour force participation rate (LFPR) and discussed in detail in the next section. Only a comparative picture of CAR and RAR over the time is presented and discussed in this section.

The trend of sex disaggregated economic activity rates (CAR and RAR) are shown in Table 3.4. Overall, the activity rate based on the age group 10 years and above is 65.5 percent, with the rate for males (71.2%) seen as much higher than that for females (60.2%). Throughout the study period of the past 60 years, no clear trend is observed for both the CAR and RAR over time. The CAR has seen some fluctuation over the census period. In the last census (NPHC 2021), the CAR was seen to increase to 53.8 percent from 41.9 percent across the period 2011-2021. The female activity rate has also increased from 37.0 percent to 50.3 percent over the census period 2011-2021. The sex difference witnessed in the activity rates – a difference which favours males – is a persistent characteristic over the period, however, it appears to be narrowing in recent times. The change in the age structure of the population may also have affected the CAR and RAR.



**Table 3.4: Crude and refined activity rates by sex, 1952/54 – 2021**

Census year	Crude activity rate (CAR) (%)			Refined activity rate (RAR) (%)		
	Both sexes	Male	Female	Both sexes	Male	Female
1952/54	50.4	60.7	40.5	57.5	59.2	55.1
1961*	45.8	55.3	36.5	76.1	94.1	59.4
1971	42.0	59.0	24.7	59.3	82.9	35.1
1981	45.6	58.5	32.4	65.1	83.7	46.2
1991	39.7	47.5	32.0	56.6	68.2	45.2
2001	46.8	52.6	41.0	63.4	71.7	55.3
2011	41.9	47.2	37.0	54.2	62.5	46.8
2021	53.8	57.5	50.3	65.5	71.2	60.2

*Note: \*Refers to age 15+ years as the Census 1961 defined lower limit of age 15 to be qualified to be economically active.*

*Source: Information for 1952/54 through 2001 comes from CBS (1987), Shrestha & Pant (1995) and Niroula (2003). For census 2011 Suwal & Dahal (2014) and for census 2021 they are calculated by authors from NPHC 2021 data.*

### 3.1.3 Labour force participation rate

After examining the status of the population's economic activity, this section describes the Labour Force Participation Rate (LFPR) at national level and at various subnational levels. As mentioned previously, LFPR is calculated as the percent of the economically active population out of the total population aged 10+ years, whereas economically active includes all usually active (both usually employed and usually unemployed) and the not usually active population. The small proportion of the population who do not state their economic activity were also included in the denominator while calculating LFPR, by which it is implicitly assumed that such persons are not economically active.

Overall, the LFPR for the 10+ years population in Nepal is 65.5 percent for both sexes – 71.2 percent for males and 60.2 percent for females, with a gender parity index of 84.6 (Table 3.5). A substantial difference in LFPR exists at the provincial level for males, females and for both sexes combined. At the provincial level, the highest level of LFPR is observed in Karnali Province (71.1%) and the lowest level in Madhesh Province (57.2%). The same scenario prevails for male and female LFPR figures. The male-female gap in the LFPR is most pronounced in Madhesh Province (gender parity index of 70.7) and least evident in Karnali Province (gender parity index of 95.6).

Among the three ecological zones, the LFPR for both sexes is seen to be highest in Mountain zone (74.1%), also with the smallest gender gap (gender parity index 95.6), and it is seen to be lowest in Tarai zone (62.4%), which also shows the largest gender gap (gender parity index 79.3).

Based on the new categorization of place of residence according to the degree of urbanization, the LFPR is highest in rural places of residence (74.0%), followed by peri-urban residence (63.6%), followed by urban residence (58.0%). LFPR for males is larger than that for females in all three types of residence, with the highest gender gap prevailing in urban residence.

The reason for higher LFPR scores in rural areas may be due to greater involvement of males and females in their own account work and supporting of family businesses, mainly in subsistence agriculture. It is evident that most people are engaged in agricultural work in Mountain zone and in rural areas and these individuals are more likely to report their activities involved in subsistence agriculture. Despite high LFPR scores in these areas, this type of employment often generates less income because of low productivity. This is to say that the employment generated through these sorts of activities is not less effective, rather it is vulnerable in nature.

**Table 3.5: LFPR by sex for Nepal, Province, Ecological zones and degree of urbanization, NPHC 2021**

Nepal and Province	Population aged 10+ years			LFPR (%)			GPI <sup>#</sup>
	Both sexes	Male	Female	Both sexes	Male	Female	
<b>Nepal</b>	23,958,868	11,519,621	12,439,247	65.5	71.2	60.2	84.6
<b>Province</b>							
Koshi	4,127,094	1,987,135	2,139,959	71.0	76.4	66.0	86.4
Madhesh	4,770,013	2,355,108	2,414,905	57.2	67.2	47.5	70.7
Bagmati	5,260,691	2,595,088	2,665,603	64.7	70.6	59.0	83.6
Gandaki	2,095,474	973,399	1,122,075	65.7	68.9	62.9	91.3
Lumbini	4,184,299	1,963,780	2,220,519	65.8	71.1	61.1	85.9
Karnali	1,337,893	641,858	696,035	71.7	73.3	70.1	95.6
Sudurpashchim	2,183,404	1,003,253	1,180,151	70.3	72.2	68.7	95.2
<b>Ecological zone</b>							
Mountain	1,440,543	703,149	737,394	74.1	75.8	72.5	95.6
Hill	9,875,921	4,729,532	5,146,389	68.2	72.1	64.7	89.7
Tarai	12,642,404	6,086,940	6,555,464	62.4	69.9	55.4	79.3
<b>Degree of urbanization</b>							
Urban	6,736,072	3,320,789	3,415,283	58.0	66.5	49.7	74.7
Peri-urban	9,308,080	4,467,807	4,840,273	63.6	70.6	57.2	81.0
Rural	7,914,716	3,731,025	4,183,691	74.0	75.9	72.4	95.4

<sup>#</sup> This is the ratio of female LFPR to male LFPR for each age group, also called age specific gender parity index (GPI)

LFPR by sex is further disaggregated into three broad age groups: 10-14 years, 15-64 years and 65+ years, with the results presented in Table 3.6. The LFPR is 28.7 percent for people aged 10-14 years, 73.2 percent for the age group of 15-64 years, and 45.9 percent for the age group of 65+ years. The gender gap is very small, with a higher LFPR for females than for males in the 10-14 years age group at both the national level as well as provincial level. The gender gap exists more substantially in the other two age groups, with a higher LFPR for males than for females at the national level as well as at the provincial level. More specifically, for the 15-64 age group, the gender gap is seen to be the lowest in Karnali Province (4.3 percentage points) and the highest in Madhesh Province (24 percentage points).

**Table 3.6: LFPR by broad age group (years) and sex for Nepal and Province, NPHC 2021**

Nepal and Provinces	Population size in age			LFPR (%) for broad age groups		
	10-14	15-64	65+	10-14	15-64	65+
<b>Nepal</b>						
Male	1,495,954	9,045,722	977,945	28.3	80.1	53.4
Female	1,413,911	9,981,567	1,043,769	29.1	66.9	38.7
Both sexes	2,909,865	19,027,289	2,021,714	28.7	73.2	45.9
<b>Province</b>						
<b>Koshi</b>						
Male	231,545	1,573,010	182,580	33.6	84.8	59.0
Female	223,513	1,726,155	190,291	34.3	72.6	43.7
Both sexes	455,058	3,299,165	372,871	34.0	78.4	51.2
<b>Madhesh</b>						
Male	352,252	1,802,918	199,938	24.5	76.9	54.9
Female	331,403	1,897,816	185,686	24.6	52.9	33.5
Both sexes	683,655	3,700,734	385,624	24.6	64.6	44.6
<b>Bagmati</b>						
Male	259,593	2,127,299	208,196	24.1	78.5	48.2
Female	237,946	2,194,102	233,555	24.8	65.1	36.5
Both sexes	497,539	4,321,401	441,751	24.5	71.7	42.0
<b>Gandaki</b>						
Male	112,774	755,131	105,494	23.8	78.0	51.6
Female	105,041	895,611	121,423	24.6	70.5	39.8
Both sexes	217,815	1,650,742	226,917	24.2	74.0	45.3
<b>Lumbini</b>						
Male	268,902	1,532,935	161,943	28.0	80.6	52.7
Female	254,176	1,796,886	169,457	28.7	67.8	38.4
Both sexes	523,078	3,329,821	331,400	28.3	73.7	45.4

Nepal and Provinces	Population size in age			LFPR (%) for broad age groups		
	10-14	15-64	65+	10-14	15-64	65+
<b>Karnali</b>						
Male	105,671	494,794	41,393	35.3	83.0	54.3
Female	102,701	548,232	45,102	36.3	78.7	43.0
Both sexes	208,372	1,043,026	86,495	35.8	80.7	48.4
<b>Sudurpashchim</b>						
Male	165,217	759,635	78,401	34.7	82.2	54.3
Female	159,131	922,765	98,255	36.1	77.2	41.5
Both sexes	324,348	1,682,400	176,656	35.4	79.5	47.2

The LFPR by broad age group for different ecological zones and places of residence are presented in Table 3.7. In the 10-14 years age group, the LFPR is highest in Mountain zone (35.5%), followed by Hill zone (31.1%) and then Tarai zone (26.2%). The gender gap exists with a nominal difference in all regions, with female LFPR seen at a slightly higher rate than the male LFPR. Among the 65+ population, the LFPR is highest in Mountain region (56.3%) and lowest in Tarai zone (43.7%). In the 15-64 years age group, the highest LFPR is observed in the Mountain region (83.2%) and the lowest in Tarai region (70.3%). In all the three regions, and in both the age groups (15-64 and 65+), the LFPR is larger for males as compared to females, with the widest gender gap seen in the Tarai zone.

Among those aged 10-14 years, individuals living in rural residence are seen to have an LFPR figure of 36.0 percent, and urban residence with a 21.6 percent LFPR, with values slightly higher for females than for males. It can be inferred that, in rural settings, involvement in economic activities starts at earlier ages due to the subsistence-focused agrarian nature of work where children are useful for providing family support, whereas such involvement of children is more limited in urban settings. In the 15–64 age group, the LFPR is 82.9 percent in rural area, 71.6 percent in peri-urban area, and 64.7 percent in urban area. The greater level of LFPR in rural areas as compared to that in urban areas indicates that rural populations are to some extent engaged in economic activities during the year – likely agrarian-based – whereas no strong base for employment opportunity is present in urban areas. The same pattern of LFPR by degree of urbanization is observed for the population aged 65+ years. In these two age groups, the LFPR for males is greater than that for females, with the smallest gender gap seen in rural residence settings.

**Table 3.7: LFPR by broad age group (years) and sex for ecological zones and degree of urbanization, NPHC 2021**

Ecological zones and degree of urbanization	Population size in age			LFPR for age		
	10-14	15-64	65+	10-14	15-64	65+
<b>Ecological zone</b>						
<b>Mountain</b>						
Male	100,663	539,453	63,033	35.1	85.0	62.0
Female	99,538	568,517	69,339	36.0	81.5	51.2
Both sexes	200,201	1,107,970	132,372	35.5	83.2	56.3
<b>Hill</b>						
Male	568,487	3,748,907	412,138	30.5	80.5	52.9
Female	537,511	4,139,700	469,178	31.7	71.6	41.3
Both sexes	1,105,998	7,888,607	881,316	31.1	75.8	46.7
<b>Tarai</b>						
Male	826,804	4,757,362	502,774	26.0	79.4	52.8
Female	776,862	5,273,350	505,252	26.3	61.7	34.7
Both sexes	1,603,666	10,030,712	1,008,026	26.2	70.3	43.7
<b>Degree of urbanization</b>						
<b>Urban</b>						
Male	371,397	2,727,306	222,086	21.5	74.8	40.7
Female	329,928	2,837,055	248,300	21.7	55.0	26.9
Both sexes	701,325	5,564,361	470,386	21.6	64.7	33.4
<b>Peri-urban</b>						
Male	610,225	3,472,536	385,046	26.4	80.2	54.2
Female	576,579	3,876,009	387,685	26.8	63.8	35.9
Both sexes	1,186,804	7,348,545	772,731	26.6	71.6	45.0
<b>Rural</b>						
Male	514,332	2,845,880	370,813	35.5	85.2	60.3
Female	507,404	3,268,503	407,784	36.4	80.9	48.7
Both sexes	1,021,736	6,114,383	778,597	36.0	82.9	54.2

LFPR is further disaggregated into a conventional five-year age group and the results are presented in Table 3.8. The LFPR figure increases by age, with the highest level attained in the 40–44-year age group (85.1% for both sexes, 94.3% for males and 76.9% for females respectively) and then gradually declines. The last column shows the age specific gender parity index of LFPR. With the exception of the 10-14 age group, all the ratios are less than one,

indicating a disparity in favour of males. However, the ratios are closer to one for younger age groups which indicates that the index value may be closer to parity in the future.

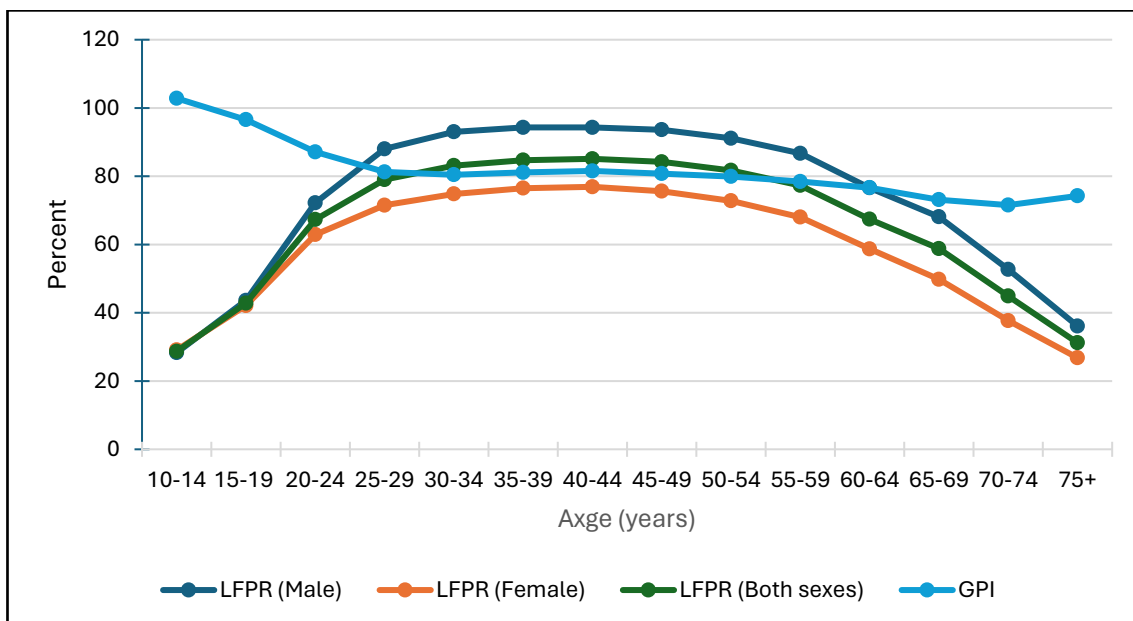
**Table 3.8: LFPR by five-year age group and sex, and the ratio of male LFPR to female LFPR, Nepal 2021**

Age group (years)	Population size			Age-specific LFPR			GPI <sup>#</sup>
	Male	Female	Both sexes	Male	Female	Both sexes	
10-14	1,495,954	1,413,911	2,909,865	28.3	29.1	28.7	102.8
15-19	1,494,523	1,471,881	2,966,404	43.6	42.1	42.8	96.6
20-24	1,301,018	1,482,042	2,783,060	72.2	62.9	67.3	87.1
25-29	1,122,242	1,337,107	2,459,349	88.0	71.5	79.0	81.3
30-34	978,976	1,168,736	2,147,712	93.0	74.8	83.1	80.4
35-39	936,931	1,104,561	2,041,492	94.3	76.5	84.7	81.1
40-44	828,493	919,339	1,747,832	94.3	76.9	85.1	81.5
45-49	687,525	748,515	1,436,040	93.6	75.6	84.2	80.8
50-54	692,494	721,358	1,413,852	91.1	72.8	81.7	79.9
55-59	537,558	538,386	1,075,944	86.7	68.0	77.3	78.4
60-64	465,962	489,642	955,604	76.6	58.7	67.4	76.6
65-69	379,689	391,929	771,618	68.1	49.8	58.8	73.1
70-74	292,054	317,316	609,370	52.7	37.7	44.9	71.5
75+	306,202	334,524	640,726	36.1	26.8	31.2	74.2
<b>All ages</b>	<b>11,519,621</b>	<b>12,439,247</b>	<b>23,958,868</b>	<b>71.2</b>	<b>60.2</b>	<b>65.5</b>	<b>84.6</b>

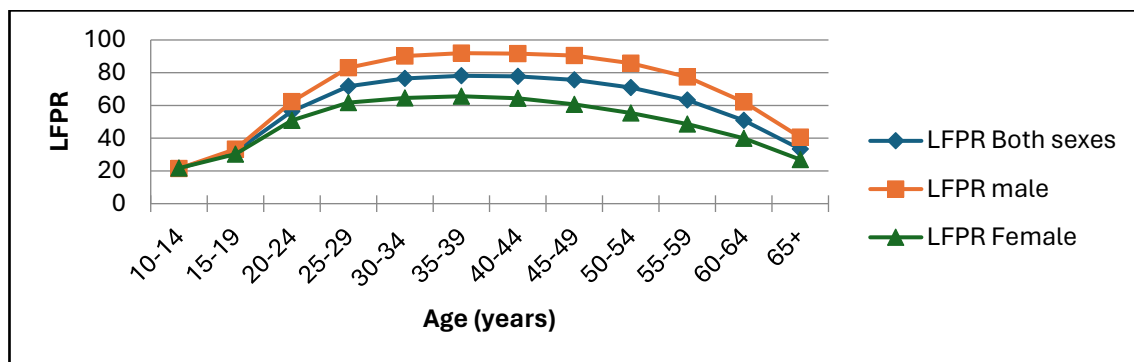
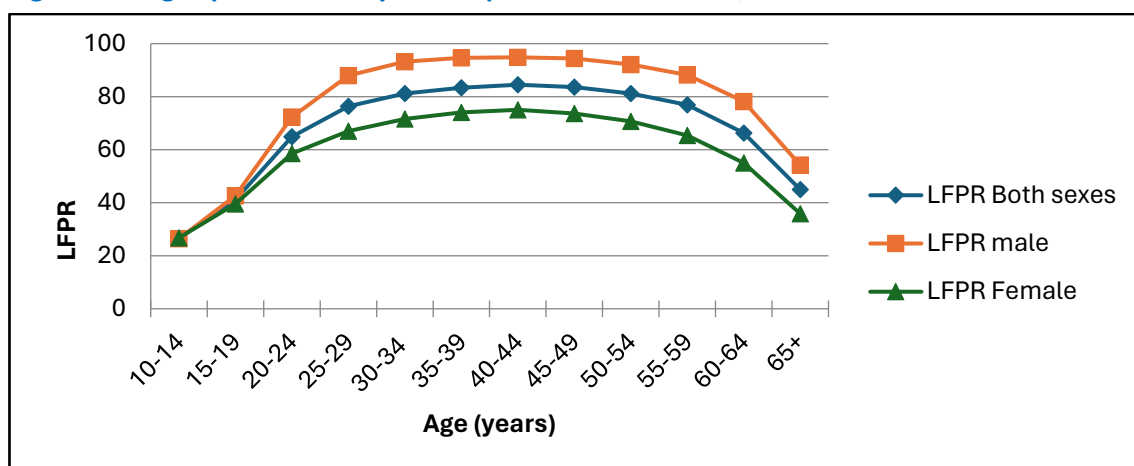
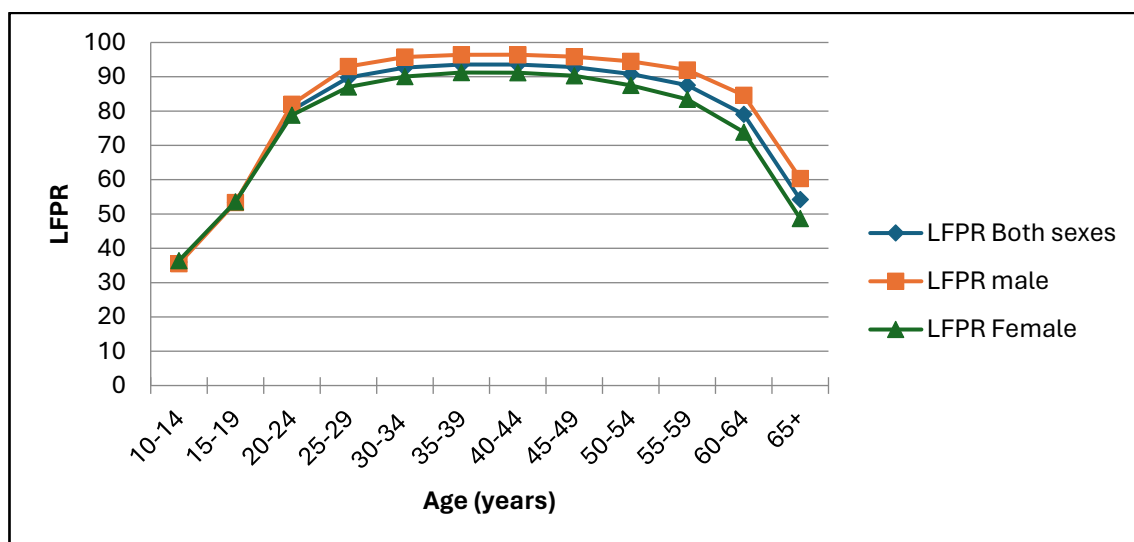
*# This is the ratio of female LFPR to male LFPR for each age group, also called age specific gender parity index (GPI).*

The size of the economically active population and age specific LFPR by sex for Nepal and provinces is available as an annex (Annex Table 3.2). For visual reference, the age-sex specific LFPR are plotted in a graph and presented in Figure 3.4. A widening of sex differentials in the LFPR which increases with age and narrows down in elderly ages is clearly visible.

**Figure 3.4: Age-specific LFPR by sex, NPHC 2021**



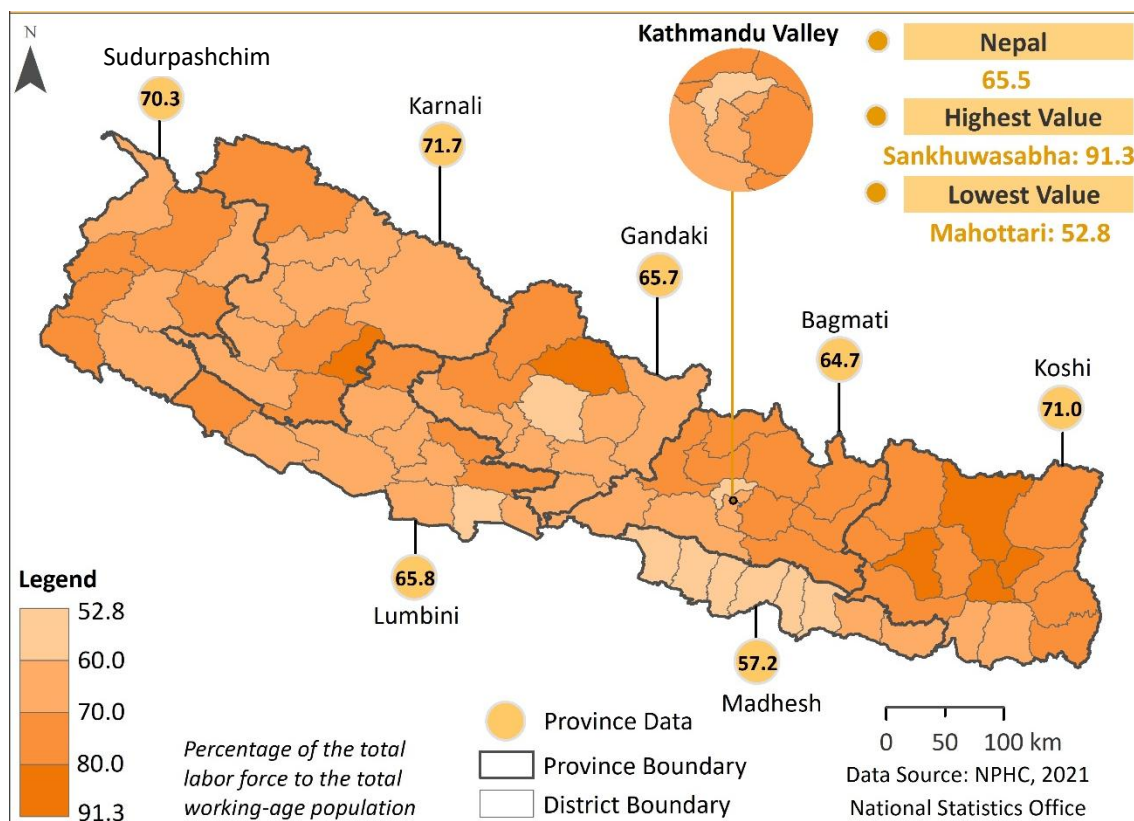
Since a rather substantial variation in the LFPR by was seen by degree of urbanization in broad age groups, as well as for male, female, and both sexes (discussed in relation to Table 3.6), the data has further been disaggregated into conventional five-year age-groups and presented in Figures 3.5, 3.6 and 3.7. These figures clearly show that the sex differentials in LFPR are more pronounced in urban areas, followed by peri-urban areas as compared to those in rural areas. In rural residences, the sex differences in LFPR are minimal for all age groups, whereas such differences are clearly depicted in the mid-life age groups in peri-urban and urban residences; the LFPR being higher for males as compared to females in all ages. Variation in gender differences in urban and rural types of residence can be attributed to the area of engagement of individuals within these groups. Rural settings are predominated by agrarian types of jobs where males and females can equally participate, however in urban settings, many jobs are available within formal sectors where individuals may need a specific skill or higher level of education, creating some disfavour for females.

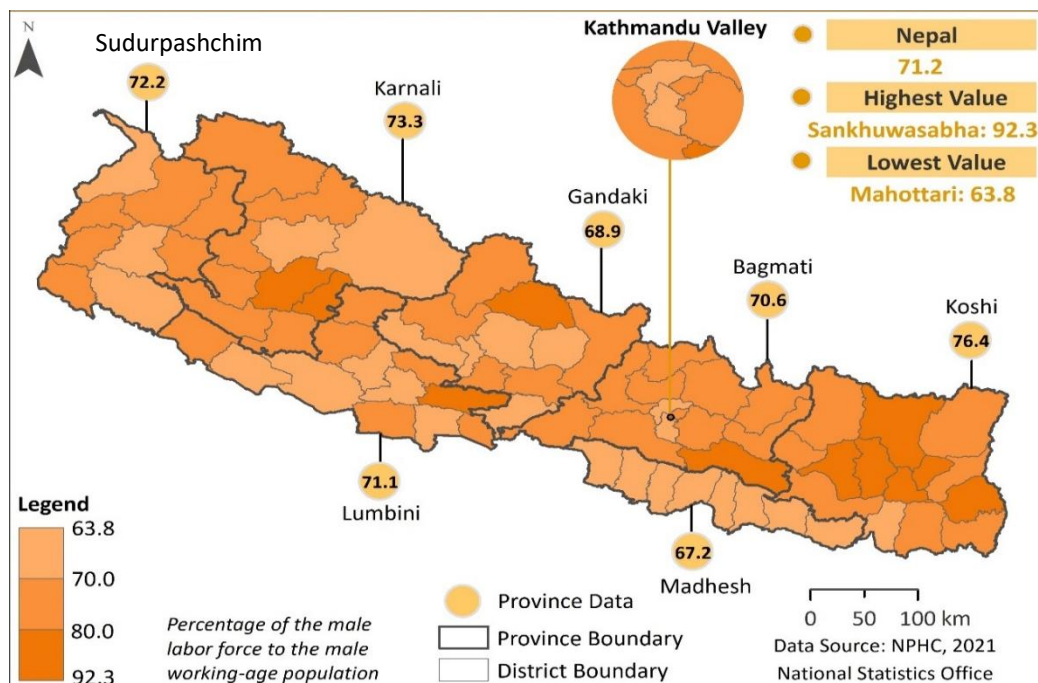
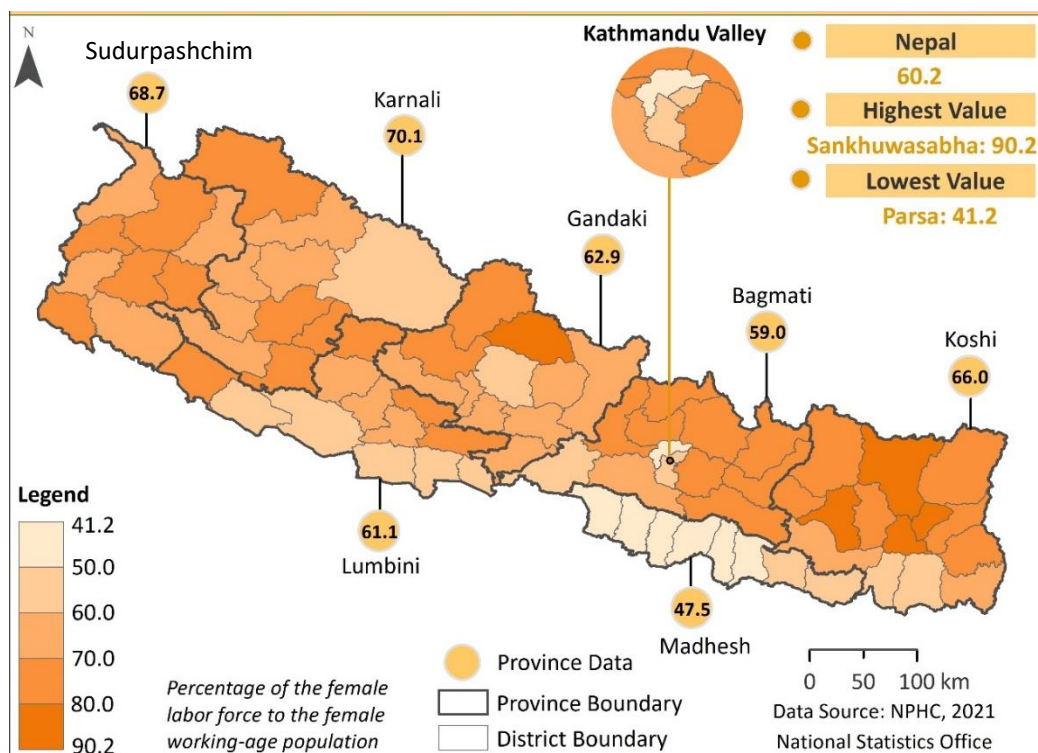
**Figure 3.5: Age-specific LFPR by sex for urban residence, NPHC 2021****Figure 3.6: Age-specific LFPR by sex for peri-urban residence, NPHC 2021****Figure 3.7: Age-specific LFPR by sex for rural residence, NPHC 2021**



District level LFPR by sex are presented in the maps (Figure 3.8a, Figure 3.8b and Figure 3.8c respectively). A substantial district level variation in LFPR for male, female and both sexes are observed. At the district level, the variation in LFPR is greater for females as compared to that for males.

**Figure 3.8a: Labour force participation rate by province and district, NPHC 2021**

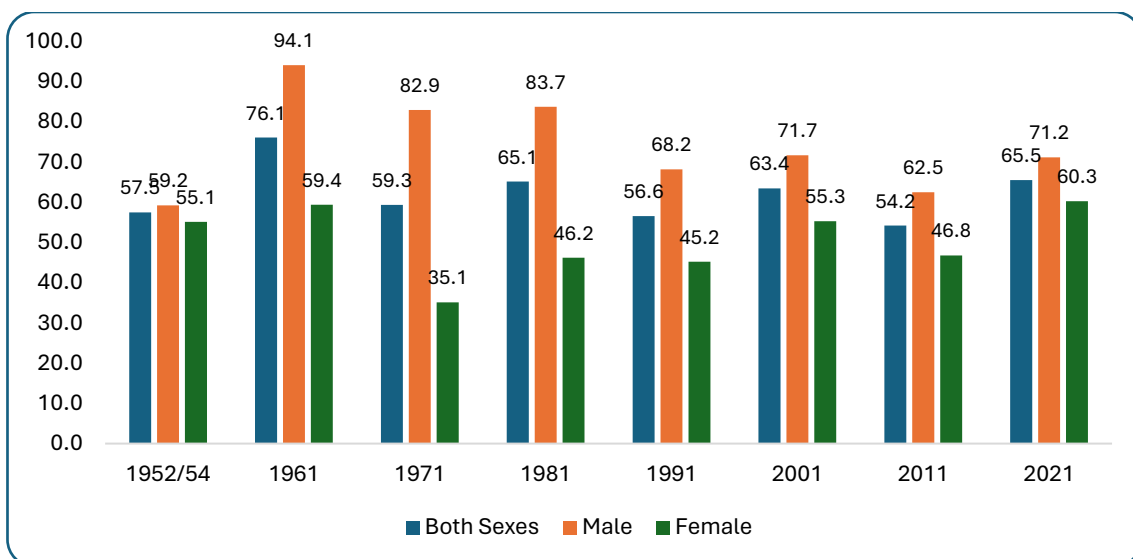


**Figure 3.8b: Labour force participation rate for male by province and district, NPHC 2021****Figure 3.8c: Labour force participation rate for female by province and district, NPHC 2021**

### 3.1.4 Trend in LFPR

There is no clear trend in LFPR in Nepal over the total study period (Figure 3.9). The minimum age criteria and the definition of economic activity used across various censuses have influenced the rates, and hence they are not directly comparable. These values are also influenced by the age-sex structure of the population. The LFPR in 2021 remains at the same level as 1981. Since 1981, the LFPR showed a decline, followed by an increase in respective censuses; this rate reached at 54.2 percent in 2011 and increased to 65.5 percent in 2021. The pattern of sex differentials remained the same throughout the period; that being at a higher rate for males as compared to females, with a narrowing gap seen between the two.

**Figure 3.9: Trend in LFPR by sex, Nepal 1952/54-2021**



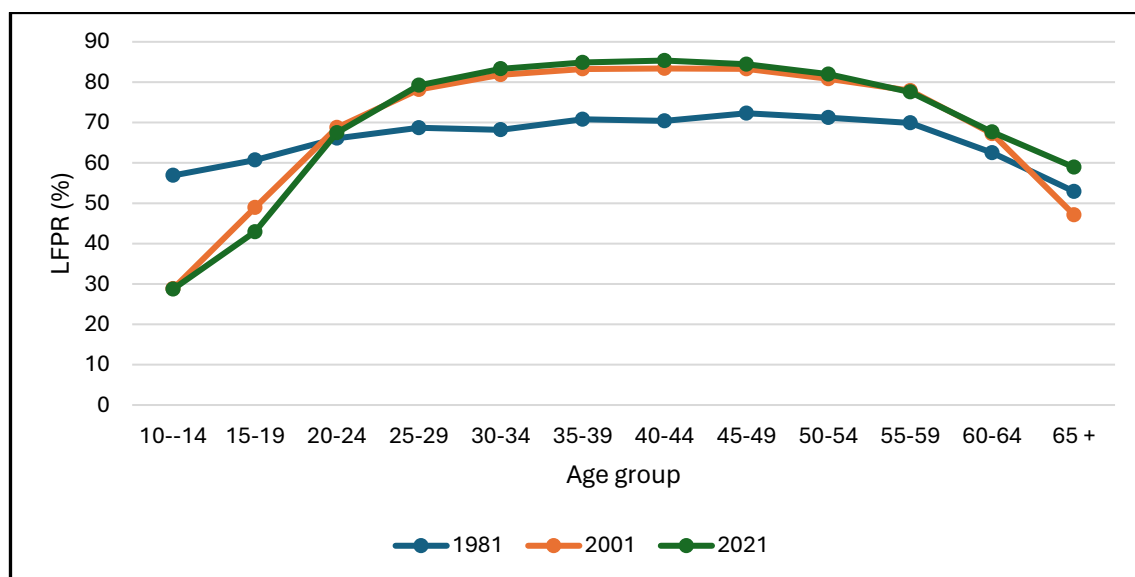
Source: Figures from 1952/54 to 2011 are taken from Suwal & Dahal (2014) and those for 2021 are computed from NPHC 2021 data

Figures 3.10a, 3.10b and 3.10c show the changes in age pattern of LFPR over the time for males, females, and both combined. These figures are based only on the census data from 1981, 2001 and 2021, which hold a range of 20 years apart. The long 20 years period is chosen to examine salient changes in the age pattern of LFPR in the long run. The result for all census data from 1971 to 2021 is presented in the Annex (See Annex Table 3.3).

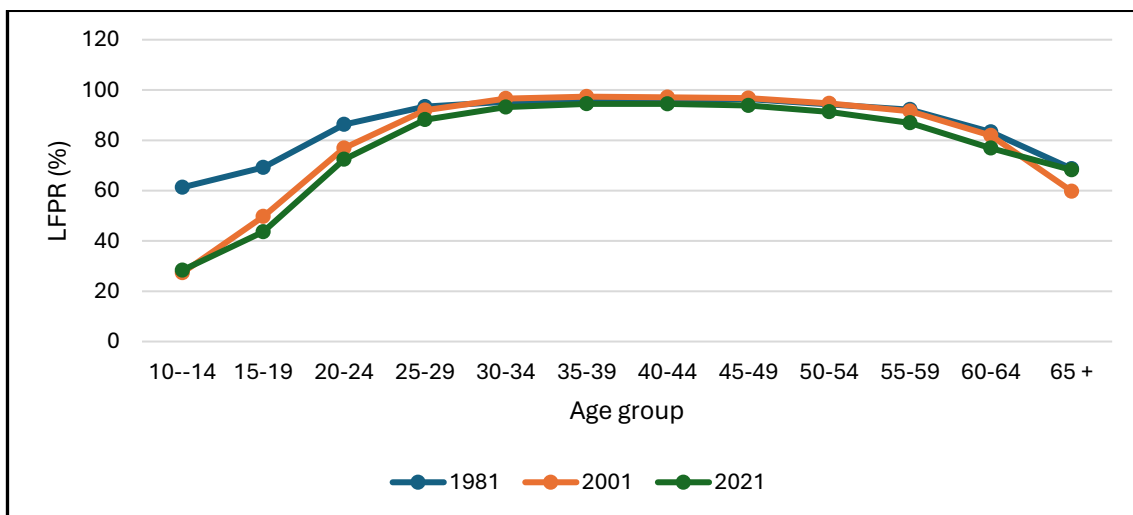
Overall, for both sexes combined, some changes are observed in the LFPR over time, though the nature of the curve of the age-specific LFPR data is a flat inverted U shape. Substantial changes are observed in the period 1981-2001, yet almost no change is observed in the period between 2001-2021. There has been a substantial decline in the LFPR in early ages, however the LFPR has increased throughout all ages once crossing the age range of 20-24 years. When disaggregated

by sex, the pattern appears to be somewhat different. For males, the LFPR has almost remained and follows a similar pattern after age 25-29 years, with changes only seeming to occur in ages 25 years and below. In these age groups, the LFPR for males shows a clear decline over time. For females, the change in age pattern of LFPR seems more prominent. In young ages (below 20 years of age), there is substantial decline in the LFPR values, yet the situation reverses at age 20 years and beyond. When compared to female LFPR values of 1981, a substantial increase in LFPR is observed in the years 2001 and 2021. In the census year 2001, some fluctuations in LFPR are observed at the later age ranges. Comparing these three figures, it can be inferred that an overall slight increase in the LFPR has occurred mainly due to incremental change in female participation rates, although there is a decline in participation rates for individuals at the younger ages.

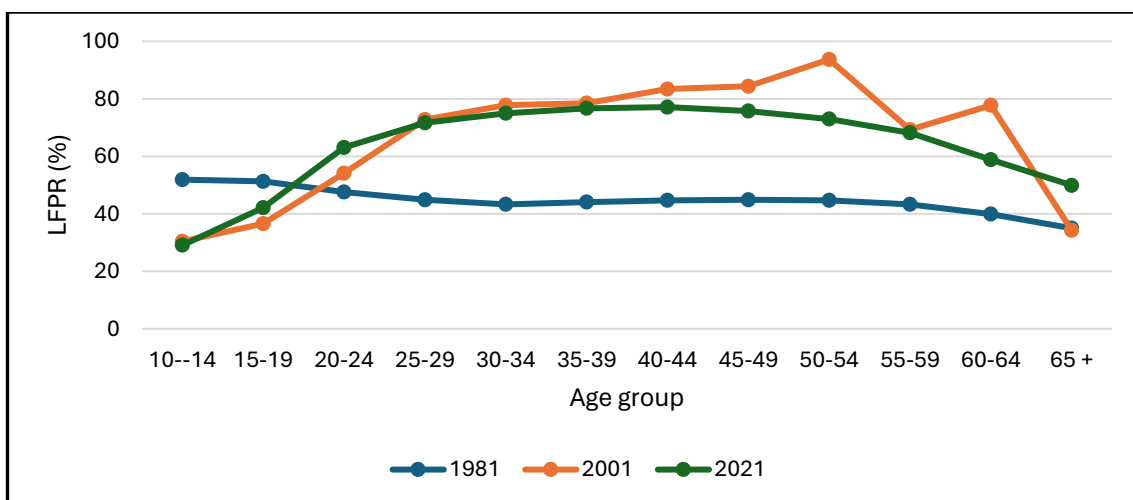
**Figure 3.10a: Age-specific LFPR for both sexes, Nepal 1981, 2001 and 2021**



**Figure 3.10b: Age-specific LFPR for males, Nepal 1981, 2001 and 2021**



**Figure 3.10c: Age-specific LFPR for females, Nepal 1981, 2001 and 2021**



Since the data allows for the possibility to make comparison among the three ecological zones from different census, the LFPRs for the three ecological zones from the 1971 to 2021 censuses are presented in Table 3.9. The results show consistently higher LFPR values in Mountain zone and lower values in the Tarai zone in all censuses. Moreover, the gender differences in the LFPR are less prominent in the Mountain zone, whereas the differences are greater in Hill zone and even higher in the Tarai zone.

**Table 3.9: Trend in LFPR by sex for ecological zones, 1971-2021**

Census year	Mountain			Hill			Tarai		
	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
1971	70.0	85.5	54.1	62.9	82.0	44.1	51.3	83.3	16.1
1981	75.7	85.9	64.9	68.8	82.0	55.4	58.8	83.8	31.3
1991	74.5	74.9	74.1	62.8	67.5	58.4	48.6	68.9	27.5
2001	76.5	76.9	76.1	62.4	66.5	58.6	53.5	66.8	39.8
2011	67.5	68.0	67.0	57.2	61.6	53.5	49.9	62.5	38.0
2021	74.1	75.8	72.5	68.2	72.1	64.7	62.4	69.9	55.4

Source: Figures for 1971 to 2011 are taken from Suwal & Dahal (2014), those for 2021 are computed from NPHC 2021 data

Following an overview of the LFPR, the data has been examined with focus on the differentials by provinces, ecological zones and degree of urbanization, as well as the trend of age-patterns. It is important to further disaggregate the data by education level and household wealth status, largely because these are also important factors which may potentially influence the LFPR.

The differentials in LFPR by educational status are presented in Figure 3.11. Overall, some differentials in LFPR are observed by educational status of those with the highest LFPR for highly educated males (81.2%). The LFPR is highest among highly educated people (75.7% for people with a bachelor's degree or other higher education) and the lowest for those who are literate only. Interestingly, the LFPR for illiterate people is at a rate of 67.1 percent. The gender gap in LFPR is pronounced in all educational categories, where, the rates are higher for males as compared to females, with the exception that the rate for females is higher than for males for those who are literate only or are considered to hold ECD level classification.

**Figure 3.11: LFPR by educational attainment and sex, NPHC 2021**

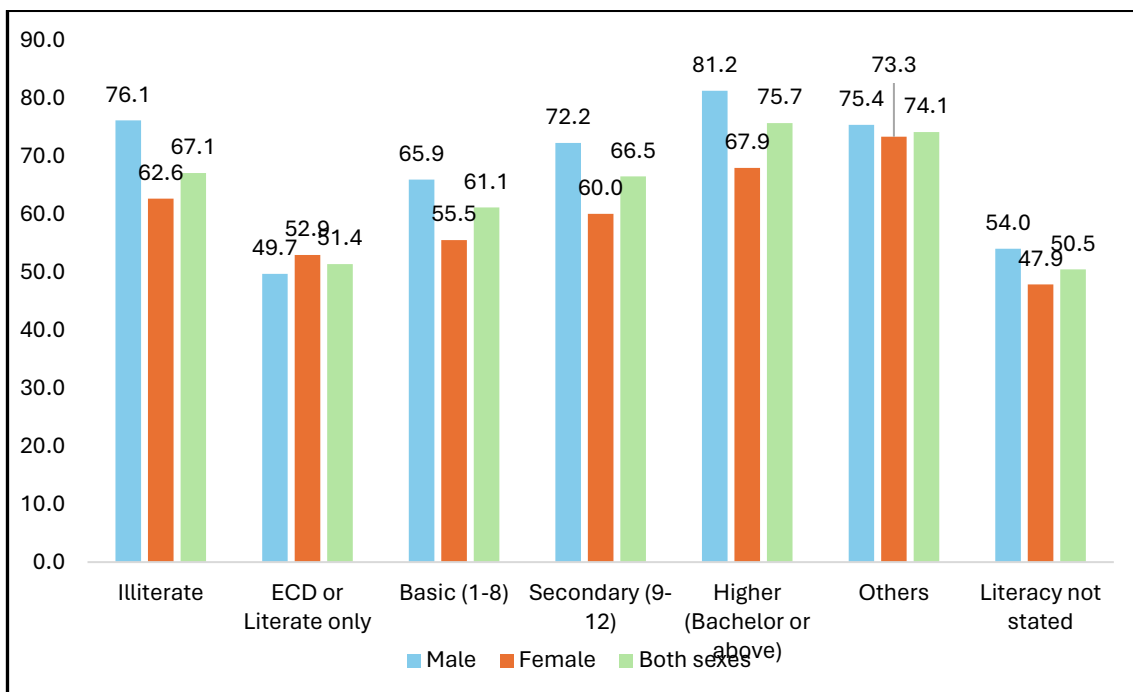
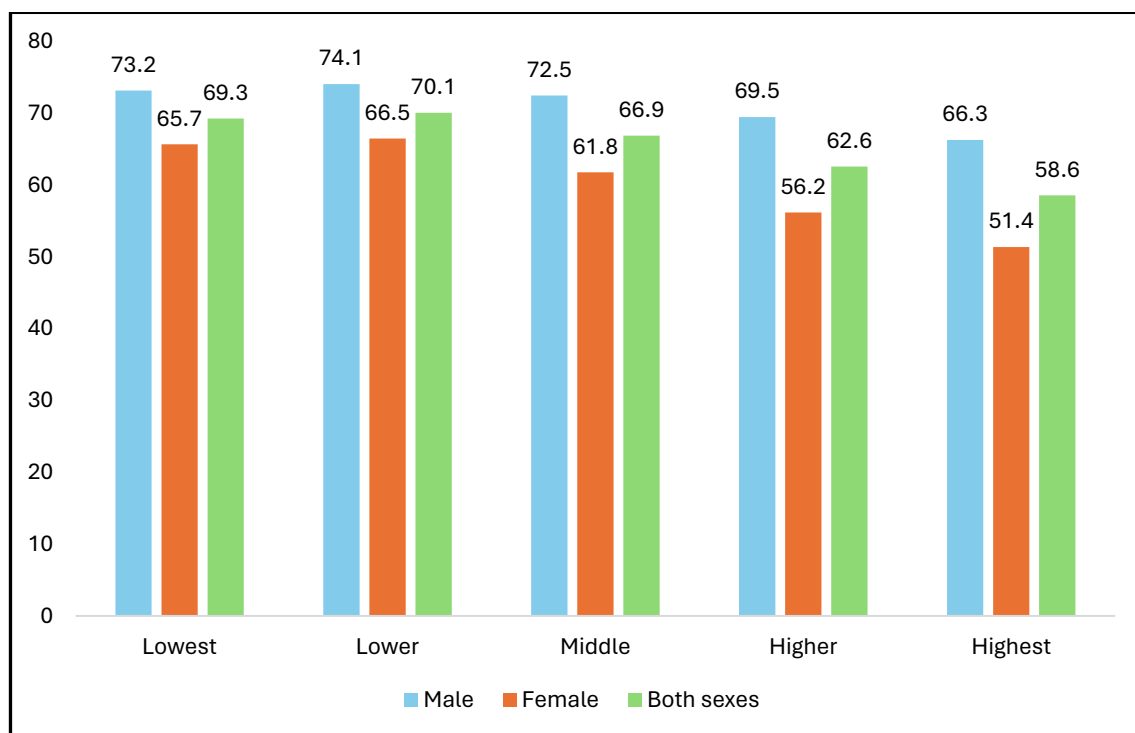


Figure 3.12 presents the LFPR of the population aged 10 years and above, disaggregated by household wealth index. The highest LFPR is observed among individuals in the lower wealth index (70.1%), with a gender gap of nearly eight percentage points in favour of males. The level of LFPR among individuals from households in the lowest wealth quintile is nearly the same as that observed among those from lower quintile. An increase in the wealth index category beyond the lower category means a decline in the LFPR, both for males and females. The lowest level of LFPR is observed among people from the highest wealth quintile category. Interestingly, the gender gap in LFPR also increases as it moves towards higher wealth quintile categories and the gap is highest among people from the highest wealth quintile category (15 percentage points in favour of males). It is evident that the overall sex differential in the LFPR appears to be more intense among relatively wealthy people as compared to relatively less wealthy counterparts. A relatively higher level of LFPR among lower people, including women, may be due to their participation for subsistence.

**Figure 3.12: LFPR by wealth index, Nepal 2021**

### 3.1.5 International comparisons of LFPR

Table 3.10 depicts a comparative picture of LFPR in which LFPR of Nepal can be compared with countries in South Asia and other selected countries within Southeast Asia. The figures are based on the population aged 15-64 years and are retrieved from the ILOSTAT Data Explorer. For Nepal, the figures are computed for the same age group from NPHC 2021 data and the values from the Nepal Labour Force Survey (NLFS) 2017/18 are also mentioned, as well as those from the ILOSTAT Data Explorer for the share of the international comparison. These ILO modelled estimates correspond to the year 2022.

The LFPR value based on census data is exaggerated due to the choice of a long reference period. Comparing this figure with that from NLFS is not possible due to differences in the reference periods. Therefore, international comparison of LFPR for Nepal is more meaningful when it is based on ILO modelled estimates. Among the South Asian countries, based on ILO modelled estimates, Nepal stands at second lowest position in LFPR, the lowest being in Afghanistan. When focusing on data for males, Nepal is ranked in the lowest position in South Asia in terms of LFPR. For females, Nepal occupies the third last position after Afghanistan and Pakistan. This indicates that the LFPR in Nepal is at a lower level when compared to other countries of this region, and that the gender gap in LFPR is almost equivalent to the other countries.



**Table 3.10: LFPR comparisons with selected countries, 2022**

Age group 15-64 years	Male	Female	Both sexes
Afghanistan	71.3	5.3	38.5
Bangladesh	82.9	39.5	60.9
Bhutan	76.2	67.8	72.3
India	75.4	29.9	55.4
Malaysia	81.8	56.3	69.4
Maldives	81.6	44.0	66.4
Myanmar	73.6	45.0	59.3
Nepal <sup>#</sup>	80.3	67.1	73.2
Nepal <sup>§</sup>	53.8	26.3	38.5
Nepal <sup>@</sup>	56.6	27.5	42.2
Pakistan	83.9	25.9	55.0
Sri Lanka	77.2	36.2	56.4

Source: For Nepal, <sup>#</sup>computed from NPHC 2021, <sup>§</sup>Nepal Labour Force Survey 2017/18, <sup>@</sup>ILO modelled estimates; and, data and for other countries are taken from [ILOSTAT Data Explorer](#) and are ILO modelled estimates

## 3.2 Unemployment

### 3.2.1 Situation of unemployment

The SDG indicator 8.5.2 concerns unemployment rate by age, sex, and status of disability. As a commitment towards achieving the SDGs, Nepal has targeted to achieve an unemployment rate of 10 percent for its population aged 15-59 (NPC, 2017). Therefore, analyzing the rates of unemployment is important when tracking progress towards achieving the SDGs. However, analyzing the unemployed and underemployed population in the Nepalese context is not easy, mainly due to two reasons. The first is due to lack of strong data on unemployment. The second is due to definitional and conceptual problems associated with the measurement of these indicators (CBS, 1997). For example, in the 1981 census, an individual was classified as unemployed if they had not worked for eight out of 12 months in the reference period of one year and was seeking employment at the time of enumeration (CBS, 1997). However, in the 2021 census, an individual is considered employed if they are working for at least six months within the reference period. In the 2021 census, all individuals working for less than six months (in the reference period of 12 months) were asked whether they were looking for work, and those seeking employment were classified as unemployed. Therefore, those who worked for less than six months in the reference period and were not seeking additional employment were termed as 'not usually active' and therefore neither employed nor unemployed. Such individuals can be considered underemployed. In this report, the unemployment rate is calculated as the proportion of unemployed people to the economically active population. The rates are seen to

appear to be smaller due to this inclusion of underemployed people in the denominator. It should be noted that the rates based on this census data are not comparable with those obtained from NLFS data.

The situation of unemployment for males, females, and for both sexes combined are presented for Nepal, provinces, ecological zones and places of degree of urbanization (Table 3.11). The unemployment rate in Nepal is 4.9 percent, with no difference seen between males and females. At the provincial level, the rate is highest in Madhesh Province and Lumbini Province (5.5%) and the lowest in Koshi Province (3.8%). When disaggregated by sex, the rates among males and females are highest in Madhesh Province (5.0% for males and 6.1% for females) and the lowest in Koshi (3.8% for both male and female respondents). Across ecological zones, the unemployment rate is seen to be the lowest in the Mountain zone (4.2%) and slightly increased in Hill (4.6%), with a further increase seen in Tarai zone (5.2%). The rate is highest among Tarai females (5.5%). Similarly, for different degrees of urbanization, the unemployment rate is the highest in urban residences (5.6%), followed by peri-urban residences (5.2%) and the lowest in rural residences (4.1%). The same pattern follows for males and females. The differentials in unemployment rates are more pronounced among females, where the highest rate exists among urban women (6.5%) and the lowest rate is seen among rural females (3.6%). Among males, differentials in unemployment rates by degree of urbanization are minimal. The gender gap in unemployment rates is also observed, where females are more disadvantaged in Madhesh Province, Tarai zone, and urban areas (with a GPI score of 122.9, 110.0 and 130.0 respectively).

**Table 3.11: Unemployment rate by sex, Nepal, province, ecological zones and degree of urbanization, NPHC 2021**

Territory	Unemployed population			Unemployment rate (%)			GPI <sup>#</sup>
	Male	Female	Both sexes	Male	Female	Both sexes	
<b>Nepal</b>	400,928	366,730	767,658	4.9	4.9	4.9	100.0
<b>Province</b>							
Koshi	57,649	53,238	110,887	3.8	3.8	3.8	100.0
Madhesh	79,369	70,042	149,411	5.0	6.1	5.5	122.9
Bagmati	79,778	71,987	151,765	4.4	4.6	4.5	104.5
Gandaki	38,676	34,651	73,327	5.8	4.9	5.3	84.5
Lumbini	78,076	73,502	151,578	5.6	5.4	5.5	96.4
Karnali	26,685	23,543	50,228	5.7	4.8	5.2	84.2
Sudurpashchim	40,695	39,767	80,462	5.6	4.9	5.2	87.5
<b>Ecological zone</b>							
Mountain	25,157	19,906	45,063	4.7	3.7	4.2	87.7

Territory	Unemployed population			Unemployment rate (%)			GPI <sup>#</sup>
	Male	Female	Both sexes	Male	Female	Both sexes	
Hill	164,354	146,029	310,383	4.8	4.4	4.6	91.7
Tarai	211,417	200,795	412,212	5.0	5.5	5.2	110.0
<b>Degree of urbanization</b>							
Urban	109,731	110,735	220,466	5.0	6.5	5.6	130.0
Peri-urban	158,298	146,946	305,244	5.0	5.3	5.2	106.0
Rural	132,899	109,049	241,948	4.7	3.6	4.1	76.6

*# This is the ratio of female LFPR to male LFPR for each age group, also called age specific gender parity index (GPI).*

Having examined variations in unemployment rates by provinces, ecological zones and residence, the trends in unemployment rate are depicted in Table 3.12. It should be noted that the rates are not directly comparable due to differences in the definition used for the unemployment rate and the reference period used in data collection.

**Table 3.12: Trend in unemployment rate<sup>#</sup>, Nepal**

Census/Survey	Unemployment rate		
	Male	Female	Both sexes
NLSS <sup>§</sup> 1996	5.6	4.1	4.9
NLFS <sup>#</sup> 1998/99	4.1	6.3	5.2
2001 Census	7.0	9.2	8.1
NLFS 2008	2.2	2.0	2.1
NLSS 2010	3.2	1.5	2.2
NPHC 2011	2.0	0.9	1.5
NLFS 2018	10.3	13.1	11.4
NPHC 2021	4.9	4.9	4.9
NLSS 2022/23	11.3	14.7	12.6

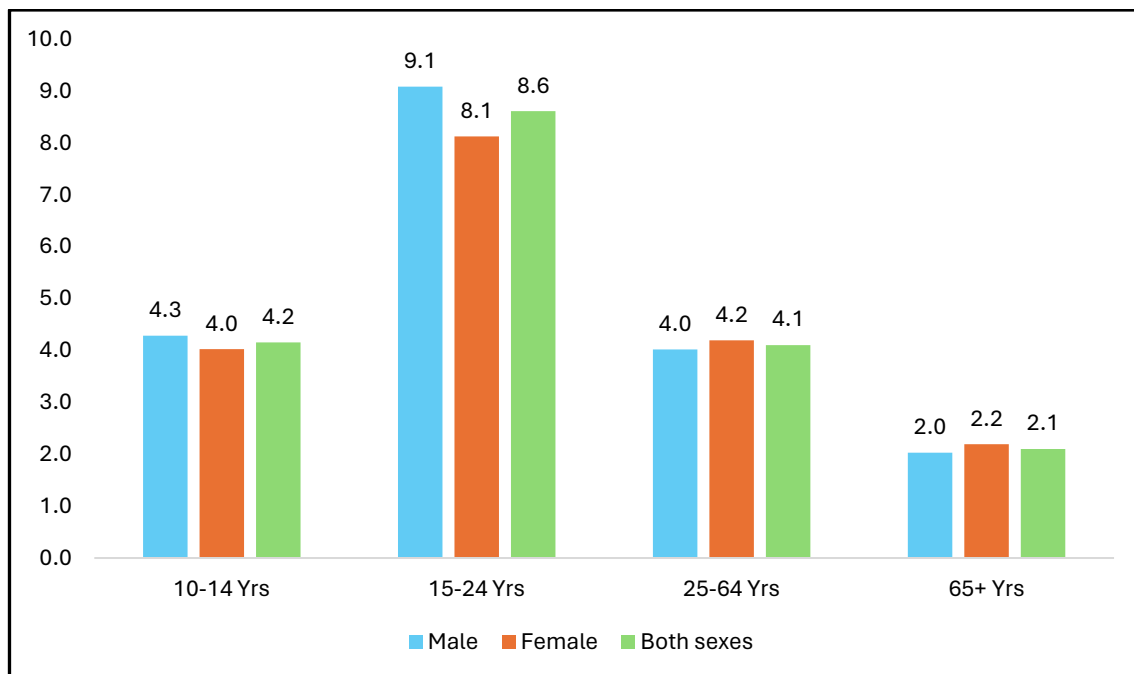
*Source: NSO, 2024c; CBS, 2019; Suwal & Dahal (2014);*

*§Nepal Living Standard Survey; #Nepal Labour Force Survey*

Since the LFPR showed variation by age, it can be inferred that the unemployment rates may also follow a similar trend. To examine this, firstly the unemployment rates by broad age group have been presented in Figure 3.13. Interestingly, it should be noted that the unemployment rate in the 10-14 age group is at a rate of more than 4 percent for both for males and females. This infers that these children are economically active and seeking jobs, due to which they may be losing the opportunity of receiving education or skill training for enhancing their potential. The highest unemployment rate is observed in the 15-24 age group, where 8.6 percent of individuals are seeking employment. Gender difference is also evident in this age group, with

9.1 percent of males and 8.6 percent of females recorded as unemployed. The unemployment rate for the 25-64 age group is at around a rate of 4 percent and it further declines to around 2 percent for people of age 65+ years, with a minimal gender gap present.

**Figure 3.13: Unemployment rate by broad age group and sex, Nepal, NPHC 2021**



The age specific unemployment rates for males and females by conventional five-year age group is presented in Figure 3.14. It provides a comparative picture regarding the intensity of unemployment between males and females. With regard to unemployment rates, no regular age pattern of sex differentials is observed. The unemployment rates are higher for males than for females in the age range of 10-29 years and of 50-64 years. Conversely, the rate for females exceeds that for males in age range 30-49 years and 65+ years. Unemployment rates are seen highest in the 20-24 years age range. Young people within this age group are likely to be those who have recently entered into the labour market and may be searching for employment which matches their choice of profession. The rate may therefore be high due to a mismatch of interest with available jobs, or even due to lack of sufficient jobs of their choice. Unemployment rates are seen to decline gradually as age increases.

**Figure 3.14: Age, sex-specific unemployment rates by conventional five years age group, Nepal, NPHC 2021**

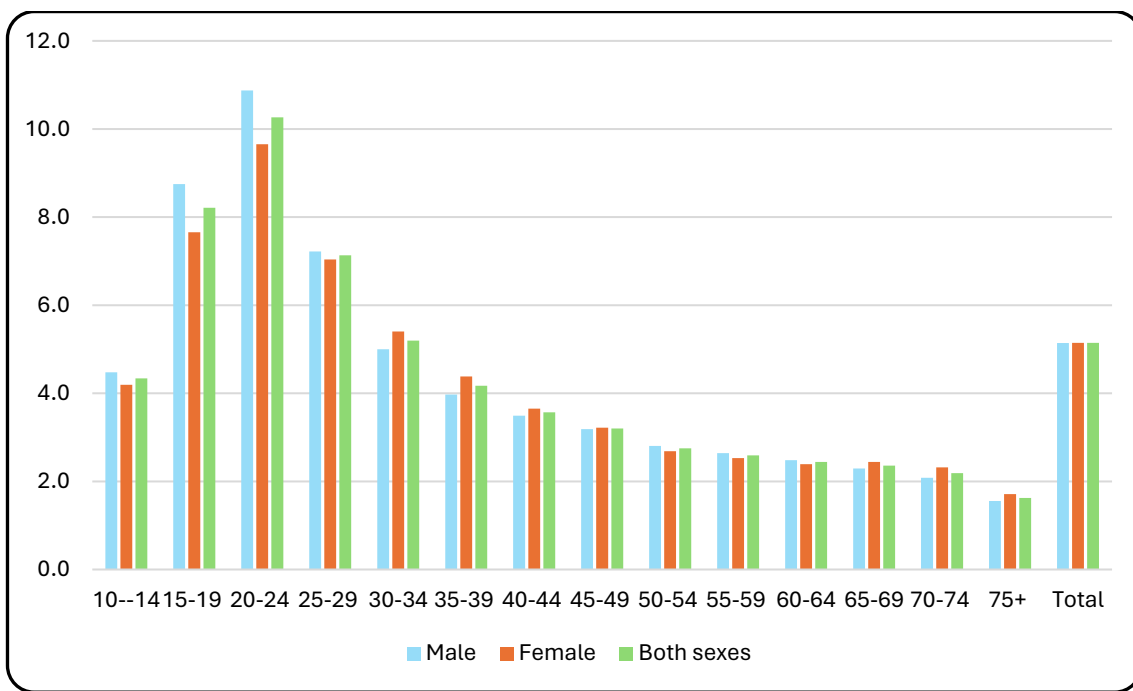
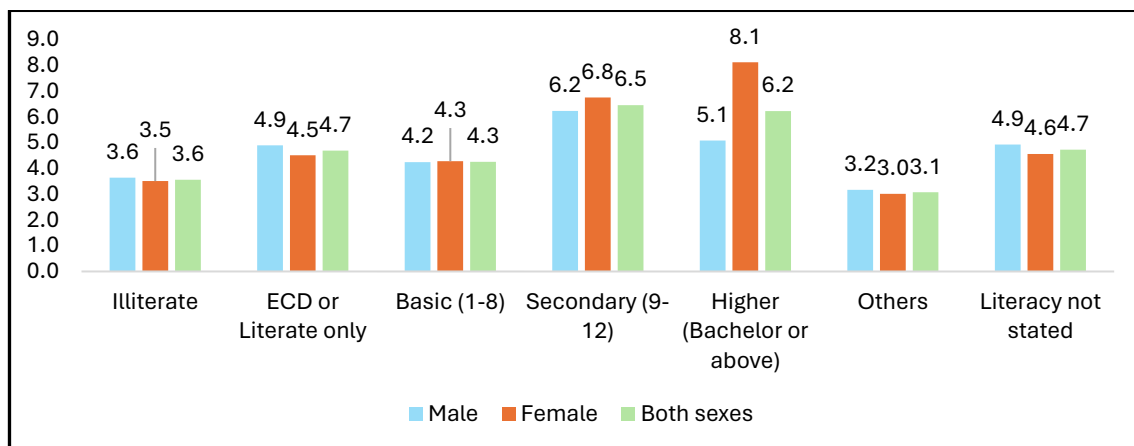


Figure 3.15 presents the unemployment rates by education for different sexes. Among different educational categories, the unemployment rate is the highest for people with secondary education (6.5%) followed by higher education (6.2%) and the lowest among people with no education (with illiterate at a rate of 3.6% and others at a rate of 3.1%). The same scenario prevails when data are disaggregated by sex. The sex differentials in unemployment rates are almost non-existent for illiterate people and those with basic (1-8 years) education, whereas they are most pronounced for highly educated people. Among highly educated men, the unemployment rate is 5.1 percent, however it is seen at a rate of 8.1 percent for highly educated women. Highly educated women are shown to experience the highest unemployment rate. This may be due to familial barriers, such as their reproductive role, or other barriers which prevent educated women from engaging in employment despite their intention to be employed.

**Figure 3.15: Unemployment rate by educational attainment in Nepal, NPHC 2021**

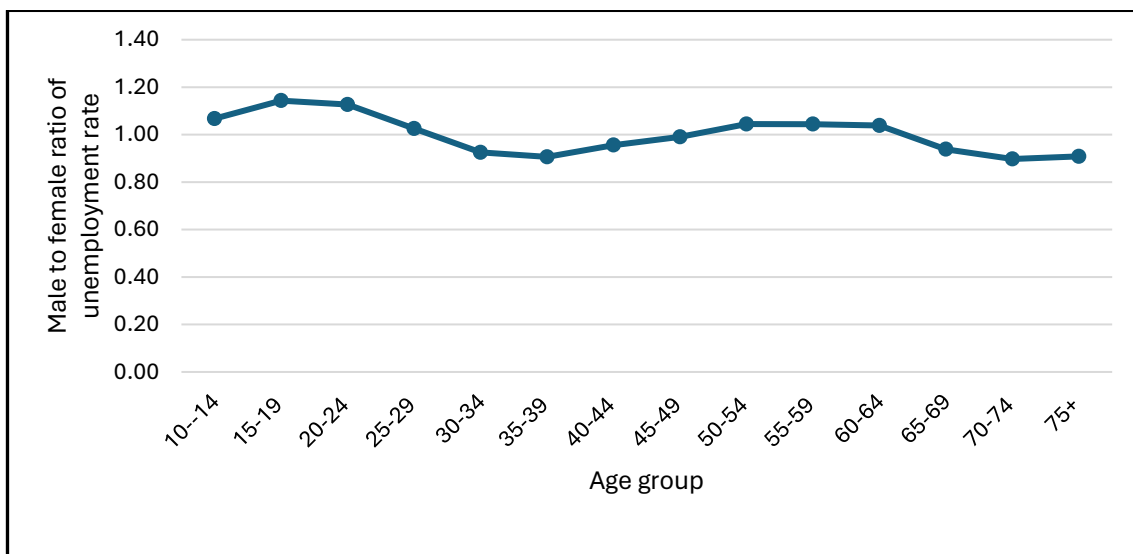
Differentials in the unemployment rate by household economic status (measured by the wealth index) are presented in Table 3.13. Overall, the unemployment rate is highest amongst people from higher and the highest strata (5.4% each) and relatively lower in other wealth index categories. Among males, the unemployment rate does not vary much by wealth quintile and hovers around the 5 percent mark. However, the rate varies across wealth index categories for females, where higher wealth status characterization indicates a higher unemployment rate for females. Individuals in the higher wealth status groups may be more specific regarding their choice of job and this preference mismatch may account for the high unemployment rate among this group. Moreover, females from higher wealth status groups may also be facing social barriers for employment.

**Table 3.13: Sex-specific unemployment rate by wealth index, Nepal, NPHC 2021**

Wealth quintile	Size of unemployed population			Unemployment rate		
	Male	Female	Both sexes	Male	Female	Both sexes
Lowest	81,492	67,450	148,942	5.1	4.3	4.7
Lower	82,780	71,237	154,017	4.9	4.3	4.6
Middle	80,930	73,525	154,455	4.8	4.7	4.7
Higher	74,974	76,270	151,244	5.0	5.7	5.4
Highest	79,507	77,823	157,330	5.0	5.8	5.4

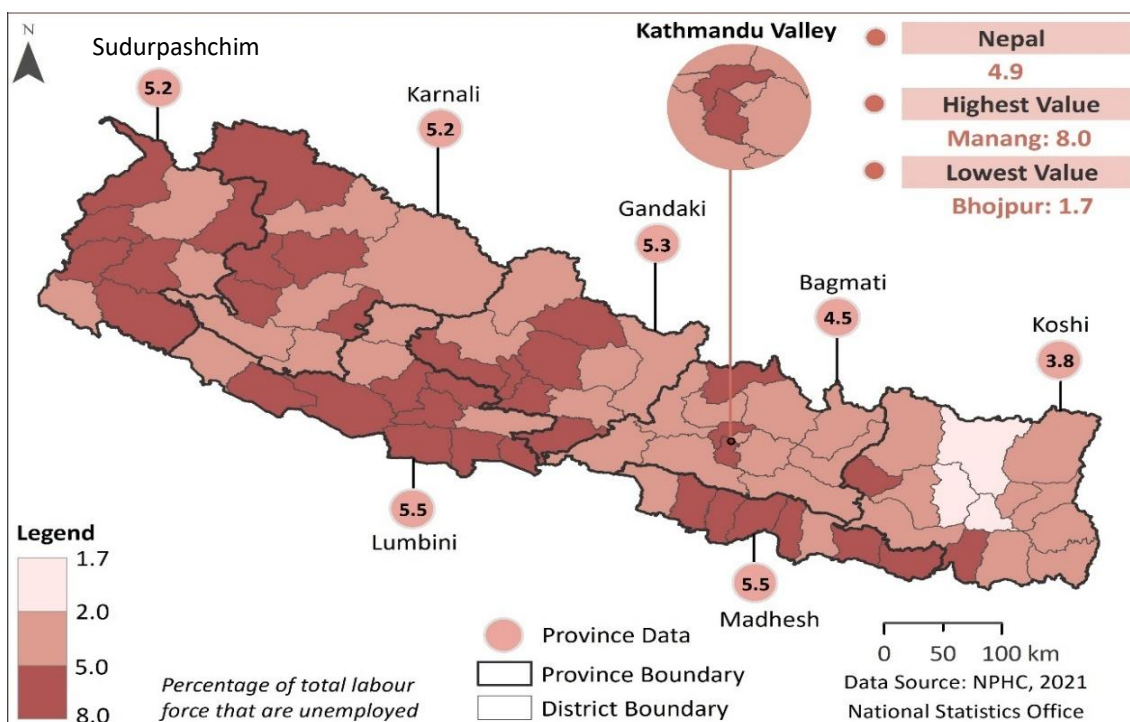
The differentials in age specific unemployment rates for males and females is further displayed in terms of male to female ratios and is provided in Figure 3.16. The data curve shows some fluctuation over ages, where a greater proportion of females are unemployed in the 34-49 and 65+ age ranges.

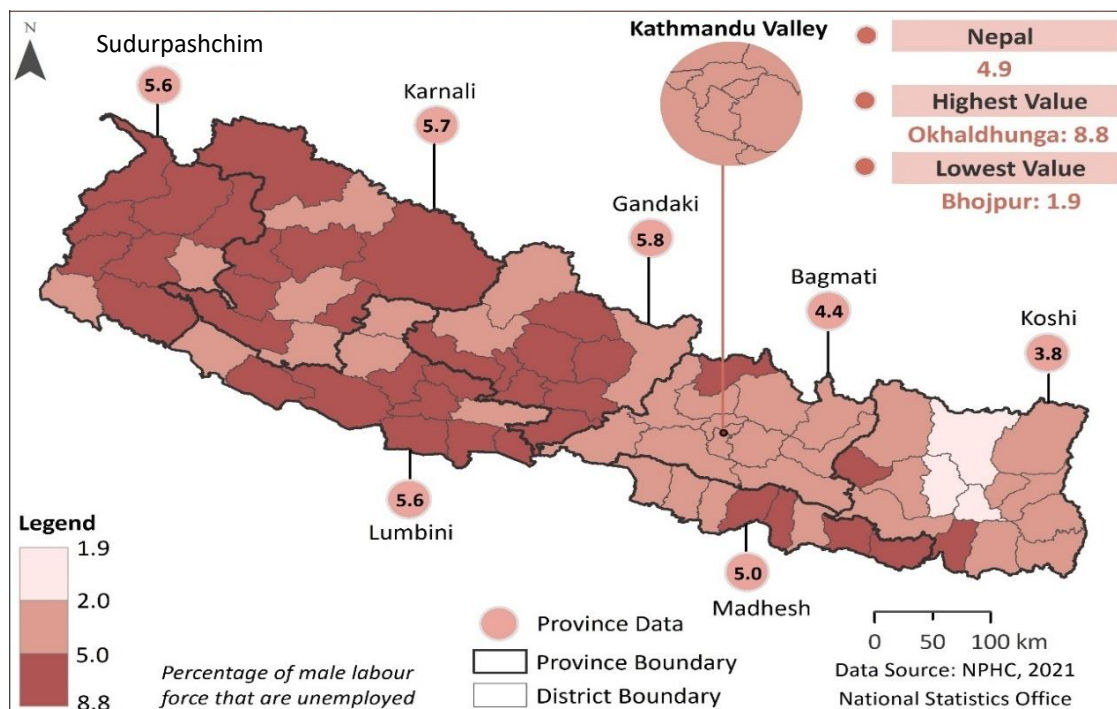
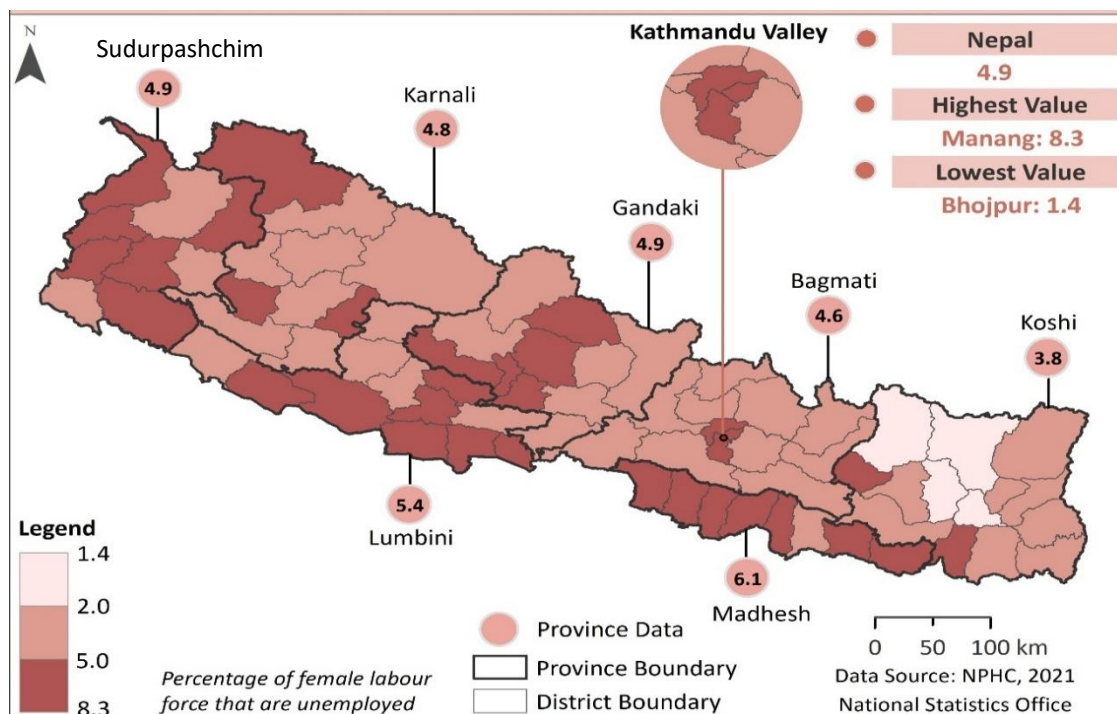
**Figure 3.16: Ratio of male to female age-specific unemployment rates**



Unemployment rate by districts for male, female and both sexes are presented in the maps (See maps in Figure 3.17a, 3.17b and 3.17c).

**Figure 3.17a: Unemployment rate for both sex by province and district, NPHC 2021**



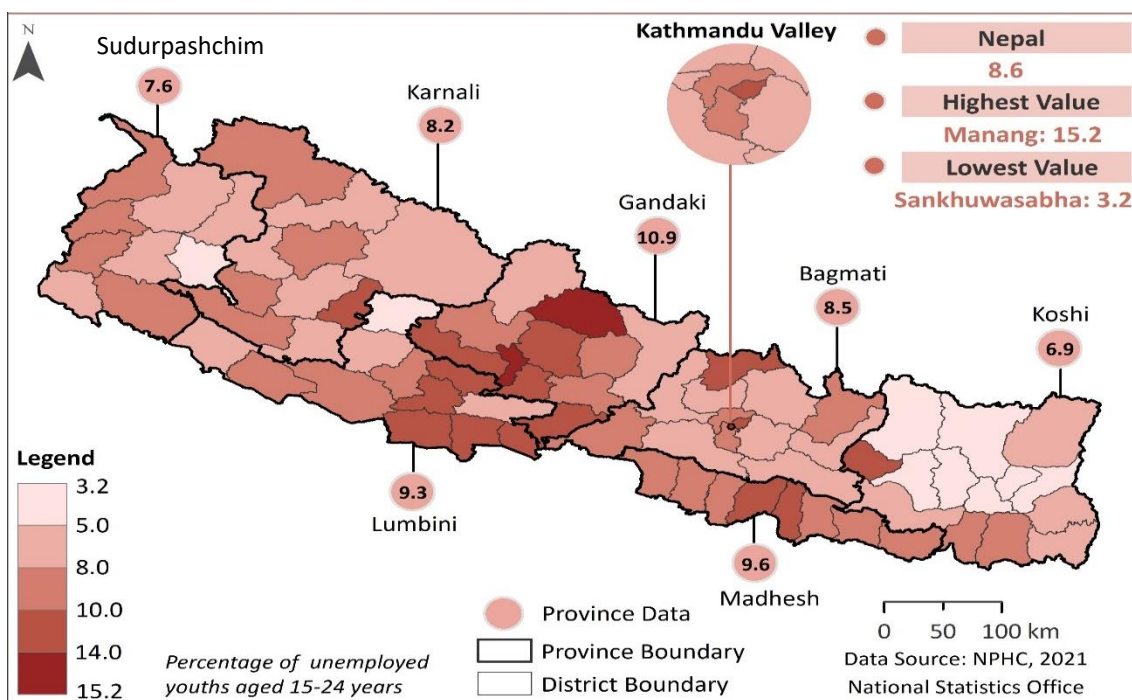
**Figure 3.17b: Unemployment rate for male by province and district, NPHC 2021****Figure 3.17c: Unemployment rate for female by province and district, NPHC 2021**

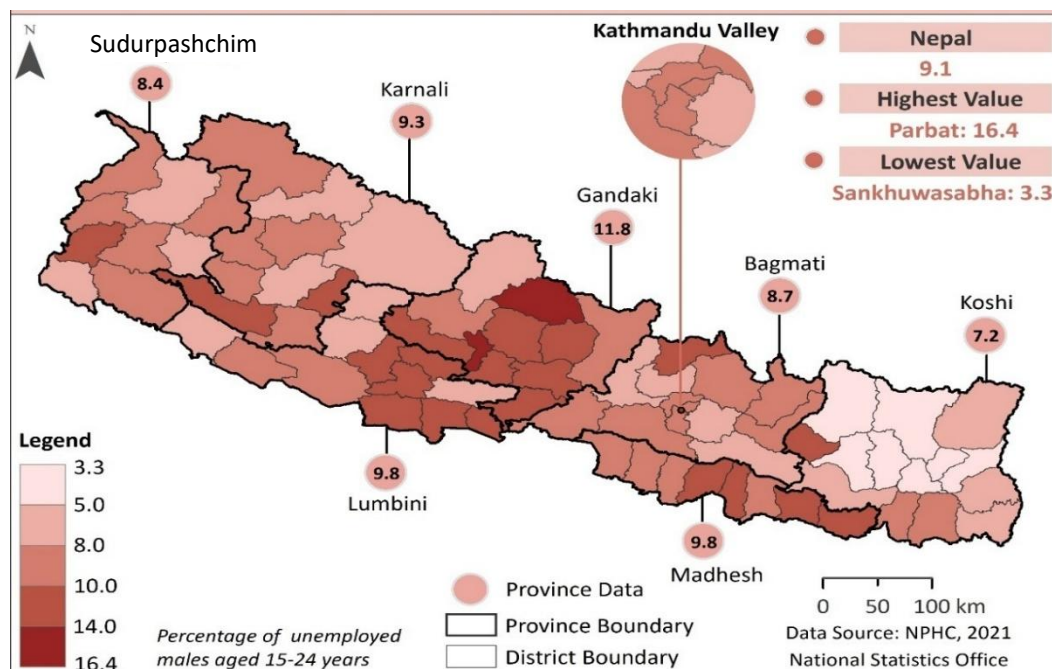
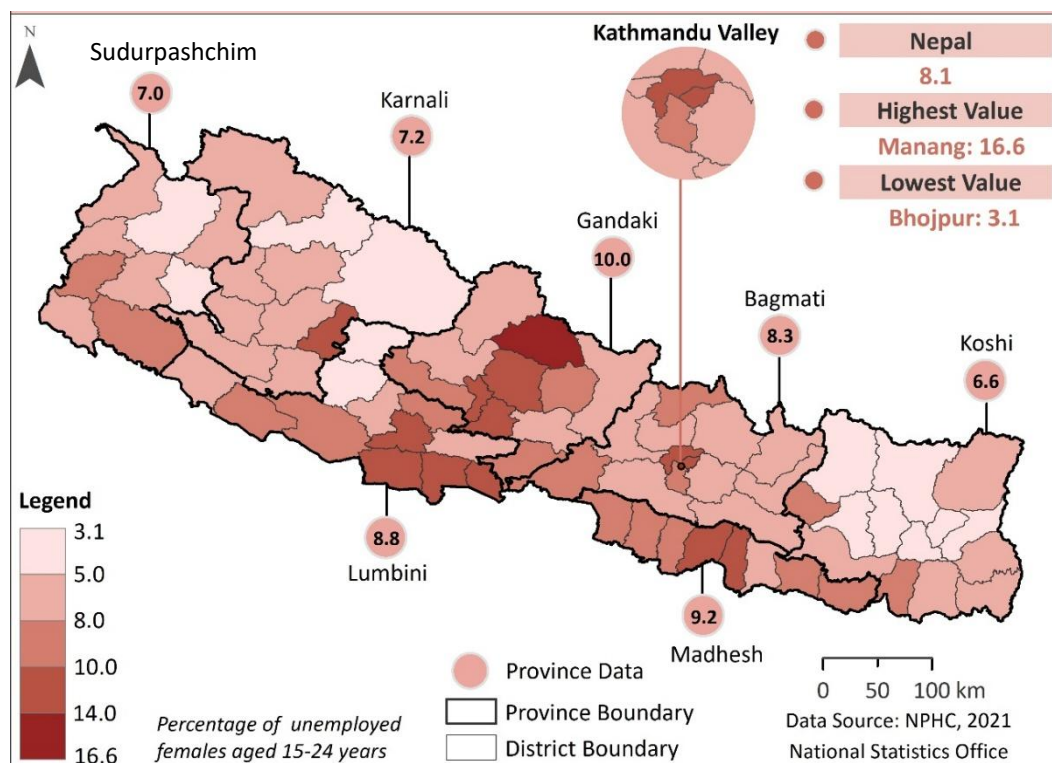


### 3.2.2 Youth unemployment

Unemployment of the youth population holds special importance as this population group is in its early career stage and may experience difficulties when choosing a profession. As seen particularly in the context of Nepal, unavailability of employment or a mismatch regarding availability and job choices may push individuals to seek overseas employment for a more suitable job. With the purpose of approaching the data to gain more insight into the status of this group, youth unemployment is also presented at the province and district level for males, females and both sexes, and further disaggregated by educational attainment level, as well as by conventional five-year age group and sex. The results represented in Figure 3.18a, 3.18b and 3.18c show the youth (age 15-24 years) unemployment rates at provincial and district level for males, females and both sexes.

**Figure 3.18a: Youth unemployment rate for both sex by province and district, NPHC 2021**



**Figure 3.18b: Youth unemployment rate for male by province and district, NPHC 2021****Figure 3.18c: Youth unemployment rate for female by province and district, NPHC 2021**

The results in Table 3.14 depict the age-sex disaggregated data on youth unemployment. In both the 15-19 year and 20-24 year age groups, the unemployment rates are shown to be highest among those who have attained either secondary or a higher level of education. Sex differentials in the unemployment rate are minimal across all educational level categories. To some extent, 'educated unemployment' is apparent and this may appear due to low professional skill development during completion of academic courses, or further due to the lack of sufficient employment positions available in the Nepalese labour market. An additional factor may be due to individuals demonstrating less urgency to find employment, which is referred to as the unemployment paradox.

**Table 3.14: Unemployment rate for youth (age 15-24 years) by education and sex, Nepal, NPHC 2021**

Educational status and age group	Unemployment rate		
	Male	Female	Both sexes
<b>Illiterate</b>			
15-19 years	11.0	9.9	10.4
20-24 yrs	7.8	7.2	7.4
<b>ECD or literate only</b>			
15-19 years	8.4	8.1	8.3
20-24 years	8.8	6.6	7.5
<b>Basic (1-8)</b>			
15-19 years	7.4	6.1	6.8
20-24 years	7.4	6.4	6.9
<b>Secondary (9-12)</b>			
15-19 years	8.2	7.3	7.7
20-24 years	10.8	9.4	10.1
<b>Higher (Bachelor or above)</b>			
15-19 years	13.7	12.5	13.0
20-24 years	14.3	13.9	14.1
<b>Others</b>			
15-19 years	7.3	7.9	7.6
20-24 years	8.0	7.0	7.5
<b>Literacy not stated</b>			
15-19 years	2.2	8.2	5.1
20-24 years	11.1	7.3	9.1

Note: 'Others' include those stating 'No Level', 'Level Not Stated', 'Never attended school' and 'Others'

### 3.2.3 Determinants of unemployment and economical inactivity

After examining the differentials in the unemployment rate of the economically active population, a multivariate technique is used to examine the net effect of different socio-economic factors on unemployment. Moreover, among all economically active people, the proportion of those who stated that they were not usually active in the reference period of 12 months is substantially high (see Table 3.2 and 3.3). Therefore, an attempt has been made to examine the factors associated with economical inactivity, or individuals not being usually active regarding employment. For this, two separate logistic regression models are used. The regressions are carried out with individual level data and, with an intention to cover only the working age group, concern persons aged 15-64 years only. The dependent variables for regression are both dichotomous, namely: i) whether a person is usually active (coded '0') or not usually active (coded '1') among all the economically active population, and ii) whether a person is employed (coded '0') or unemployed (coded '1') among all of the usually active population. To examine the net effect of socioeconomic and demographic variables on being not usually active or unemployed, selected individual level variables and other contextual variables are included in the model. The independent variables included in the model are age, sex, marital status, internal migration status, education, household wealth index, degree of urbanization, ecological zone, and province. All the variables included in the analysis are categorical and the results are expressed as odds ratios with a suitable reference category of independent variables. Odds ratios are not straightforward to interpret; they present the ratio of odds (ratio of probability of occurrence of an event to that of non-occurrence of the same event) of one category of an independent variable to the odds of a reference category instance of the same variable. These odds ratios in multiple logistic regression indicate the net effect of each factor after controlling the effect of other factors included in the model. No test of significance is needed as the data derives from census and not a sample survey (Department of Population, 2017). The results of both the logistic regressions are presented in Table 3.15.

Increasing age is significantly associated with decreased odds of being not usually active or not being employed. This therefore indicates that the higher the age, the lower the chance of being unemployed or not being usually active. The results clearly show that the sex differential is significant both for those not being usually active and not being employed. Controlling for all other factors, females have three times higher odds of not being usually active and nearly one and half times higher odds of being unemployed as compared to male counterparts. Being married, widowed, separated or divorced is associated with reduced odds of not being usually active or being unemployed when referenced against those who are unmarried. As compared to non-migrants, migrants show a slightly higher odds of being not usually active or unemployed. As compared to those with no education, the odds of not being usually active reduces by 55

percent for individuals who hold a higher education level. However, in the case of unemployment and with reference to uneducated people, the odds of being unemployed declines by only 15 percent for those with up to a basic education level and increases by 16 percent for those with a secondary (9-12 years) level of education, remaining almost the same for people with higher education. As observed in previous section, the highest unemployment rate is seen among those with some secondary education, and this remains after controlling for other factors. It can be inferred that economically active is seen more prominently among educated people as this group are searching for employment yet are not currently employed. Interestingly, the odds of not being usually active or remaining unemployed are the same for those from the lowest household wealth quintile and the highest wealth quintile, whereas the odds are slightly lower in the other three wealth index categories for both of these variables.

After controlling for other factors, differences by the degree of urbanization and provinces are still clearly visible, however these differences are almost eliminated when assessing by ecological zone. With reference to people residing in urban areas, the odds of being not usually active are almost same for peri-urban residence and 11 percent lower for rural residence. As compared to the same reference category, the odds of unemployment decline by 10 percent for peri-urban residence and this figure further declines by 28 percent for rural residence. Both dependent variables showed almost the same odds for the three ecological zones. With reference to Madhesh Province, the odds of not being usually active are smaller in all other provinces – for example, the odds decrease by 37 percent for Koshi, 38 percent less for Bagmati, and 23 percent less for Karnali. However, when addressing rates of unemployment, the odds in Karnali and Sudurpashchim are not different when compared to Madhesh, however the odds are reduced for other provinces – namely 41 percent less in Koshi, 37 percent less in Bagmati, and 6 percent less in Lumbini. Among the study variables, age, sex and marital status showed the largest net impact on people not being usually economically active as well as with regard to unemployment.

**Table 3.15: Results of logistic regression: Adjusted Odds Ratios (AOR) of not being usually active and being unemployed**

Variables	Categories	AOR for not being usually active	AOR for not being employed
Age (years)	15-24	Ref.	Ref.
	25-34	0.47	0.63
	35-44	0.41	0.45
	45-54	0.48	0.36
	55-64	0.76	0.35
Sex	Male	Ref.	Ref.
	Female	3.02	1.40
Marital status	Never married	Ref.	Ref.
	Married	0.38	0.41
	Widow/widower	0.41	0.44
	Divorced	0.36	0.73
	Separated	0.36	0.61
Migration status	Non-migrant	Ref.	Ref.
	In-migrant (within 5 years)	1.01	1.15
	In-migrant (5+ years)	1.14	1.02
Educational attainment	No education	Ref.	Ref.
	Basic (1-8)	0.84	0.89
	Secondary (9-12)	0.87	1.16
	Higher	0.45	0.97
	Others #	0.82	0.84
Wealth quintile	Lowest	Ref.	Ref.
	Lower	0.96	0.93
	Middle	0.95	0.92
	Higher	0.96	0.96
	Highest	1.05	1.00
Degree of urbanization	Urban	Ref.	Ref.
	Peri-urban	0.98	0.90
	Rural	0.89	0.72
Ecological zone	Mountain	0.97	1.02
	Hill	0.95	0.97
	Tarai	Ref.	Ref.
Province	Koshi	0.63	0.59
	Madhesh	Ref.	Ref.
	Bagmati	0.62	0.63

Variables	Categories	AOR for not being usually active	AOR for not being employed
	Gandaki	0.74	0.94
	Lumbini	0.86	0.98
	Karnali	0.73	1.00
	Sudurpashchim	0.87	0.99
<b>Constant</b>		<b>1.06</b>	<b>0.32</b>
<b>Pseudo R square</b>		<b>0.1096</b>	<b>0.0712</b>
<b>Minus 2 Log Likelihood</b>		<b>6,940,468.2</b>	<b>2,402,915.1</b>
<b>Number of persons</b>		<b>13,766,253</b>	<b>10,275,712</b>

**Note:** Ref. indicates the reference category for comparing odds ratio.

# This includes all other educational status as well as those with no level or level not stated.

### 3.3 Reasons for being 'not economically active'

In NPHC 2021, a question regarding the reason for not being economically active was posed to respondents in the household aged 10+ years who did not report any economic activity during the reference period. The question administered in the census was formulated as follows: 'What is the main reason for not doing work in the last 12 months?' The responses were gathered across different categories: 1) Student; 2) Household chores; 3) Family care; 4) Aged; 5. Disability/sickness; 6) Pension/income; 7) Social work/volunteer, and 8) Others. As this question was asked to all those individuals who did not perform any economic activity – or performed economic activities for less than six months in the reference period – there exist some inherent limitations. For the purposes of this report, the reasons for not being economically active are analysed only for respondents who fall in the category of 'not economically active' (n = 82,11,012). The results based on the responses on reasons for not being economically active are presented in Table 3.16. Among the reasons for being economically inactive, the response of 'Student' presents as the most prominent. Not working or not being economically active due to active studies is reported highest among males, at a figure of 2.1 million, followed by a figure of 1.9 million for females. The additional response noting involvement in 'Household work' is recorded at a figure of 1.5 million for females, whereas the number of males involved in household work is seen at the relatively lower figure of 201,017. The ageing factor is also another well represented reason for not engaging in economic activity, where a total of 967,984 people (377,445 male and 590,535 female respondents) expressed inactivity due to old age.



**Table 3.16: Size of 'not economically active' population by reasons for not working by broad age groups and sex, NPHC 2021**

Reason	Sex	10-14 years	15-64 years	65+ years	Total (10+ years)
Student	Male	1,018,861	1,039,743	26	2,058,630
	Female	948,627	981,623	34	1,930,284
	Both sex	1,967,488	2,021,366	60	3,988,914
Household chores	Male	17,631	173,944	9,442	201,017
	Female	22,235	1,489,371	44,845	1,556,451
	Both sex	39,866	1,663,315	54,287	1,757,468
Family care	Male	3,758	104,345	9,386	117,489
	Female	4,152	433,638	17,266	455,056
	Both sex	7,910	537,983	26,652	572,545
Aged	Male	0	43,002	334,443	377,445
	Female	0	89,260	501,279	590,539
	Both sex	0	132,262	835,722	967,984
Disability/sickness	Male	3,138	78,108	27,283	108,529
	Female	2,271	77,432	29,641	109,344
	Both sex	5,409	155,540	56,924	217,873
Pension/income	Male	94	58,733	61,873	120,700
	Female	104	20,322	36,734	57,160
	Both sex	198	79,055	98,607	177,860
Social work/volunteer	Male	0	13,009	2,014	15,023
	Female	0	5,607	561	6,168
	Both sex	0	18,616	2,575	21,191
Others	Male	25,292	256,501	8,242	290,035
	Female	22,374	170,289	6,300	198,963
	Both sex	47,666	426,790	14,542	488,998
Not stated	Male	1,257	7,079	124	8,460
	Female	1,195	8,334	189	9,718
	Both sex	2,452	15,413	313	18,178
Total	Male	1,070,031	1,774,464	452,833	3,297,328
	Female	1,000,958	3,275,877	636,849	4,913,684
	Both sex	2,070,989	5,050,341	1,089,682	8,211,012



Distribution of the population's responses regarding economical inactivity across different censuses is presented in Table 3.17. Returning to studying as a reason for economic inactivity, this response has doubled over the census period, from 22.2 percent in 1981 to 48.6 percent in 2021.

For female respondents, the presence of studying as a response has increased from 8 percent in 1981 to 46.2 percent in 2021, or at a rate of six times. In comparison, the response of household chores as a reason for economical inactivity has shown a drastic decline from 61.8 percent in 1981 to 28.4 percent in 2021. The incremental increase of females' economic inactivity due to studying reasons and the decline in inactivity due to household chores may be regarded as a positive trend from the perspective of strengthening and improving labour force of the country. The 'household chores' response data shows a share of female respondents at a rate four times greater than that of males, accounting for higher rates of economical inactivity amongst women than men in this area. Another prominent factor is ageing, which indicates the third largest share of reasons for inactivity in labour force participation. This response is further seen to occupy a larger share in recent census. However, no clear pattern or trend is observed regarding changes of inactivity due to ageing factors.

**Table 3.17: Percent distribution of economically inactive population (10+ years) by reasons for being inactive by sex, 1981- 2021**

Census year		Reasons for not being economically active							
and Sex		Study	Household chores*	Aged	Physically & mentally handicapped	Pension & income recipient	Sick#	Others	Unspecified/Not stated
1981	Total	22.2	61.8	7.5	1.5	-----	----	3.4	3.6
	Male	65.1	0.7	12.7	3.6	-----	----	10.9	7.0
	Female	8.0	81.9	5.8	0.8	-----	----	1.0	2.5
1991	Total	36.3	47.0	10.4	1.3	-----	----	3.5	1.4
	Male	65.8	12.0	11.8	2.0	-----	----	6.8	1.7
	Female	19.7	66.7	9.7	1.0	-----	----	1.7	1.3
2001	Total	47.3	33.1	7.4	2.5	2.7	2.8	2.4	1.8
	Male	66.9	9.2	7.1	3.2	3.8	3.4	3.2	3.1
	Female	34.2	49.0	7.6	2.1	1.9	2.5	1.9	0.9
2011	Total	59.0	28.9	6.2	1.0	0.9	1.2	1.2	1.6
	Male	80.2	4.9	6.5	2.0	1.4	1.5	1.9	1.6
	Female	46.2	43.4	6.0	0.4	0.6	1.0	0.8	1.6
2021	Total	48.6	28.4	11.8	.....	2.2	2.7	6.0	0.2
	Male	62.4	9.7	11.4	.....	3.7	3.3	8.8	0.3
	Female	39.3	40.9	12.0	.....	1.2	2.2	4.0	0.2

\* In NPHC 2021, 'Household chores' stands for the total of 'household work' and 'family care'

# 'Sick' stands for sick and disabled in NPHC 2021

Source: The figures for 1981, 1991, and 2001 are from Suwal & Dahal (2014) and those for the year 2021 are computed by authors from NPHC 2021 data.

### 3.4 Employment-to-population ratio

The employment-to-population ratio is the proportion of a country's working-age population that is employed. This indicator is closely related to the labour force participation rate. This ratio approaches the labour force participation rate if levels of unemployment approach zero. This can be regarded as an indicator of the ability of a country to provide employment to its population within the working age group. In many less developed countries with high levels of informal employment and casual day labourers, the indicator can in some cases be more insightful than the unemployment rate (Department of Population, 2017). The employment-to-population ratio in this report uses the 'usually employed' population in the numerator, which only includes the people who are economically active for at least six months in the reference period of 12 months.

Overall, the employment to population ratio in Nepal is 51.2 based on the 15-64 years population and 42.9 based on 10+ years population (Table 3.18). Gender difference is evident, where the ratio based on the 15-64 years population is 63.0 for males and only 40.5 for females. This indicates that the country provides employment to slightly more than half of the population of the working age group, yet with huge sex differentials favouring males. Provincial differences in the employment to population ratio are noticeable, with the highest ratio seen in Koshi (57.6 based on 15-64 population) and the lowest in Madhesh (41.8). Similarly, the ratio is highest in Mountain (60.1) and the lowest in Tarai (47.3); the highest in rural residence (59.3) and the lowest in urban residence (46.0).

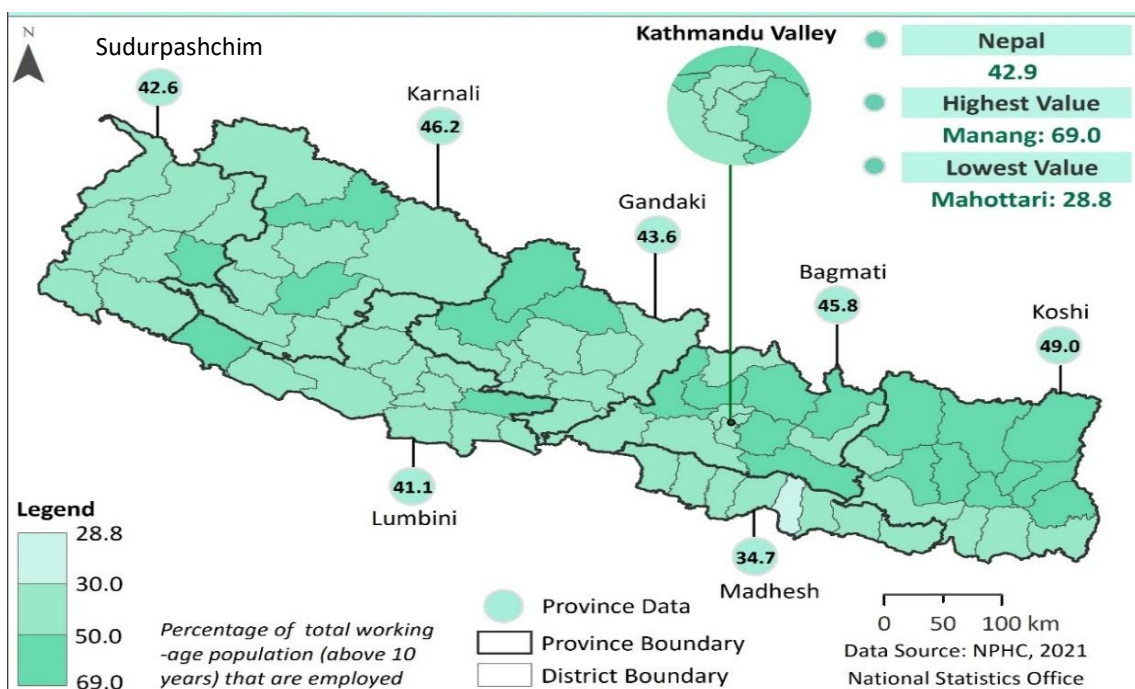
**Table 3.18: Employment to population ratio by sex for population aged 15-64 years and 10+ years population in Nepal, province, ecological zones and degree of urbanization, NPHC 2021**

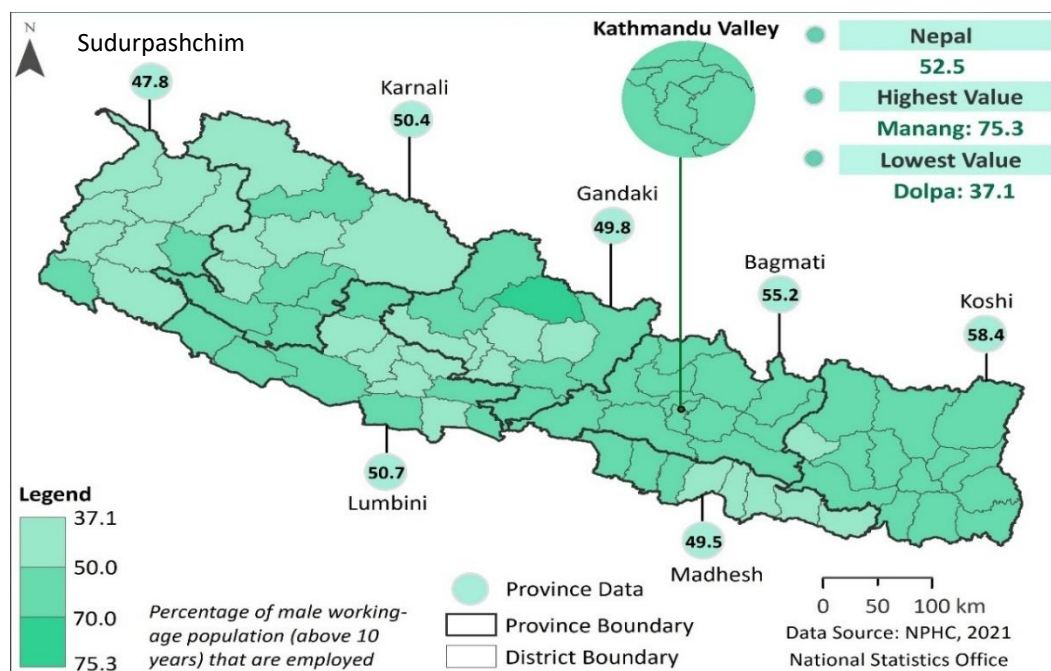
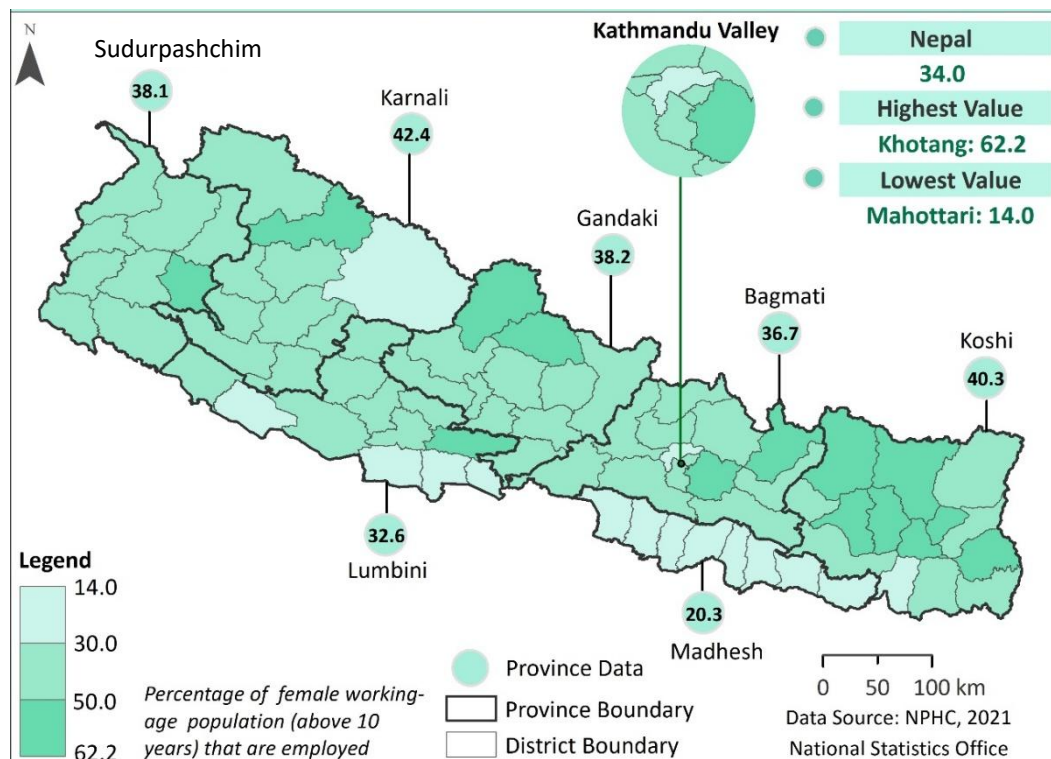
Area	Employment to population ratio					
	Based on population aged 15-64 years			Based on population aged 10+ years		
	Male	Female	Both sexes	Male	Female	Both sexes
Nepal	63.0	40.5	51.2	52.5	34.0	42.9
<b>Province</b>						
Koshi	68.7	47.3	57.6	58.4	40.3	49.0
Madhesh	60.2	24.3	41.8	49.5	20.3	34.7
Bagmati	64.4	42.8	53.4	55.2	36.7	45.8
Gandaki	60.4	46.0	52.6	49.8	38.2	43.6
Lumbini	61.5	38.7	49.2	50.7	32.6	41.1
Karnali	62.5	52.0	57.0	50.4	42.4	46.2
Sudurpashchim	59.6	46.6	52.5	47.8	38.1	42.6
<b>Ecological zones</b>						
Mountain	64.4	56.0	60.1	53.3	46.0	49.5

Area	Employment to population ratio					
	Based on population aged 15-64 years			Based on population aged 10+ years		
	Male	Female	Both sexes	Male	Female	Both sexes
Hill	63.4	47.1	54.8	53.2	38.6	46.1
Tarai	62.5	33.6	47.3	51.8	28.2	39.6
<b>Degree of urbanization</b>						
Urban	61.2	31.3	46.0	51.9	26.5	39.0
Peri-urban	62.8	35.5	48.4	52.0	29.7	40.4
Rural	64.8	54.4	59.3	53.5	45.1	49.0

The employment-to-population ratio based on the 10+ years population for male, female and both sexes at district level are presented in Figures 3.19a, 3.19b and 3.19c.

**Figure 3.19a: Employment to population ratio for both sexes, by province and district, NPHC 2021**



**Figure 3.19b: Employment to population ratio for male by province and district, NPHC 2021****Figure 3.19c: Employment to population ratio for female by province and district, NPHC 2021**

## CHAPTER 4

# ECONOMIC ACTIVITY STATUS, INDUSTRIES AND OCCUPATION

This chapter discusses individuals' economic activities in terms of status in employment, distribution by industrial involvement, occupational distribution and characteristics of the usually employed population. The status in employment is categorised into four categories: employee, employer, own account worker, and contributing family member. Industrial sectors of involvement are measured into 21 different industrial sectors which are broadly covered under three major industrial sectors. Similarly, occupation is measured into 11 different groups. Since the questions on occupation and industries were posed to those who performed any economic activity in the reference period, the data reflects this population of respondents alone. Based on the responses of the first question regarding the duration of involvement in economic activities, those who were active for at least six months in the reference period were considered 'usually employed' and only these respondents are considered in the analysis of characteristics of usually employed people. Additionally, based on available census data, an attempt is made to compute the length of economic life of the Nepalese population.

### 4.1 Status in employment

Based on the question regarding the capacity of economic activity which the individual is engaged in, a person's status in employment is categorized into employee, employer, own account worker and contributing family member. The question on status in employment was asked for those who performed any economic activity in the reference period, and it is therefore to be noted that the term 'status in employment' used here does not actually represent fully 'employed' people. The population size and percent distribution of status in employment is presented in Table 4.1. Among those who performed any economic activity in the reference period, the largest share is engaged as own account worker (55.3%), followed by employee (28.6%). It is to be noted that those engaged as employees are generally paid and those working as own account workers are unpaid. Moreover, a substantial proportion of the economically active population is engaged in family support, which is also a form of unpaid activity. Most importantly, only a very small share (1.4%) of the economically active population is in the status of employer. This indicates a narrow private sector space occupied by entrepreneurs in Nepal. Gender differences are clearly observed, with higher proportions of males engaged as employee

or employer as compared to females and higher proportions of females engaged as own account worker and contributing family member as compared to males. Regarding regular types of paid jobs, females are lesser represented than males.

The pattern of the status in employment, including the gender differences, remains the same when disaggregated into provinces. In all provinces, the highest share is observed in own account workers, followed by employee and then working for family support. However, the distribution is different in Madhesh and Bagmati provinces, where the proportion of employees is somewhat large, and the share of own account worker is smaller. In Madhesh Province, 49 percent are engaged as own account workers and 35.7 percent are engaged as employees. In Bagmati Province, 50.2 percent are engaged as own account workers and 36 percent as employees. However, the proportion of employers is relatively higher in Bagmati Province, yet still only at a rate of 2.2 percent. This data aligns with relatively higher proportion of employees in Bagmati Province. However, in the case of Madhesh Province, a higher proportion of employees despite the lower proportion of employers seems to stand as an anomaly. In Karnali Province, the proportion of own account workers (65.6%) and those working as contributing family member (18.1%) are seen as highest. Among females, Karnali Province shows the highest proportion working on own account (69.6%) and the lowest proportion working as employee (9.2%). Among men, the highest proportion of employee (41.1%) and the lowest proportion of own account worker (47.1%) are observed in Bagmati Province.

**Table 4.1: Population aged 10 years and above who performed any economic activity in the past 12 months preceding the census by status in employment, Nepal and province, NPHC 2021**

Employment status	Population size			Percentage distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
<b>Nepal</b>						
Employee	2,734,781	1,557,790	4,292,571	34.7	21.9	28.6
Employer	160,292	52,078	212,370	2.0	0.7	1.4
Own account worker	4,096,592	4,195,453	8,292,045	52.0	59.0	55.3
Family support	878,716	1,296,664	2,175,380	11.2	18.2	14.5
Not stated	5,941	5,003	10,944	0.1	0.1	0.1
<b>Total</b>	<b>7,876,322</b>	<b>7,106,988</b>	<b>14,983,310</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Koshi</b>						
Employee	478,754	290,567	769,321	32.5	21.4	27.1
Employer	25,588	8,625	34,213	1.7	0.6	1.2
Own account worker	794,125	796,808	1590933	53.8	58.6	56.1
Family support	176,120	263,014	439,134	11.9	19.4	15.5

Employment status	Population size			Percentage distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
Not stated	293	194	487	0.0	0.0	0.0
<b>Total</b>	<b>1,474,880</b>	<b>1,359,208</b>	<b>2,834,088</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Madhesh</b>						
Employee	600,069	311,099	911,168	39.9	29.7	35.7
Employer	22,209	4,633	26,842	1.5	0.4	1.1
Own account worker	736,295	513,278	1,249,573	49.0	49.0	49.0
Family support	143,768	218,487	362,255	9.6	20.9	14.2
Not stated	417	191	608	0.0	0.0	0.0
<b>Total</b>	<b>1,502,758</b>	<b>1,047,688</b>	<b>2,550,446</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Bagmati</b>						
Employee	721,617	446,442	1,168,059	41.1	30.0	36.0
Employer	54,148	16,141	70,289	3.1	1.1	2.2
Own account worker	827,687	801,785	1,629,472	47.1	53.8	50.2
Family support	153,018	225,212	378,230	8.7	15.1	11.6
Not stated	384	262	646	0.0	0.0	0.0
<b>Total</b>	<b>1,756,854</b>	<b>1,489,842</b>	<b>3,246,696</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Gandaki</b>						
Employee	207,511	134,122	341,633	32.2	19.8	25.9
Employer	16,805	6,919	23,724	2.6	1.0	1.8
Own account worker	343,606	429,138	772,744	53.4	63.4	58.5
Family support	73,287	103,955	177,242	11.4	15.4	13.4
Not stated	2,548	2,303	4,851	0.4	0.3	0.4
<b>Total</b>	<b>643,757</b>	<b>676,437</b>	<b>1,320,194</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Lumbini</b>						
Employee	442,750	238,531	681,281	33.0	18.6	25.9
Employer	24,901	8,571	33,472	1.9	0.7	1.3
Own account worker	718,180	794,430	1512610	53.5	61.9	57.6
Family support	154,871	240,717	395,588	11.5	18.8	15.1
Not stated	1,581	1,393	2,974	0.1	0.1	0.1
<b>Total</b>	<b>1,342,283</b>	<b>1,283,642</b>	<b>2,625,925</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Karnali</b>						
Employee	97,315	43,320	140,635	21.4	9.2	15.2
Employer	6,053	2,936	8,989	1.3	0.6	1.0
Own account worker	280,230	327,813	608,043	61.5	69.6	65.6
Family support	71,412	96,357	167,769	15.7	20.5	18.1
Not stated	448	456	904	0.1	0.1	0.1

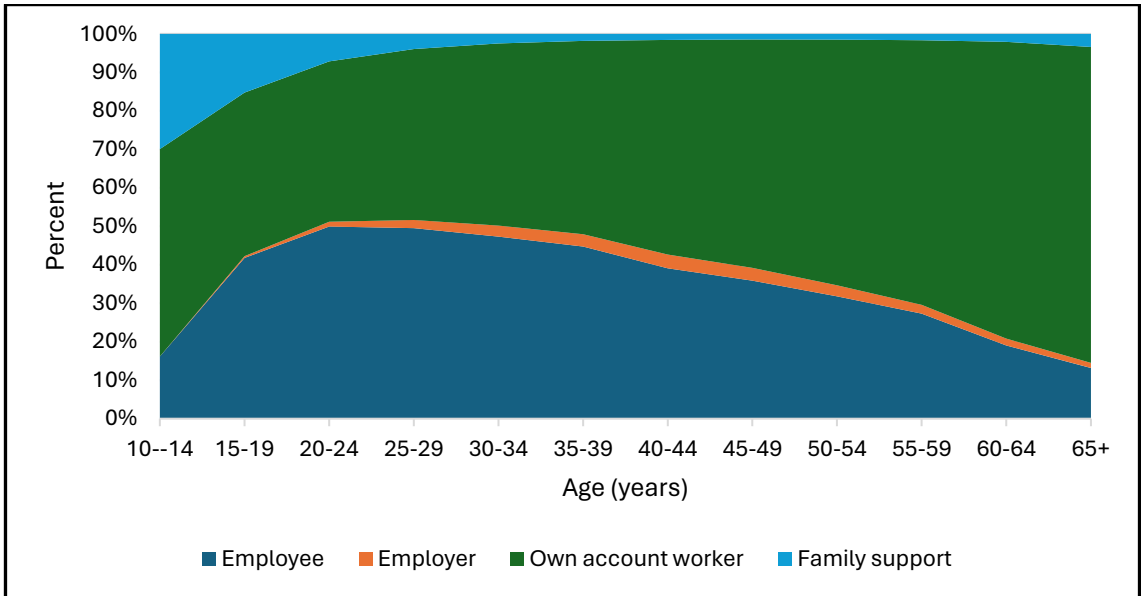


Employment status	Population size			Percentage distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
<b>Total</b>	<b>455,458</b>	<b>470,882</b>	<b>926,340</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Sudurpashchim</b>						
Employee	186,765	93,709	280,474	26.7	12.0	19.0
Employer	10,588	4,253	14,841	1.5	0.5	1.0
Own account worker	396,469	532,201	928,670	56.6	68.3	62.8
Family support	106,240	148,922	255,162	15.2	19.1	17.2
Not stated	270	204	474	0.0	0.0	0.0
<b>Total</b>	<b>700,332</b>	<b>779,289</b>	<b>1,479,621</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

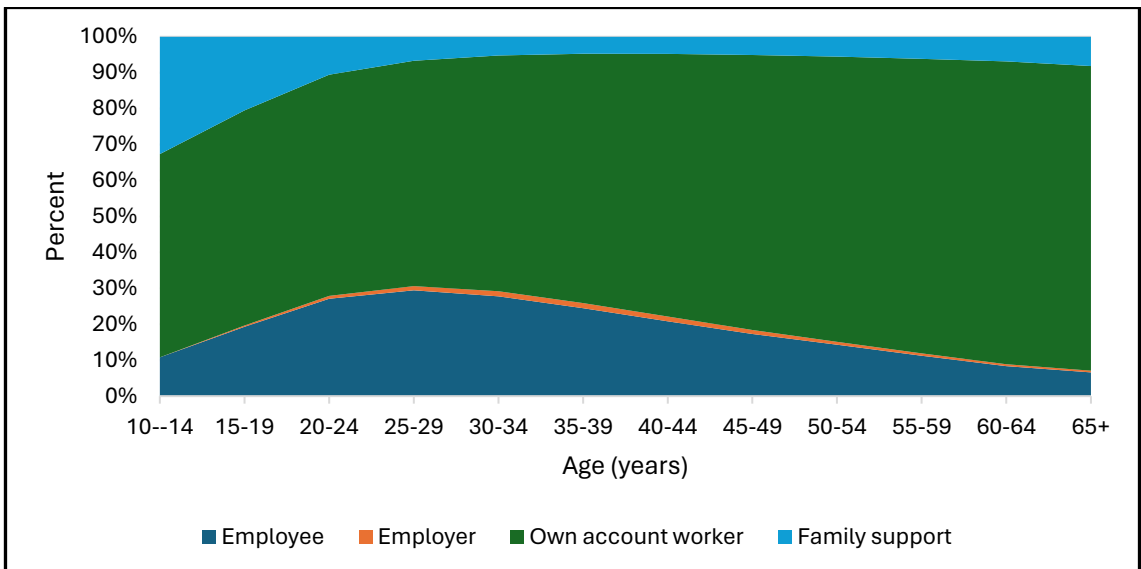
The age-specific status in employment of the population engaged in any economic activity in the past 12 months for males and females is presented in Figure 4.1a and 4.1b. Economic engagement in the form of family support, or as a contributing family member, is more pronounced at young ages for males and continues throughout all ages for females. The proportion of females working as own account workers does not change greatly by age, whereas the same proportion for males increases as the age increases. The likelihood of working as employee increases with age, peaking at middle-age, and then declining with further increase in age both for males and females. The proportion of those working as employers is negligible at the young ages yet gradually increases with an increase in age.



**Figure 4.1a: Distribution of population aged 10 years and above who performed any economic activity by status in employment and age for males, NPHC 2021**



**Figure 4.1b: Distribution of population aged 10 years and above who performed any economic activity by status in employment and age for females, NPHC 2021**



The distribution of the population who performed any economic activity in the reference period by their status in employment for ecological zones, residence, and wealth quintile is presented and discussed in the following paragraphs.

Table 4.2 shows the status in employment of people by ecological zones. The proportion who are working as employees is seen lowest in Mountain (14.5%) and highest in Tarai (33.0%). The highest proportion of own account workers are observed in Mountain (70.8%) and the lowest in Tarai (51.1%) Three-quarters of females and two-thirds of males in Mountain zone are engaged as an own account worker.

**Table 4.2: Population aged 10 years and above who performed any economic activity by status in employment and sex for ecological zones, NPHC 2021**

Ecological Zones and Employment Status	Population Size			Percent distribution		
	Male	Female	Both Sexes	Male	Female	Both Sexes
<b>Mountain</b>						
Employee	104,653	45,892	150,545	20.2	8.8	14.5
Employer	6,302	3,060	9,362	1.2	0.6	0.9
Own account worker	343,975	391,755	735,730	66.3	75.4	70.8
Family support	63,715	78,737	142,452	12.3	15.2	13.7
Not stated	265	233	498	0.1	0.0	0.0
Total	518,910	519,677	1,038,587	100.0	100.0	100.0
<b>Hill</b>						
Employee	1,043,773	632,301	1,676,074	31.8	19.8	25.9
Employer	74,417	26,911	101,328	2.3	0.8	1.6
Own account worker	1,770,120	1,971,776	3,741,896	53.9	61.7	57.7
Family support	394,491	559,094	953,585	12.0	17.5	14.7
Not stated	3,414	3,198	6,612	0.1	0.1	0.1
Total	3,286,215	3,193,280	6,479,495	100.0	100.0	100.0
<b>Tarai</b>						
Employee	1,586,355	879,597	2,465,952	39.0	25.9	33.0
Employer	79,573	22,107	101,680	2.0	0.7	1.4
Own account worker	1,982,497	1,831,922	3,814,419	48.7	54.0	51.1
Family support	420,510	658,833	1,079,343	10.3	19.4	14.5
Not stated	2,262	1,572	3,834	0.1	0.0	0.1
Total	4,071,197	3,394,031	7,465,228	100.0	100.0	100.0
<b>Total</b>						
Employee	2,734,781	1,557,790	4,292,571	34.7	21.9	28.6
Employer	160,292	52,078	212,370	2.0	0.7	1.4
Own account worker	4,096,592	4,195,453	8,292,045	52.0	59.0	55.3
Family support	878,716	1,296,664	2,175,380	11.2	18.2	14.5
Not stated	5,941	5,003	10,944	0.1	0.1	0.1
Total	7,876,322	7,106,988	14,983,310	100.0	100.0	100.0

When disaggregated by the degree of urbanization, the highest share of employees is observed in urban residence (46.1%) and the lowest in rural residence (14.4%) (Table 4.3). Accordingly, the proportion of those who are own account workers is lowest in urban residence (38.1%) and the highest in rural residence (68.9%). The largest share of employers is observed in urban residence (2.9%) and the lowest in rural residence (0.8%). At national level, gender differences are also noticed in all types of places of residence. The largest share of both employees and employers in urban residence indicates greater private sector formal jobs in the urban area as compared to peri-urban and rural area. Similarly, rural residence is characterized by the largest share of own account workers, indicating the prevalence of more informal types of jobs.

**Table 4.3: Population aged 10 years and above who performed any economic activity by status in employment and sex by degree of urbanization, NPHC 2021**

Degree of urbanization and employment status	Population Size			Percent distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
<b>Urban</b>						
Employee	1,042,370	640,184	1,682,554	49.9	41.1	46.1
Employer	84,106	22,615	106,721	4.0	1.5	2.9
Own account worker	776,520	615,408	1,391,928	37.2	39.5	38.1
Family support	185,306	279,196	464,502	8.9	17.9	12.7
Not stated	1,765	1,326	3,091	0.1	0.1	0.1
Total	2,090,067	1,558,729	3,648,796	100.0	100.0	100.0
<b>Peri-urban</b>						
Employee	1,147,780	639,836	1,787,616	37.9	24.6	31.8
Employer	47,331	14,350	61,681	1.6	0.6	1.1
Own account worker	1,514,297	1,452,675	2,966,972	50.1	55.9	52.8
Family support	313,622	490,871	804,493	10.4	18.9	14.3
Not stated	1,829	1,355	3,184	0.1	0.1	0.1
Total	3,024,859	2,599,087	5,623,946	100.0	100.0	100.0
<b>Rural</b>						
Employee	544,631	277,770	822,401	19.7	9.4	14.4
Employer	28,855	15,113	43,968	1.0	0.5	0.8
Own account worker	1,805,775	2,127,370	3,933,145	65.4	72.1	68.9
Family support	379,788	526,597	906,385	13.8	17.9	15.9
Not stated	2,347	2,322	4,669	0.1	0.1	0.1
Total	2,761,396	2,949,172	5,710,568	100.0	100.0	100.0
<b>Total</b>						
Employee	2,734,781	1,557,790	4,292,571	34.7	21.9	28.6
Employer	160,292	52,078	212,370	2.0	0.7	1.4
Own account worker	4,096,592	4,195,453	8,292,045	52.0	59.0	55.3
Family support	878,716	1,296,664	2,175,380	11.2	18.2	14.5
Not stated	5,941	5,003	10,944	0.1	0.1	0.1
Total	7,876,322	7,106,988	14,983,310	100.0	100.0	100.0

The differentials in status of employment based on different educational categories are presented in Table 4.4. The share of own account workers is highest among uneducated people and is seen to decline as the educational level increases. The share of employees and employers shows a clear positive association with educational attainment. Gender differences in the share of the rate of employees, though evident at the lower levels of educational attainment, becomes non-existent for highly educated people (at the equal rate of a 62% share for males as well as females).

**Table 4.4: Population aged 10 years and above who performed any economic activity by status in employment and sex for educational attainment, NPHC 2021**

Education Status and Employment status	Population Size			Percent distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
<b>Illiterate</b>						
Employee	455,105	452,299	907,404	30.6	18.3	22.9
Employer	10,279	8,732	19,011	0.7	0.4	0.5
Own account worker	916,774	1,650,100	2,566,874	61.7	66.8	64.9
Family support	102,784	357,100	459,884	6.9	14.5	11.6
Not stated	734	1,145	1,879	0.0	0.0	0.0
Total	1,485,676	2,469,376	3,955,052	100.0	100.0	100.0
<b>Basic (0-8)</b>						
Employee	893,480	341,272	1,234,752	31.5	16.9	25.4
Employer	36,542	10,744	47,286	1.3	0.5	1.0
Own account worker	1,519,578	1,216,392	2,735,970	53.5	60.4	56.4
Family support	387,347	443,593	830,940	13.6	22.0	17.1
Not stated	2,193	1,618	3,811	0.1	0.1	0.1
Total	2,839,140	2,013,619	4,852,759	100.0	100.0	100.0
<b>Secondary (9- 12)</b>						
Employee	961,373	507,127	1,468,500	34.7	25.2	30.7
Employer	75,533	21,694	97,227	2.7	1.1	2.0
Own account worker	1,389,357	1,057,665	2,447,022	50.1	52.5	51.1
Family support	342,918	427,829	770,747	12.4	21.2	16.1
Not stated	2,297	1,713	4,010	0.1	0.1	0.1
Total	2,771,478	2,016,028	4,787,506	100.0	100.0	100.0
<b>Higher (Bachelor+)</b>						
Employee	380,442	220,339	600,781	62.1	62.0	62.1
Employer	35,471	9,470	44,941	5.8	2.7	4.6
Own account worker	163,380	85,088	248,468	26.7	24.0	25.7
Family support	33,236	39,944	73,180	5.4	11.2	7.6

Education Status and Employment status	Population Size			Percent distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
Not stated	475	287	762	0.1	0.1	0.1
Total	613,004	355,128	968,132	100.0	100.0	100.0
Others						
Employee	44,049	36,531	80,580	26.6	14.5	19.3
Employer	2,455	1,426	3,881	1.5	0.6	0.9
Own account worker	106,980	185,423	292,403	64.5	73.7	70.1
Family support	12,264	27,934	40,198	7.4	11.1	9.6
Not stated	126	160	286	0.1	0.1	0.1
Total	165,874	251,474	417,348	100.0	100.0	100.0
Literacy Not Stated						
Employee	332	222	554	28.9	16.3	22.0
Employer	12	12	24	1.0	0.9	1.0
Own account worker	523	785	1,308	45.5	57.6	52.0
Family support	167	264	431	14.5	19.4	17.2
Not stated	116	80	196	10.1	5.9	7.8
Total	1,150	1,363	2,513	100.0	100.0	100.0
Total						
Employee	2,734,781	1,557,790	4,292,571	34.7	21.9	28.6
Employer	160,292	52,078	212,370	2.0	0.7	1.4
Own account worker	4,096,592	4,195,453	8,292,045	52.0	59.0	55.3
Family support	878,716	1,296,664	2,175,380	11.2	18.2	14.5
Not stated	5,941	5,003	10,944	0.1	0.1	0.1
Total	7,876,322	7,106,988	14,983,310	100.0	100.0	100.0

The differentials in the distribution of status of employment based on household wealth index are presented in Table 4.5. In the case of employees, the proportion increases with greater wealth index figures and the largest share is observed for people from the highest wealth index (39.1%) with which also presents the smallest gender difference (4.6 percentage points). Moving from the lowest to the highest wealth index category, the share of own account workers and contributing family members substantially declines.

**Table 4.5: Population aged 10 years and above who performed any economic activity by status in employment and sex for wealth index, NPHC 2021**

Wealth quintile and Employment Status	Population Size			Percent distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
<b>Lowest</b>						
Employee	404,001	228,062	632,063	26.2	15.1	20.7
Employer	8,669	4,587	13,256	0.6	0.3	0.4
Own account worker	929,313	997,957	1,927,270	60.3	66.0	63.1
Family support	197,979	279,935	477,914	12.8	18.5	15.7
Not stated	906	864	1,770	0.1	0.1	0.1
Total	1,540,868	1,511,405	3,052,273	100.0	100.0	100.0
<b>Lower</b>						
Employee	441,454	235,524	676,978	27.1	14.7	20.9
Employer	13,043	6,499	19,542	0.8	0.4	0.6
Own account worker	967,662	1,067,408	2,035,070	59.5	66.5	63.0
Family support	204,109	294,723	498,832	12.5	18.4	15.4
Not stated	992	919	1,911	0.1	0.1	0.1
Total	1,627,260	1,605,073	3,232,333	100.0	100.0	100.0
<b>Middle</b>						
Employee	535,001	282,604	817,605	33.0	18.8	26.2
Employer	20,727	7,889	28,616	1.3	0.5	0.9
Own account worker	886,913	936,670	1,823,583	54.7	62.4	58.4
Family support	178,291	272,096	450,387	11.0	18.1	14.4
Not stated	1,167	1,015	2,182	0.1	0.1	0.1
Total	1,622,099	1,500,274	3,122,373	100.0	100.0	100.0
<b>Higher</b>						
Employee	593,918	346,524	940,442	41.7	28.0	35.4
Employer	30,184	10,156	40,340	2.1	0.8	1.5
Own account worker	652,633	656,151	1,308,784	45.9	53.1	49.2
Family support	144,885	222,742	367,627	10.2	18.0	13.8
Not stated	1,214	972	2,186	0.1	0.1	0.1
Total	1,422,834	1,236,545	2,659,379	100.0	100.0	100.0
<b>Highest</b>						
Employee	624,560	451,952	1,076,512	41.2	36.6	39.1
Employer	87,151	22,825	109,976	5.7	1.8	4.0
Own account worker	655,188	535,513	1,190,701	43.2	43.3	43.3
Family support	147,978	224,570	372,548	9.8	18.2	13.5

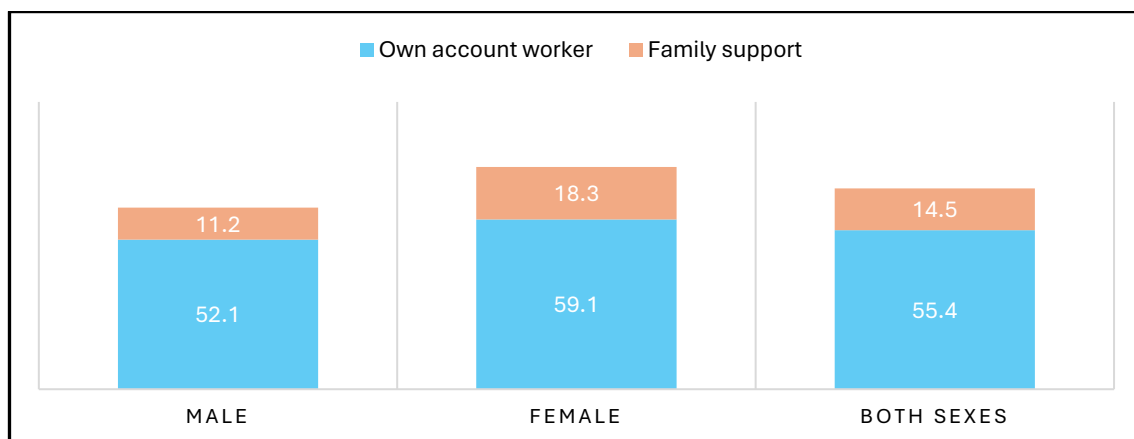
Wealth quintile and Employment Status	Population Size			Percent distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
Not stated	1,619	1,204	2,823	0.1	0.1	0.1
Total	1,516,496	1,236,064	2,752,560	100.0	100.0	100.0
Total						
Employee	2,598,934	1,544,666	4,143,600	33.6	21.8	28.0
Employer	159,774	51,956	211,730	2.1	0.7	1.4
Own account worker	4,091,709	4,193,699	8,285,408	52.9	59.2	55.9
Family support	873,242	1,294,066	2,167,308	11.3	18.3	14.6
Not stated	5,898	4,974	10,872	0.1	0.1	0.1
Total	7,729,557	7,089,361	14,818,918	100.0	100.0	100.0

## 4.2: Vulnerable status in employment

Based on the ILO's notion of 'Decent Work', a vulnerable status in employment can be roughly measured as the percentage of people who are own-account workers or contributing family members out of the total number of employed people. However, in this report, vulnerable status in employment is measured as the percentage of people who are own-account workers or working as a contributing family member out of those people who performed any economic activity in the reference period. Based on this indicator, a person's economic risk vulnerability is reflected in which there is no or weak employment arrangements in the case of own account workers and those contributing to family support. Individuals working in such a capacity are likely to lack contractual arrangements which can lead to a lack of job security and lack social security benefits, or health or unemployment coverage (Department of Population, 2017). Moreover, such work may have a low productivity output.

According to Figure 4.2 and Table 4.6, a total of 69.9 percent of usually employed people experiences a vulnerable status in employment in Nepal, a rate that is 63.2 percent for males and 77.4 percent for females. Among the provinces, the proportion of those in a vulnerable status in employment is the highest in Karnali Province (males at 77%, females at 90%, 84% for both sexes) and the lowest in Bagmati Province (males at 56%, females at 69%, and 62% for both sexes).

**Figure 4.2: Percentage of usually employed population in vulnerable status in employment by sex, NPHC 2021**



**Note:** 1. Vulnerable status in employment consists of those who work as 'own account worker' and 'contributing family members'. 2. 'Not stated' cases are excluded from the denominator while calculating percentage in vulnerable status in employment.

**Table 4.6: Size and percentage of people in vulnerable status in employment among people aged 10 years and above who performed any economic activity, Nepal and province, NPHC 2021**

Vulnerable employment	Population size in vulnerable status in employment			Percentage of people in vulnerable status in employment		
	Male	Female	Both sexes	Male	Female	Both sexes
<b>Nepal</b>	<b>4,975,308</b>	<b>5,492,117</b>	<b>10,467,425</b>	<b>63.2</b>	<b>77.3</b>	<b>69.9</b>
<b>Province</b>						
Koshi	970,245	1,059,822	2,030,067	65.8	78.0	71.6
Madhesh	880,063	731,765	1,611,828	58.6	69.9	63.2
Bagmati	980,705	1,026,997	2,007,702	56	69	62
Gandaki	416,893	533,093	949,986	65	79	72
Lumbini	873,051	1,035,147	1,908,198	65	81	73
Karnali	351,642	424,170	775,812	77	90	84
Sudurpashchim	502,709	681,123	1,183,832	72	87	80

**Note:** Vulnerable status in employment consists of those who work as 'own account worker' and 'contributing family members'. 'Not stated' cases are excluded from the denominator while calculating percentage in vulnerable status in employment.

Among the three ecological zones, the figure in a vulnerable employment status is the largest in Tarai region (4,893,762) yet the same region holds the lowest proportion of total people in a vulnerable status in employment (65.5%). The largest proportion is seen in Mountain zone (84.6%), yet the figure of the population size in vulnerable status in employment is smallest (Table 4.7). Additionally, among urban, peri-urban and rural types of residence, the size as well



as the proportion of people in vulnerable status in employment is the largest in rural residence (4,839,530 or 84.8%).

**Table 4.7: Size and percentage of people in vulnerable status in employment among people aged 10 years and above who performed any economic activity, for different ecological zones and degree of urbanization, NPHC 2021**

Ecological zones and degree of urbanization	Population size in vulnerable status in employment			Percentage of people in vulnerable status in employment		
	Male	Female	Both sexes	Male	Female	Both sexes
<b>Ecological zone</b>						
<b>Mountain</b>	407,690	470,492	878,182	78.6	90.6	84.6
<b>Hill</b>	2,164,611	2,530,870	4,695,481	65.9	79.3	72.5
<b>Tarai</b>	2,403,007	2,490,755	4,893,762	59.1	73.4	65.6
<b>Degree of urbanization</b>						
<b>Urban</b>	961,826	894,604	1,856,430	46.1	57.4	50.9
<b>Peri-urban</b>	1,827,919	1,943,546	3,771,465	60.5	74.8	67.1
<b>Rural</b>	2,185,563	2,653,967	4,839,530	79.2	90.1	84.8

The share of vulnerable status in employment by sex for different educational categories demonstrates that the share declines drastically when moving from the 'No education' to 'Higher education' category (Table 4.8). Moreover, the gender gap which exists in the share of vulnerable employment also narrows down when moving from lower to higher educational categories.

**Table 4.8: Size and percentage of people in vulnerable status in employment among people aged 10 years and above who performed any economic activity by education, NPHC 2021**

Educational attainment	Population size in vulnerable status in employment			Percentage of people in vulnerable status in employment		
	Male	Female	Both sexes	Male	Female	Both sexes
No education	1,019,558	2,007,200	3,026,758	68.6	81.3	76.5
Basic (class 1-8)	1,906,925	1,659,985	3,566,910	67.2	82.4	73.5
Secondary (class 9-12)	1,732,275	1,485,494	3,217,769	62.5	73.7	67.2
Higher education	196,616	125,032	321,648	32.1	35.2	33.2
Others	119,244	213,357	332,601	71.9	84.8	79.7

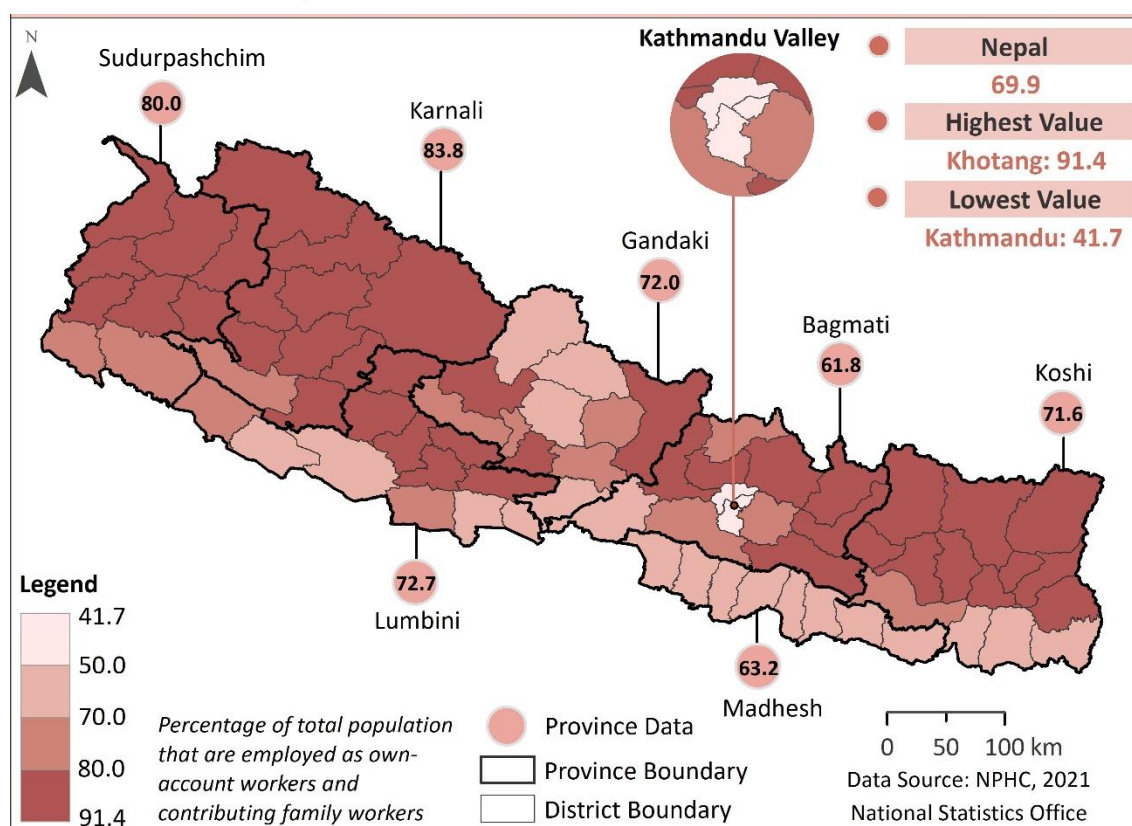
The size and share of those in a vulnerable status in employment by wealth shows a clearly negative association. The share of vulnerable status in employment is seen highest among people from lowest wealth index (78.8%), a rate which declines when addressing data for higher wealth index categories, reaching the lowest level for the highest wealth index group (56.9%) (Table 4.9). The gender gap exists in all wealth index categories, showing a decline towards the higher wealth index categories.

**Table 4.9: Size and percentage of people in vulnerable status in employment among people aged 10 years and above who performed any economic activity for different wealth index categories, NPHC 2021**

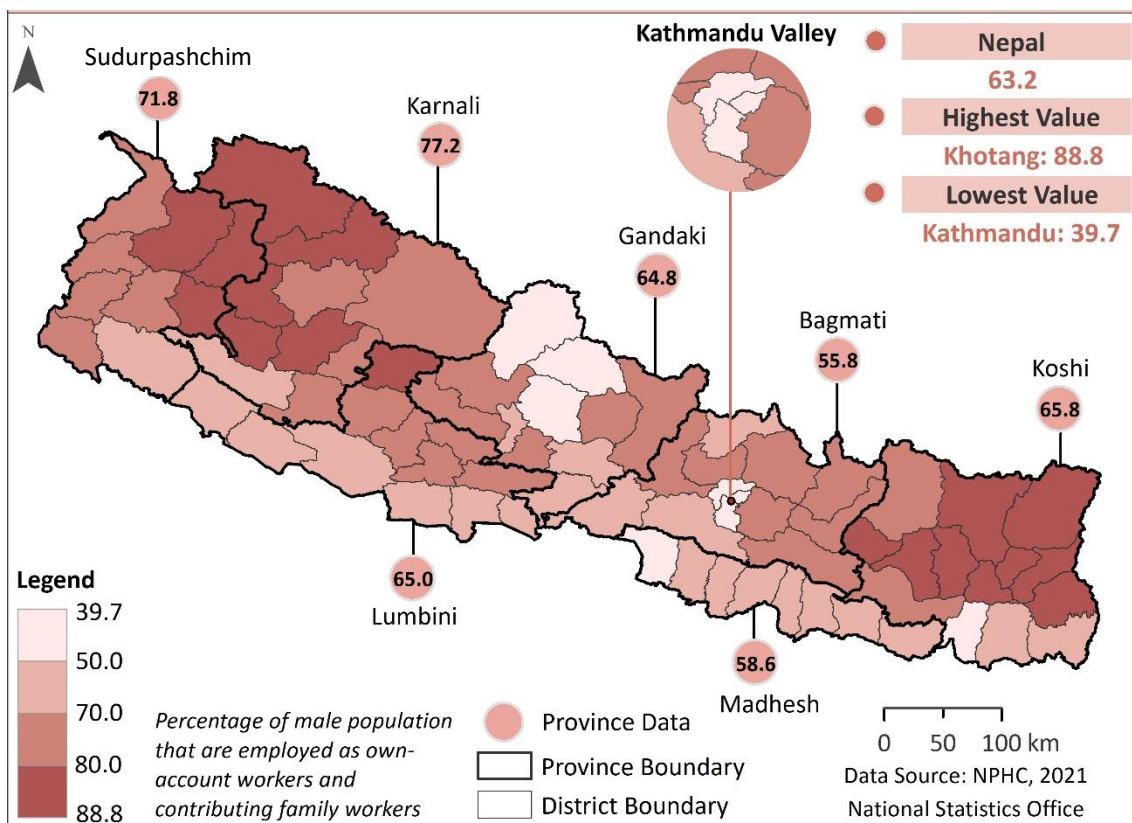
Wealth index	Population size in vulnerable status in employment			Percentage of people in vulnerable employment		
	Male	Female	Both sexes	Male	Female	Both sexes
Lowest	1,127,292	1,277,892	2,405,184	73.2	84.6	78.8
Lower	1,171,771	1,362,131	2,533,902	72.1	84.9	78.4
Middle	1,065,204	1,208,766	2,273,970	65.7	80.6	72.9
Higher	797,518	878,893	1,676,411	56.1	71.1	63.1
Highest	803,166	760,083	1,563,249	53.0	61.6	56.9

The share of vulnerable employment by sex at the district level is presented in Figure 4.3a, 4.3b and 4.3c.

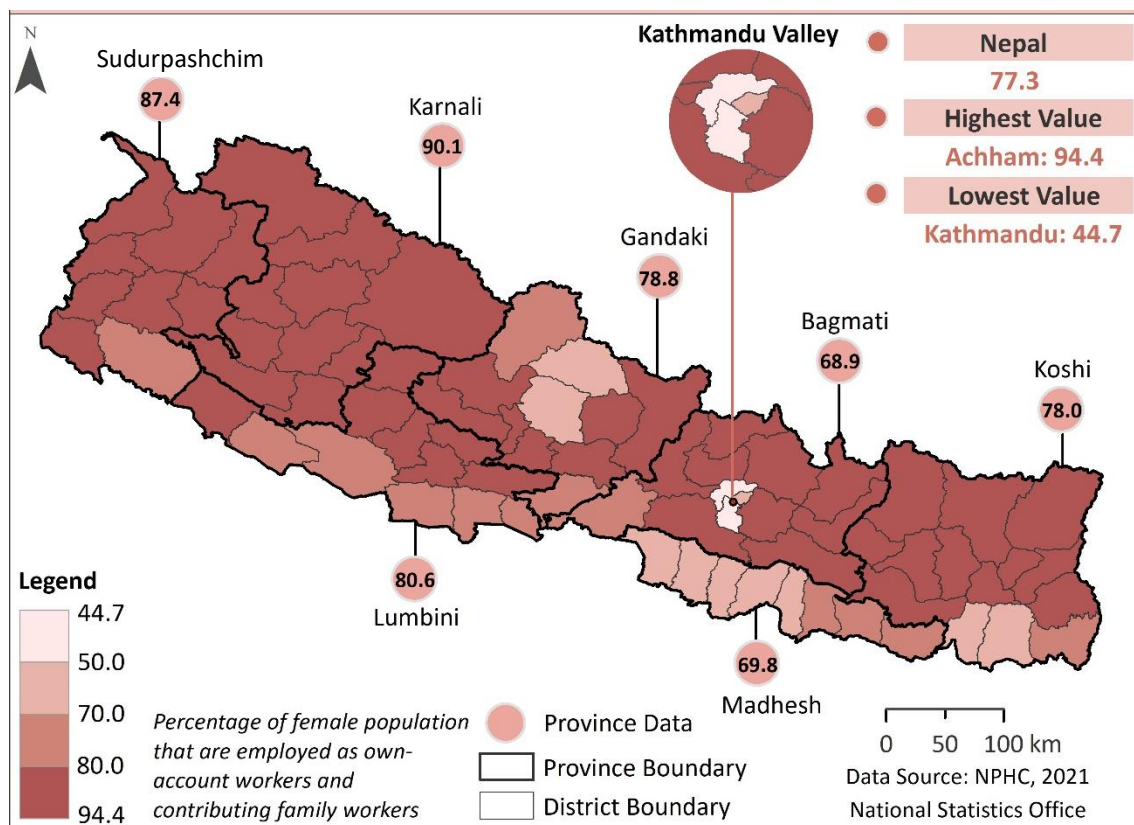
**Figure 4.3a: Percentage of people in vulnerable status in employment among people aged 10 years and above who performed any economic activity for both sex by province and district, NPHC 2021**



**Figure 4.3b: Percentage of people in vulnerable status in employment among people aged 10 years and above who performed any economic activity for male by province and district, NPHC 2021**



**Figure 4.3c: Percentage of people in vulnerable status in employment among people aged 10 years and above who performed any economic activity for female by province and district, NPHC 2021**



### 4.3 Determinants of vulnerable status in employment

Examining determinants of vulnerable status in employment is deemed necessary as a substantially high proportion of individuals were incorporated into the related categories of employment, with visible variation seen across different background characteristics. The determinants of being in a vulnerable employment status are examined using logistic regression. The study population included those who performed any economic activity and did not seek employment in the reference period. The dependent variable is dichotomized based on the response on the question on status of employment. For the dependent variable 'whether in vulnerable status in employment', the two responses of 'own account worker' and 'contributing family member' are combined to indicate a vulnerable status in employment (coded '1'), and the responses 'employee' and 'employer' were combined to indicate that the status in employment is not vulnerable (subsequently coded '0'). The results are expressed in terms of odds ratios and presented in Table 4.10.

After controlling for other characteristics, vulnerable status in employment is less pronounced in age group 15-64, yet the status increases with reference to people aged 10-14 years and those beyond the 65-year age group. This indicates that vulnerability exists with more intensity at both younger and older ages. The odds of being in vulnerable employment doubles for females as compared to males. Vulnerability in status of employment reduces those who are married as compared to those who have never married, as well as for in-migrants when compared to non-migrants. With reference to uneducated people, the odds of being in vulnerable employment status are reduced by two-thirds for those with higher education. Nominal differences have remained among people of different wealth index categories in terms of being in a vulnerable employment status. Those from peri-urban (OR = 1.69) and rural (OR = 3.45) residence have higher odds of being in vulnerable status in employment as compared to urban residents. Hill and Tarai zones showed lower odds of being in vulnerable status in employment as compared to the Mountain. With reference to those from Koshi Province, those from Madhesh, Bagmati and Gandaki provinces have lower odds of being in a vulnerable employment status and those from Lumbini, Karnali and Sudurpashchim provinces show higher odds.

**Table 4.10: Results of logistic regression: Adjusted Odds Ratios (AOR) of being in vulnerable status in employment**

Variables	Categories	AOR for being in vulnerable status in employment
<b>Age (years)</b>	<b>10-14</b>	<b>Ref.</b>
	15-24	0.36
	25-34	0.29
	35-44	0.36
	45-54	0.47
	55-64	0.70
	65-74	1.18
	75-84	1.68
	85+	1.79
<b>Sex</b>	Male	<b>Ref.</b>
	Female	2.02
<b>Marital status</b>	Never married	<b>Ref.</b>
	Married	0.90
	Widow/widower	0.73
	Divorced	0.57
	Separated	0.56
	Non-migrant	<b>Ref.</b>

Variables	Categories	AOR for being in vulnerable status in employment
<b>Migration status</b>	In-migrant (within 5 years)	0.63
	In-migrant (5+ years)	0.87
<b>Educational attainment</b>	No education	<b>Ref.</b>
	Basic (0-8)	1.11
	Secondary (9-12)	1.13
	Higher	0.33
	Others <sup>#</sup>	1.19
<b>Wealth quintile</b>	Lowest	<b>Ref.</b>
	Lower	1.11
	Middle	1.11
	Higher	1.01
	Highest	1.10
<b>Degree of urbanization</b>	Urban	<b>Ref.</b>
	Peri Urban	1.69
	Rural	3.45
<b>Ecological zone</b>	Mountain	<b>Ref.</b>
	Hill	0.79
	Tarai	0.59
<b>Province</b>	Koshi	<b>Ref.</b>
	Madhesh	0.92
	Bagmati	0.81
	Gandaki	0.84
	Lumbini	1.16
	Karnali	1.29
	Sudurpashchim	1.39
<b>Constant</b>		<b>3.85</b>
<b>Pseudo R square</b>		<b>0.1323</b>
<b>Minus 2 Log Likelihood</b>		<b>7,797,184.80</b>
<b>Number of persons<sup>\$</sup></b>		<b>14,818,918</b>

**Note:** Ref. indicates reference category for comparing odds ratio.

<sup>\$</sup> This excludes those people living in institutional households (164,392 persons, whose data on wealth index was missing)

<sup>#</sup> This includes all other educational status as well as those with no level or level not stated

## 4.4 Industrial distribution of economic activities

Following the summary of status in employment, this section describes the distribution of population by their involvement in major industrial divisions. The analysis includes those who performed any economic activities in the reference period. Distribution of the study population by type of major industrial divisions is shown in Table 4.11. The information is based on those living in individual households, thus excluding the population residing in the institutional households. Based on the information on the type of goods and services produced, where the individual was mostly employed in the reference period, economic activities were coded using one digit level in 21 broad groupings of Nepal Standard Industrial Classification (NSIC) based on the International Standard Classification of Economic Activities (ISIC, Rev. 4).<sup>1</sup>

The maximum share of the population (57.3%) is found to be active in agriculture, forestry and fishing (Table 4.11). Wholesale and retail trade, repair of motor vehicles, and motorcycles holds the second largest share with 12.5 percent of engagement, and the construction sector occupies the third largest industrial area of involvement with an engagement rate of 8.1 percent of individuals. Sex differentials exist in the major industrial areas. The distribution is tilted towards the agricultural sector for females as compared to males, where 50.6 percent of males and 64.8 percent of females are engaged in the agriculture, forestry and fishery sector. In the wholesale and retail trade, repair of motor vehicles, and motorcycles, 12.1 percent of males and 13.0 percent of females are involved. In the construction sector, 10.5 percent of males and only 5.4 percent of females are engaged. It should be noted that only a small share of the population is engaged in the manufacturing sector (5.1% for males and 2.4% for females). In the transportation sector, there is an engagement rate of 4.1 percent of males compared to 0.2 percent of females are engaged. Notably, there are 2.8 percent of females and 3 percent of males are engaged in education sector.

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<sup>1</sup>UNSD (2008). *International Standard Industrial Classification of All Economic Activities, Revision 4*. New York: United Nations Statistics Division (UNSD).



**Table 4.11: Distribution of population aged 10 years and above who performed any economic activity by type of major industries and sex, NPHC 2021**

Industrial area of work		Number who performed any economic activities			Percentage distribution		
		Male	Female	Both sexes	Male	female	Both sexes
A	Agriculture, forestry and fishing	3,983,417	4,603,146	8,586,563	50.6	64.8	57.3
B	Mining and quarrying	18,451	9,152	27,603	0.2	0.1	0.2
C	Manufacturing	399,565	171,288	570,853	5.1	2.4	3.8
D	Electricity, gas, steam and air conditioning supply	38,450	5,949	44,399	0.5	0.1	0.3
E	Water supply; sewerage, waste management and remediation activities	23,950	8,275	32,225	0.3	0.1	0.2
F	Construction	830,688	384,375	1,215,063	10.5	5.4	8.1
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	956,509	920,960	1,877,469	12.1	13.0	12.5
H	Transportation and storage	320,611	14,200	334,811	4.1	0.2	2.2
I	Accommodation and food services activities	150,379	100,876	251,255	1.9	1.4	1.7
J	Information and communication	39,032	13,113	52,145	0.5	0.2	0.3
K	Financial and insurance activities	90,122	73,624	163,746	1.1	1.0	1.1
L	Real estate business activities	20,131	2,484	22,615	0.3	0.0	0.2
M	Professional, scientific and technical activities	59,246	17,141	76,387	0.8	0.2	0.5
N	Administrative and support service activities	37,133	14,439	51,572	0.5	0.2	0.3
O	Public administration and defence	249,428	41,813	291,241	3.2	0.6	1.9
P	Education	232,438	196,706	429,144	3.0	2.8	2.9
Q	Human health and social work activities	80,710	90,566	171,276	1.0	1.3	1.1
R	Arts, entertainment and recreation	44,317	12,273	56,590	0.6	0.2	0.4
S	Other service activities	244,825	334,075	578,900	3.1	4.7	3.9
T	Activities of households as employers	43,529	82,300	125,829	0.6	1.2	0.8
U	Activities of extra-territorial organizations and bodies	7,731	5,800	13,531	0.1	0.1	0.1
	Not stated	5,660	4,433	10,093	0.1	0.1	0.1
	Total	7,876,322	7,106,988	14,983,310	100.0	100.0	100.0

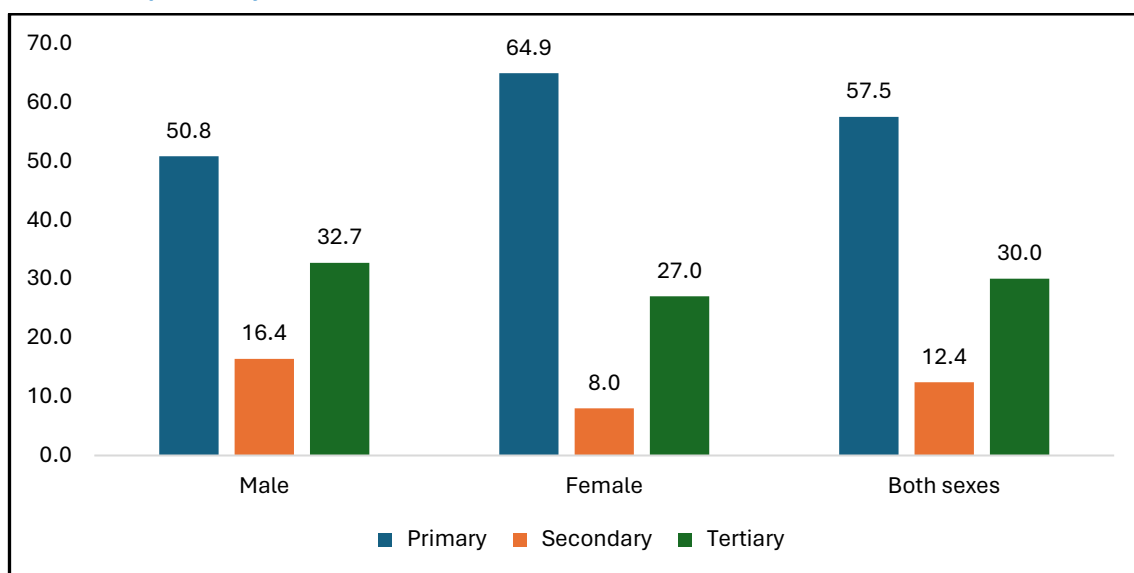
Industrial activities are classified into three major divisions: primary sector, secondary sector, and tertiary sectors. The primary sector includes agriculture, forestry and fishing; the secondary sector involves the activities in manufacturing and industry including mining and quarrying, construction, and public utilities – electricity gas and water; and the tertiary sector or service sector includes activities like wholesale and retail trade, transportation and storage, administration and support service activities, public administration and defence; compulsory social security, education, human health and social work activities, and other services. In this



regard, NSIC/ISIC section A (See Table 4.11) is classified as the primary sector, B to F is classified to the secondary sector, and G to U is classed under the tertiary or services sector (UNSD, 2008).

Distribution of the population who performed any economic activity in the reference period across the three broad sectors of industries is shown in Figure 4.4 by sex at national level. The engagement of those in the primary sector is very high (57.5%) compared to other sectors, likely due to high engagement in the agricultural sector. Engagement of people in the secondary sector is reported only at 12.4 percent (16.4% for males and 8.0% for females). The tertiary/service sector shows a large share, accounting for 30.0 percent of respondents (32.7% for males and 27.0% for females) in this sector. There is some gender disparity with regard to involvement in different sectors. The engagement rate of females is much higher in the primary sector as compared to that of males. However, female participation in secondary and tertiary sector is less when compared to that of males.

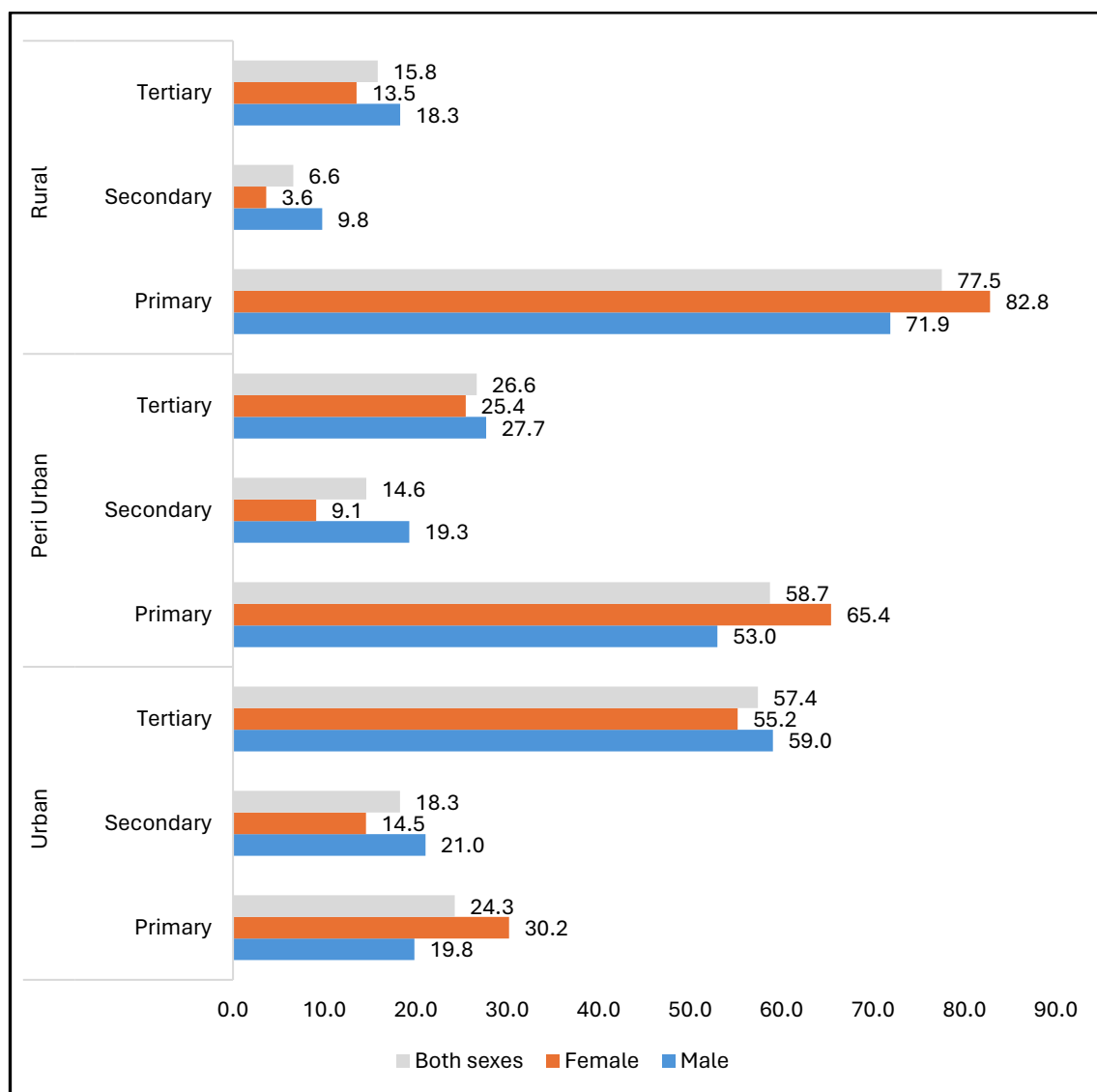
**Figure 4.4: Distribution of population who performed any economic activity in the reference period by broad industrial sectors, NPHC 2021**



The distribution of population engaged in any economic activity in the reference period by broad industrial sectors is shown in Figure 4.5 by residence and sex. Individuals' engagement in different broad industrial sectors shows a substantial variation among urban, peri-urban and rural areas. The proportion engaged in the primary sector is the highest (77.5%) in the rural area and lowest (24.3%) in the urban area. It is to be noted that the secondary sector share gradually increases from rural to peri-urban areas, and then to the urban area. On the other hand, there is a gradual increase (15.8% to 26.6%) in the share of tertiary sector engagement from rural to peri-urban areas, yet a drastic increase (26.6% to 57.4%) is observed in the data to the urban

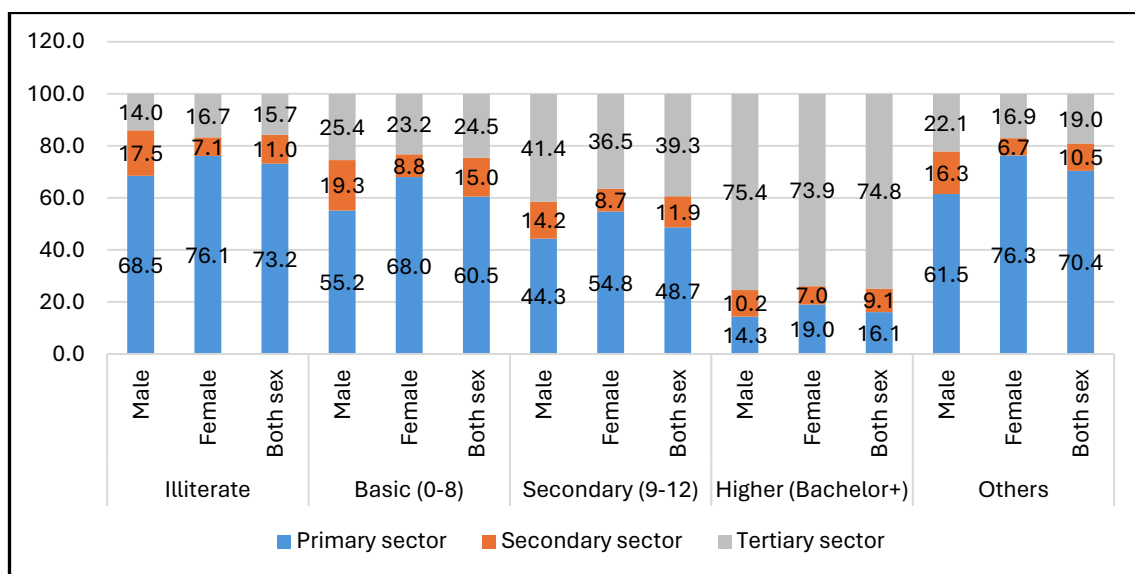
area from peri-urban areas. In summary, the distribution of data across the broad industrial sectors for the peri-urban area closer resembles the data for rural areas as opposed to the urban areas. Comparing involvement rates by males and females, the proportionate share of females is larger than that of males in the case of primary sector and the opposite is seen for the secondary sector in all three types of residences as per degree of urbanization. This demonstrates that primary sector jobs tend to be better represented by females in Nepal.

**Figure 4.5: Percentage distribution of population who performed any economic activity in the reference period by broad industrial sectors of involvement for degree of urbanization and sex, NPHC 2021**



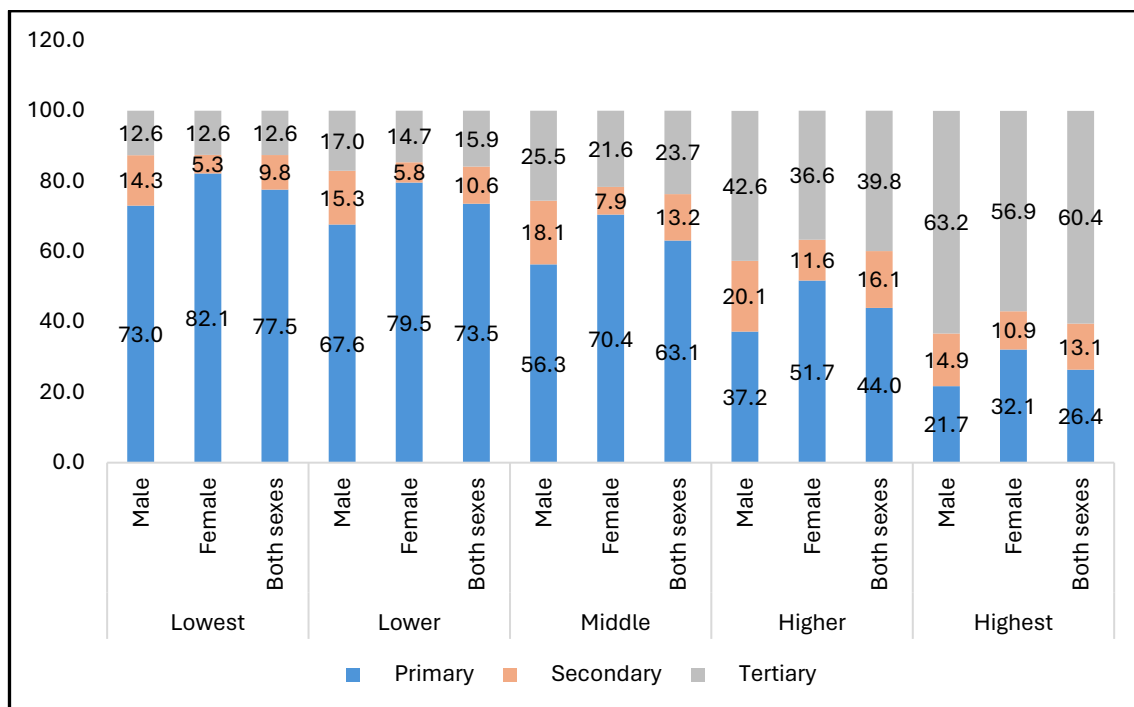
Distribution of population by broad industrial sectors for different educational categories and sex are presented in Figure 4.6. Increasing levels of education clearly show a higher share of involvement in tertiary sectors, both for male and female which is seen to narrow the gender gap. Interestingly, the share of females is more than that of males when regarding involvement in the primary sector, irrespective of the educational level which they attained. Though there is gradual structural shift in broad industrial distribution from illiteracy to secondary education levels, the distribution is drastically different for highly educated groups of people. In other educational groups, a majority are involved in the primary sector, yet among the highly educated, a vast majority are involved in the tertiary sector.

**Figure 4.6: Percentage distribution of population who performed any economic activity in the reference period by broad industrial sectors of involvement for different educational categories and sex, NPHC 2021**



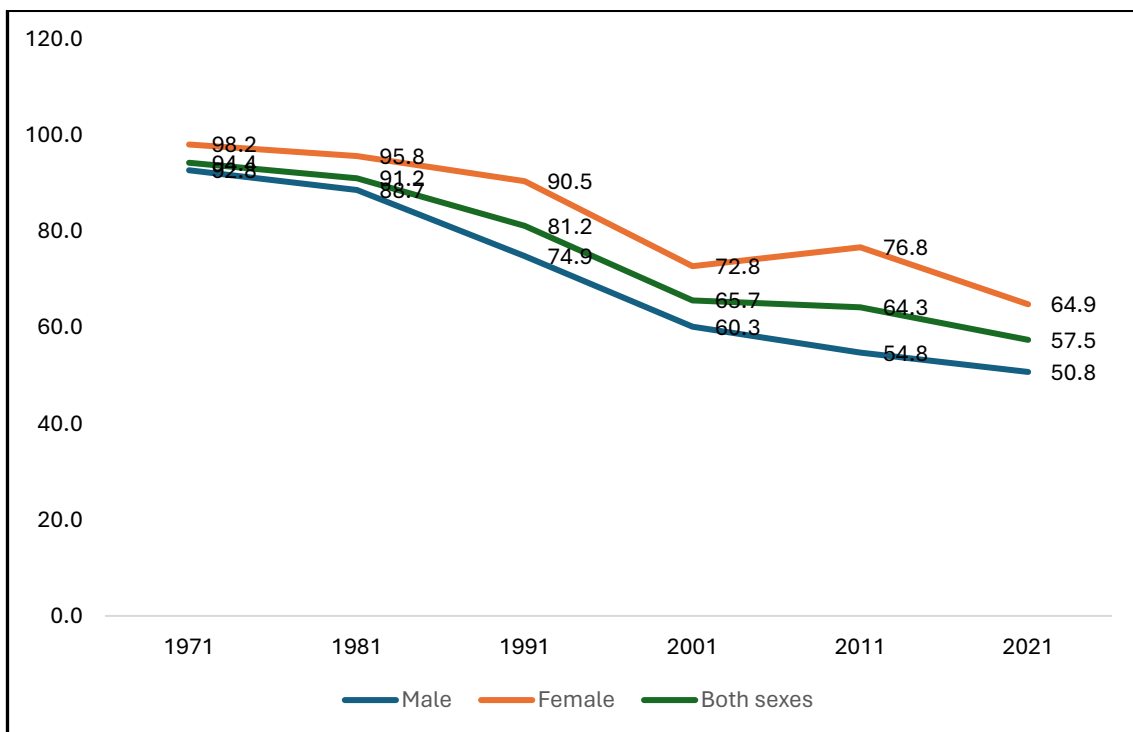
The economically active population by broad economic categories (primary, secondary and tertiary) and according to household wealth index is shown in Figure 4.7. The lowest and lower groups are mostly engaged in primary sectors. The overall involvement of economically active people among the lowest group is in primary sector (77.5%). In this group, 73.0 percent of males and 82.1 percent of females are engaged, with the largest share mainly in subsistence agriculture. The share of those engaged in the primary sector declines when comparing the lowest to highest categories, with the 'lower' showing an exception. Involvement in the secondary sector is seen highest among the 'higher' group (16.1%). In all the wealth quintile groups, a larger proportion of females than males are engaged in primary sector.

**Figure 4.7: Percentage distribution of population who performed any economic activity in the reference period by broad industrial sectors of involvement for different wealth index and sex, NPHC 2021**

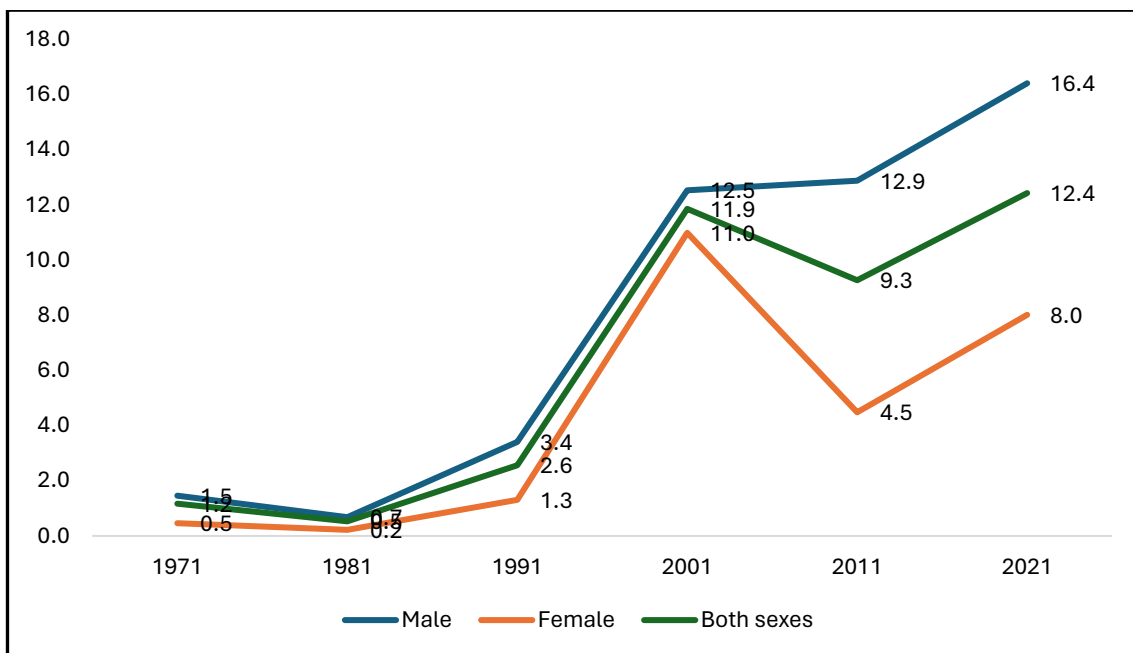


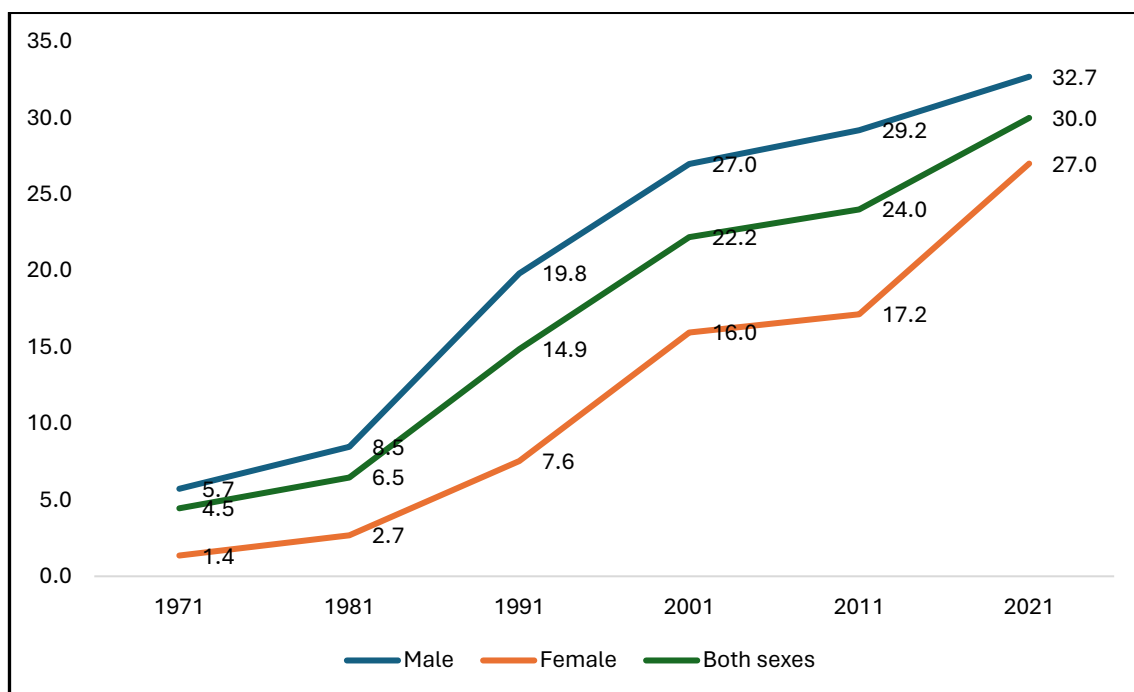
The changes in the percent share of primary, secondary, and tertiary sectors of industries of population over time is presented in Figure 4.8a, 4.8b and 4.8c. The figures clearly show an increasing trend in the percent share of the tertiary sector and a declining trend in the share of the primary sector for males, females, and both sexes. However, fluctuations are observed in the percent share of the secondary sector. Moreover, the highest percent share is still carried by the primary sector, with the tertiary sector following. It is to be noted that the share of the secondary sector, though increasing over time, remains at a low level. This clearly indicates a narrow industrial sector in the country. Trends indicate that the share of the primary sector may further decline, yet the share of the tertiary sector may further increase in the coming period. Despite these projections, the data regarding the secondary sector is somewhat ambiguous and does not allow for a clear trends projection.

**Figure 4.8a: Percentage share of population in primary sector of industries over time, Nepal**



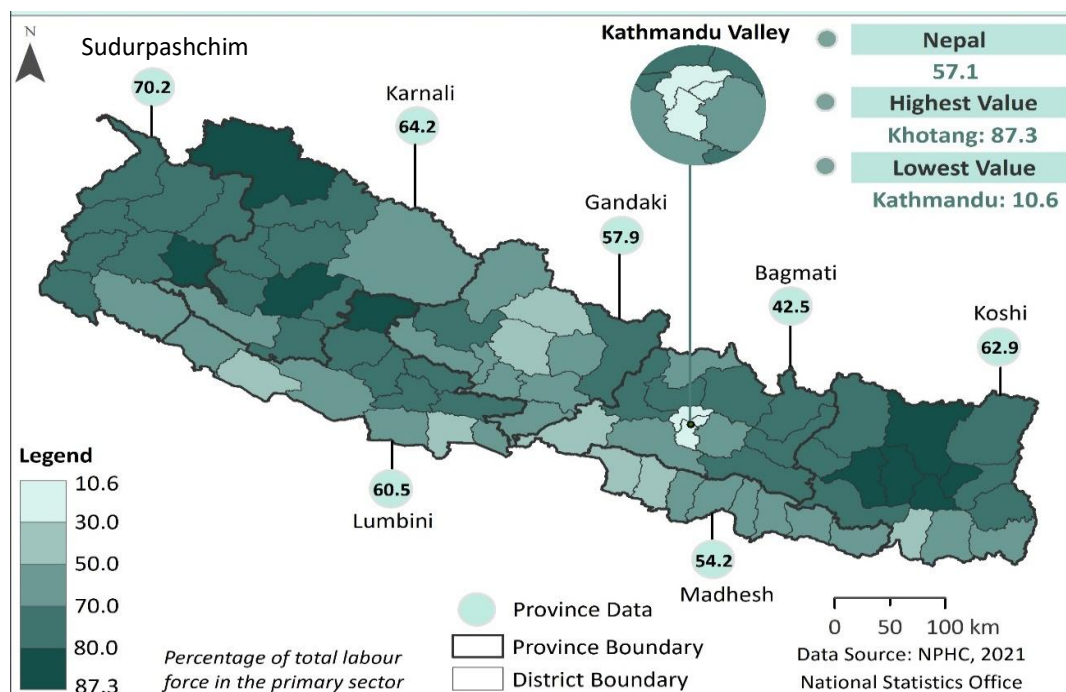
**Figure 4.8b: Percentage share of population in secondary sector of industries over time, Nepal**



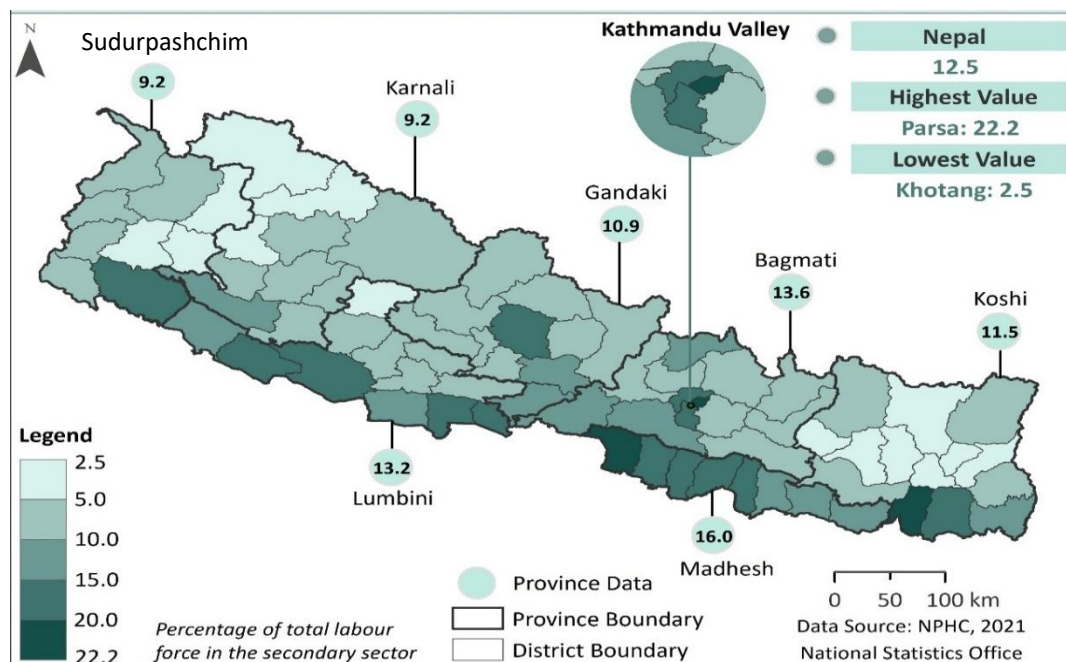
**Figure 4.8c: Percentage share of population in tertiary sector of industries over time, Nepal**

Percentage share of primary, secondary, and tertiary sectors of industries by population at district level are presented in Figure 4.9a, 4.9b and 4.9c. Among the districts, Khotang shows the greatest share in terms of the primary sector and the least in terms of the secondary and tertiary sectors. Similarly, Parsa and Kathmandu show the highest percentage share for the secondary and tertiary sectors respectively.

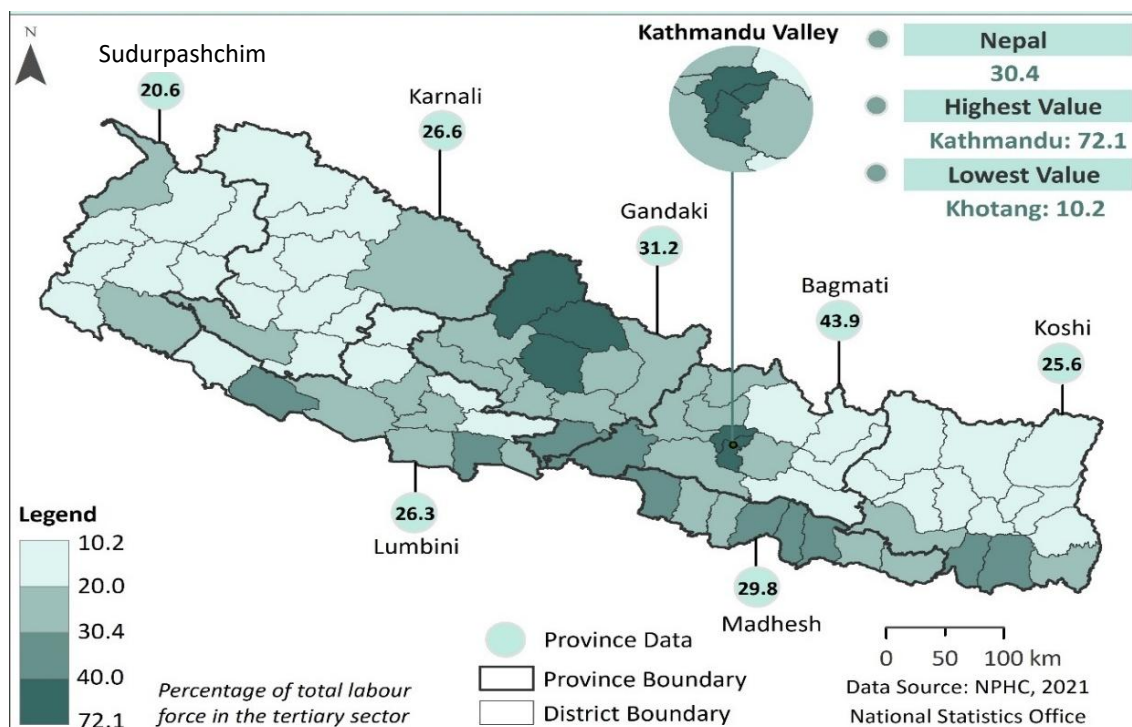
**Figure 4.9a: Percentage share of population who performed any economic activity in the reference period in primary sector by province and district, NPHC 2021**



**Figure 4.9b: Percentage share of population who performed any economic activity in the reference period in secondary sector by province and district, NPHC 2021**



**Figure 4.9c: Percentage share of population who performed any economic activity in the reference period in tertiary sector by province and district, NPHC 2021**



## 4.5 Occupational distribution

This section depicts the distribution of the population who performed any economic activity in the reference period by standard occupational classification according to ISCO (2008). The size and percent distribution of population by major occupation group and sex is presented in Table 4.12. Further included is the sex ratio of the population in each occupational category, providing a number of males per 100 females. For every 100 females, nearly 111 males are involved in any occupation. More females than males are involved in two occupation fields: agriculture, forestry and fishery skilled workers (sex ratio 85.5) and elementary occupations (sex ratio 80.2). In all other occupations, the sex ratio is heavily weighted towards males. For occupations such as managers, professionals, technical and associate professionals and craft and related trade workers, more males are involved as compared to females. In the distribution of occupational groups, half of the population is engaged as agriculture, forestry and fishery skilled workers and nearly one-quarter (23.0%) are in elementary occupations. The share of population in sales and service works, craft and related trade works, and managers sits between 5-6 percent. Nearly 4 percent are professionals and nearly two percent are technical and associate professionals. Some evidence of sex differentials in occupational involvement are found, with the major seen



in agriculture, forestry and fishery skilled work, where 43.9 percent of males and 56.9 percent of females are engaged. Similarly, the share of females in elementary occupations is somewhat higher than that of males. However, in all other professions, the share of females is smaller than that of males. It can be inferred that females are greater involved in agrarian work and lower skill occupations and a greater number of males are engaged in other occupations which need require specific skills and education.

**Table 4.12: Distribution of population who performed any economic activity in the reference period by major occupation group and sex, NPHC 2021**

Occupation	Population Size			Percent distribution			Sex ratio
	Male	Female	Both sexes	Male	Female	Both sexes	
Armed forces occupations	95,804	8,865	104,669	1.2	0.1	0.7	1080.7
Managers	522,645	248,800	771,445	6.6	3.5	5.1	210.1
Professionals	341,992	226,698	568,690	4.3	3.2	3.8	150.9
Technicians and associate prof.	179,889	98,697	278,586	2.3	1.4	1.9	182.3
Clerical support workers	112,963	84,233	197,196	1.4	1.2	1.3	134.1
Service and sales workers	560,675	309,944	870,619	7.1	4.4	5.8	180.9
Skilled agri., forestry and fishery workers	3,458,947	4,043,438	7,502,385	43.9	56.9	50.1	85.5
Craft and related trades workers	683,511	152,403	835,914	8.7	2.1	5.6	448.5
Plant and machine operators and assemblers	382,019	20,108	402,127	4.9	0.3	2.7	1899.8
Elementary occupations	1,530,496	1,908,435	3,438,931	19.4	26.9	23.0	80.2
Not stated	7,381	5,367	12,748	0.1	0.1	0.1	137.5
Total	7,876,322	7,106,988	14,983,310	100.0	100.0	100.0	110.8

At the provincial level, differences exist in the sex ratio and distribution of population by occupational groups. The sex ratio of individuals who performed any economic activity in the reference period is less than 100 in Gandaki, Karnali and Sudurpashchim provinces, indicating that more females than males are involved in economic activities (See Annex Table 4.1). The ratio is highest in Madhesh (143.4) and lowest in lowest in Sudurpashchim (89.8) provinces. The pattern of distribution of population by occupation is similar in all the provinces and for both sexes, with the highest proportion in agriculture, forestry and fishery-related skilled occupations, followed by elementary occupations. Interestingly, both occupational categories witness a sex ratio of less than 100, indicating that more females are engaged in these occupations than men. However, agriculture, forestry and fishery-related skilled occupation in Madhesh Province is seen as an exception here. The sex ratio in all other occupations in all the provinces is relatively higher than 100, with that for office assistants in Gandaki Province seen as an exception.

Distribution of the population by occupation group for broad age groups and sex is presented in Table 4.13. In the age group 10-14, almost all respondents are seen in two occupations: nearly

three-fifths of individuals work in elementary occupations; nearly two-fifths work in agriculture, forestry and fishery skilled works. A negligible gender gap is seen in these groups. In the main working age of 15-64 years, half of the population is engaged in agriculture, forestry and fishery skilled works, followed by 20.4 percent in elementary occupations. The other four major occupations are service and sales workers (6.4%), craft and related trade workers (6.2%), managers (5.6%), and professionals (4.2%). Among the older age group (65+ years), people mainly engage in agriculture, forestry, and fishery skilled works (61.8%) and elementary occupations (29.6%). A very small proportion in the older age group work as service and sales workers (2.6%), managers (2.5%) or craft and related trade workers (1.6%). The gender gap in the older age group is noticeable, where the share of males is lesser than that of females only in elementary occupations, despite the trend previously also existing for agriculture, forestry and fishery skilled works. At the older ages, females are greater represented in elementary occupations, whereas males occupy agriculture and related occupations at a greater rate.

**Table 4.13: Distribution of population who performed any economic activity in the reference period by major occupation group for broad age group and sex, NPHC 2021**

Occupation	10-14 years			15-64 years			65 and above years		
	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes
Armed forces occupations	0.0	0.0	0.0	1.4	0.1	0.8	0.0	0.0	0.0
Managers	0.0	0.0	0.0	7.3	3.9	5.6	3.5	1.1	2.5
Professionals	0.0	0.0	0.0	4.8	3.6	4.2	1.5	0.2	0.9
Technicians and associate professionals	0.1	0.1	0.1	2.5	1.5	2.1	0.6	0.2	0.4
Office assistants	0.0	0.0	0.0	1.6	1.3	1.5	0.4	0.2	0.3
Service and sales workers	0.3	0.2	0.3	7.8	4.8	6.4	3.4	1.5	2.6
Agriculture, forestry and fishery skilled workers	39.1	41.4	40.3	42.7	57.8	49.9	64.5	58.2	61.8
Craft and related trade workers	0.2	0.1	0.2	9.6	2.4	6.2	2.6	0.4	1.6
Plants and machines operators and assemblers	0.1	0.0	0.0	5.4	0.3	3.0	0.5	0.1	0.3
Elementary occupation	60.1	58.1	59.2	16.9	24.3	20.4	23.1	38.1	29.6
<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>

Information on the type of industry which employed individuals occupy and their main occupation is presented in matrix form (Table 4.14). The information in the industry section is based on the question 'Name] in the Workplace/Institution, what type of goods and services produced?' Industries are identified according to the goods and services produced by those institutions. Occupation, on the other hand, is related to the work performed by people aged 10 years and above.

**Table 4.14: Matrix of occupation groups by industry of involvement, NPHC 2021**

Industrial Sector	Total	Type of work (occupation)									Elementary occupations	Not stated
		Armed forces occupations	Managers	Professionals	Technicians and associate prof.	Clerical support workers	Service and sales workers	Skilled agri., forestry and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers		
Agriculture, forestry and fishing	8,586,563	0	47,836	5,034	8,277	8,020	13,380	7,498,429	0	45,520	957,840	2,227
Mining and quarrying	27,603	0	4,287	3,882	1,559	1,620	2,303	0	0	2,948	10,831	173
Manufacturing	570,853	0	63,170	11,356	20,443	11,186	31,527	0	307,810	44,798	79,900	663
Electricity, gas, steam and air conditioning supply	44,399	0	3,898	2,035	6,113	4,476	3,347	0	2,876	18,823	2,784	47
Water supply; sewerage, waste management and remediation activities	32,225	0	4,515	2,135	4,131	2,675	5,865	0	4,245	1,625	6,970	64
Construction	1,215,063	0	45,380	17,572	14,304	3,649	6,907	0	360,640	12,485	752,521	1,605
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,877,469	0	304,630	8,432	12,522	10,003	502,993	0	77,752	7,596	952,869	672
Transportation and storage	334,811	0	10,240	4,027	4,612	7,455	12,253	0	3,380	245,509	46,872	463
Accommodation and food services activities	251,255	0	116,159	4,257	9,029	12,355	78,383	0	5,645	1,592	23,392	443
Information and communication	52,145	0	6,517	14,401	12,319	8,495	3,555	0	2,110	2,270	2,451	27
Financial and insurance activities	163,746	0	28,086	17,758	21,209	55,096	34,445	0	671	982	5,419	80
Real estate business activities	22,615	0	1,980	1,735	13,311	1,202	2,131	0	610	280	1,360	6
Professional, scientific and technical activities	76,387	0	8,054	30,712	24,818	4,293	3,177	0	2,209	1,038	2,062	24
Administrative and support service activities	51,572	0	8,036	5,904	9,199	12,695	9,500	0	1,242	1,223	3,747	26
Public administration and defense	291,241	102,026	39,351	11,615	26,787	19,988	80,584	0	1,138	2,375	7,300	77
Education	429,144	304	24,598	342,526	17,329	11,735	8,611	0	1,066	3,442	19,407	126
Human health and social work activities	171,276	2,339	12,671	57,058	58,370	10,835	11,745	0	1,229	1,574	15,363	92
Arts, entertainment and recreation	56,590	0	5,361	8,646	4,339	1,559	4,477	0	28,051	805	3,314	38

Industrial Sector	Type of work (occupation)											Not stated
	Total	Armed forces occupations	Managers	Professionals	Technicians and associate prof.	Clerical support workers	Service and sales workers	Skilled agri., forestry and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers	Elementary occupations	
Other service activities	578,900	0	33,250	17,310	7,831	7,519	53,962	157	28,988	4,313	425,432	138
Activities of households as employers	125,829	0	0	0	0	3	2	0	5,400	2,438	117,583	403
Activities of extra-territorial organizations and bodies	13,531	0	2,525	2,129	1,906	2,152	880	2,389	158	275	1,097	20
<b>Not stated</b>	<b>10,093</b>	<b>0</b>	<b>901</b>	<b>166</b>	<b>178</b>	<b>185</b>	<b>592</b>	<b>1,410</b>	<b>694</b>	<b>216</b>	<b>417</b>	5,334
<b>Total</b>	<b>14,983,310</b>	<b>104,669</b>	<b>771,445</b>	<b>568,690</b>	<b>278,586</b>	<b>197,196</b>	<b>870,619</b>	<b>7,502,385</b>	<b>835,914</b>	<b>402,127</b>	<b>3,438,931</b>	<b>12,748</b>

Similar labour force matrix for all provinces is presented in the Annex (Annex Table 4.2)

## 4.6 Employment status and its dimensions

Based on the information obtained from NPHC 2021 questions, some difficulty is experienced when attempting to address data of the employed population given that the collection methods are not exact as per standard. This is due to the selection of a long reference period and no exact duration of work being captured. In the question on economic activity duration, one response category is '6 months and above'. A person is therefore regarded as 'usually employed' if the duration of work is at least six months in the reference period of 12 months. This is the only option provided to examine the employment status of the population. Therefore, in this section, this group of usually employed people are selected for data analysis.

### 4.6.1 Duration and institutional sectors of work

The duration of work was one prompted in question format in NPHC 2021 to record the employment duration of economically active people during the reference period of 12 months preceding the census. In previous censuses, the number of months worked in the reference period of 12 months were posed with a numeric response requested. However, in NPHC 2021, answer options were fixed in the questionnaire format. Results on duration of work based on different censuses are presented in Table 4.15. This table shows that two-thirds of the population (74.1% male and 56.0% female) who performed any economic activity in the reference period worked for more than six months in 2021.

Similarly, 18.2 percent (13.8% males and 23.2 % females) performed work for the period of 3-6 months in the reference period. The group who worked for less than three months is reported as 16.2 percent (12.1% males and 20.8% females). It is important to note that a figure of more than 5 million of the population worked for less than six months across the 12-month reference period. This can be regarded as a situation of underemployment. Therefore, it is evident that the issue of underemployment is significant in Nepal.

**Table 4.15: Distribution of people who performed any economic activity by duration of work in the 12 months preceding the census by sex, 1991- 2021**

Year and Sex		Duration of work				Number
		< 3 months	3-5 months	6 -7 months	8 + months	
1991	Both Sexes	2.3	6.0	26.3	65.0	7,339,586
	Male	1.9	5.0	24.4	68.2	4,375,583
	Female	2.8	7.5	29.0	60.4	2,964,003
2001	Both Sexes	5.0	6.7	4.5	83.8	9,900,196
	Male	3.7	5.0	3.6	87.7	5,606,774
	Female	6.8	8.9	5.6	78.7	4,293,422
2011	Both Sexes	4.1	5.4	11.1	79.4	11,154,384
	Male	2.9	2.3	4.2	90.6	6,064,134
	Female	5.5	9.1	19.3	66.1	5,090,250
		<b>&lt;3 months</b>	<b>3-5 months</b>	<b>&gt;=6 months</b>		
2021	Both Sexes	16.2	18.2	65.5		14,983,310
	Male	12.1	13.8	74.1		7,876,322
	Female	20.8	23.2	56.0		7,106,988

Source: Figures for earlier census are taken from Suwal & Dahal (2014) and those for 2021 are computed from NPHC 2021 data

In the NPHC 2021, a further question was posed regarding the institutional sector of employment, which are classified as: Government; Financial institutions; Non-financial institutions; Non-profit organizations, and Household.<sup>2</sup> This question regarding the institutions of work was posed to all household members of 10 years and above.

Among the institutional sectors, the work force is mainly concentrated in 'Household sector' (Table 4.9) where 9.3 million (61.8%) people are involved. Household sector economic activities include own-account type of engagement with informal characteristics. Most of the household sector employment falls under the 'vulnerable employment' category. For household sector employment, the participation of females is higher (4.7 million or a rate of 66.5%) as compared to males (4.5 million or a rate of 57.6%). Non-financial institutions are the second largest category of organization which engages 2.7 million (35.3%) males and 2.1 million (29.7%) females. The overall participation of the population is minimal in government (3.9 %), financial institutions (1.1%), and non-profit institutional sectors (0.4%). Therefore, the shift from the unorganized sector (household sector) to other organized sectors (institutions; government,

<sup>2</sup> <https://unstats.un.org/unsd/nationalaccount/sna.asp>

financial institutions, non-financial institutions) is essential to develop the work force towards safe and decent employment.

**Table 4.16: Economically active population who performed any economic activity in the last 12 months by institutional sectors of work, NPHC 2021**

Institutional sectors	Male	Female	Both sexes	Male	Female	Both sexes
	Number			Percentage distribution		
Government	415,941	169,223	585,164	5.3	2.4	3.9
Financial institutions	90,238	73,708	163,946	1.1	1.0	1.1
Non-financial institutions	2,782,842	2,113,831	4,896,673	35.3	29.7	32.7
Non-profit organization	45,934	18,470	64,404	0.6	0.3	0.4
Household sector	4,534,061	4,726,401	9,260,462	57.6	66.5	61.8
Not stated	7,306	5,355	12,661	0.1	0.1	0.1
Total	7,876,322	7,106,988	14,983,310	100.0	100.0	100.0

#### 4.6.2: Characteristics of usually employed populations

Of the total population in the age group of 10 years and above, only 42.9 percent are usually employed (Table 4.16). A substantial gender gap exists for the usually employed population, with a rate of only 34.0 percent among females yet 52.5 percent of males are seen to be usually employed. Females are deprived of employment opportunities. This situation may be exacerbated by hindering factors, yet it may also be by choice.

**Table 4.17: Size and percent of usually employed population by age and sex, NPHC 2021**

Age (years)	Number of employed people			Percentage of usually employed people		
	Male	Female	Both sexes	Male	Female	Both sexes
10-14	41,812	39,181	80,993	2.8	2.8	2.8
15-19	223,531	168,537	392,068	15.0	11.5	13.2
20-24	628,114	484,029	1,112,143	48.3	32.7	40.0
25-29	802,973	594,556	1,397,529	71.6	44.5	56.8
30-34	788,272	584,847	1,373,119	80.5	50.0	63.9
35-39	780,135	583,197	1,363,332	83.3	52.8	66.8
40-44	691,827	494,271	1,186,098	83.5	53.8	67.9
45-49	566,686	386,259	952,945	82.4	51.6	66.4
50-54	543,341	346,810	890,151	78.5	48.1	63.0
55-59	386,333	226,555	612,888	71.9	42.1	57.0
60-64	272,307	159,716	432,023	58.4	32.6	45.2
65-69	181,369	94,235	275,604	47.8	24.0	35.7
70-74	89,034	42,969	132,003	30.5	13.5	21.7
75+	47,353	22,198	69,551	15.5	6.6	10.9
Total	6,043,087	4,227,360	10,270,447	52.5	34.0	42.9

In the 30-34 to 50-54 year age groups, more than 60 percent people are usually employed. For males, more than 80 percent are employed in the age range of 30-49 years and 50-52 percent of females are usually employed in the same age range. These are the age groups where the proportion of employed is seen to be at its maximum. A noticeable proportion are employed beyond age 60, though the percent of employed individuals declines with increasing age during the late ages.

Differences in the percent of the usually employed population are depicted by province in Table 4.17. The highest rate of usually employed people is seen in Koshi stands at the top with 49.0 percent and the lowest percentage rate is seen in Madhesh, where only 34.7 percent of the population are usually employed. Except for Madhesh, only a small variation is observed among other provinces. Gender differences are witnessed in all provinces, with the percent of usually employed males being higher than that of females. The proportion for females in Madhesh is the lowest (20.3%), largely contributing for the lowest overall proportion rate in Madhesh.

In terms of size of the usually employed population, Bagmati shows the largest figure of a 2.4 million usually employed population. This is followed by Koshi with a usually employed population of 2 million. The smallest usually employed population figure is seen in Karnali (0.6 million).

**Table 4.18: Size and percent of usually employed population by sex and province, NPHC 2021**

Province	Size of usually employed population			Percentage of people usually employed out of 10+ population		
	Male	Female	Both sexes	Male	Female	Both sexes
Koshi	1,160,664	863,340	2,024,004	58.4	40.3	49.0
Madhesh	1,164,631	489,796	1,654,427	49.5	20.3	34.7
Bagmati	1,433,545	976,953	2,410,498	55.2	36.7	45.8
Gandaki	485,002	428,191	913,193	49.8	38.2	43.6
Lumbini	996,151	724,482	1,720,633	50.7	32.6	41.1
Karnali	323,652	294,835	618,487	50.4	42.4	46.2
Sudurpashchim	479,442	449,763	929,205	47.8	38.1	42.6
<b>Total</b>	<b>6,043,087</b>	<b>4,227,360</b>	<b>10,270,447</b>	<b>52.5</b>	<b>34.0</b>	<b>42.9</b>

The proportion of usually employed people varies across the three geographical regions: the highest in Mountain (49.5%) and the lowest in Tarai (39.6%). Such a variation is more pronounced among females as compared to males. However, in terms of size, Tarai has the largest size of usually employed population, and Mountain shows the lowest.



**Table 4.19: Size and percent of usually employed population by sex for ecological zones, NPHC 2021**

Ecological zone	Size of usually employed population			Percentage of people usually employed out of 10+ population		
	Male	Female	Both sexes	Male	Female	Both sexes
Mountain	374,565	338,927	713,492	53.3	46.0	49.5
Hill	2,515,304	2,039,449	4,554,753	53.2	39.6	46.1
Tarai	3,153,218	1,848,984	5,002,202	51.8	28.2	39.6
<b>Total</b>	<b>6,043,087</b>	<b>4,227,360</b>	<b>10,270,447</b>	<b>52.5</b>	<b>34.0</b>	<b>42.9</b>

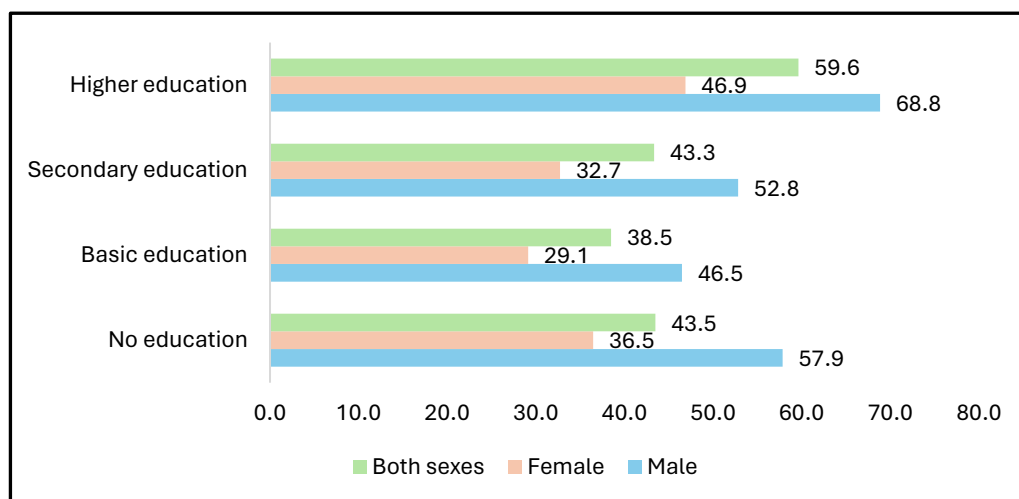
It is interesting to note that the proportion of the usually employed population is the lowest in urban residence (39.0%) and the highest in rural residence (49.0%) (Table 4.19). This difference is mainly due the differences in the proportions among females. The urban-rural gap in the usually employed population among males is quite nominal, yet the same gap is very high for females. Only 26.5 percent of females are usually employed in the urban area, whereas 45.1 percent of females are usually employed in the rural area. Generally, in the urban area, avenues of economic activities are aimed towards non-agricultural sectors, where more males are engaged, yet the rate of employment for females is low. This may be due to lack of specific skills among female workers which fit into urban types of jobs, or this population may be out of employment by choice. On the other hand, this group may work for less than six months in the reference period and therefore are not counted as usually employed.

**Table 4.20: Size and percent of usually employed population by degree of urbanization, NPHC 2021**

Degree of urbanization	Size of usually employed population			Percentage of people usually employed out of 10+ population		
	Male	Female	Both sexes	Male	Female	Both sexes
Urban	1,723,448	906,194	2,629,642	51.9	26.5	39.0
Peri-urban	2,323,638	1,435,274	3,758,912	52.0	29.7	40.4
Rural	1,996,001	1,885,892	3,881,893	53.5	45.1	49.0
<b>Total</b>	<b>6,043,087</b>	<b>4,227,360</b>	<b>10,270,447</b>	<b>52.5</b>	<b>34.0</b>	<b>42.9</b>

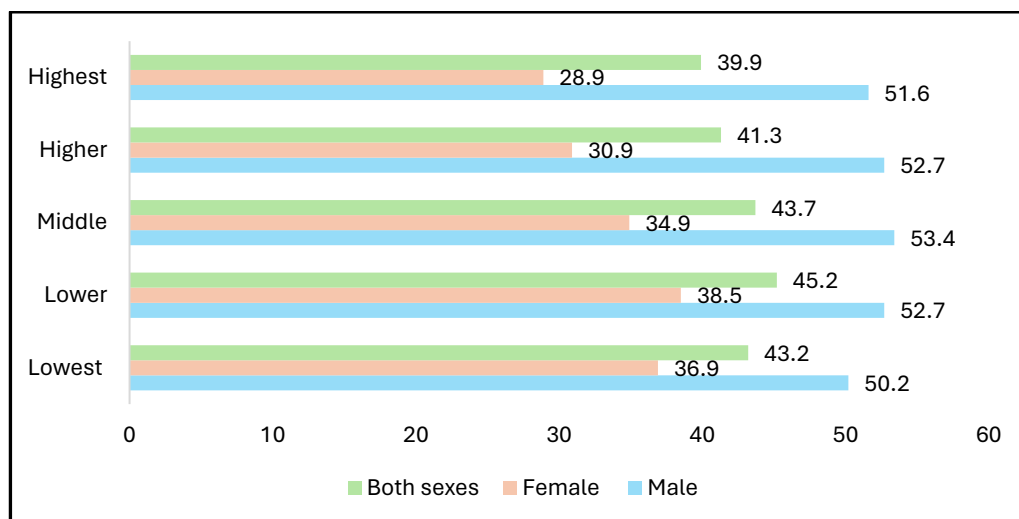
The highest percent of the usually employed population is observed among the highly educated group (59.6%) and the lowest is seen among people with basic education (38.5%) (Figure 4.9). The same pattern is observed both for males and females. Higher education means better skills, or specific skills, and better capacity to be employed in formal sectors. However, the population size itself in the highly educated group is small compared to other educational categories, and the higher percent of usually employed does not correlate to a large figure. A large number of those from the uneducated category may be those employed in agricultural sectors as a majority of people are in agriculture-related professions. The proportion of males usually employed is larger than that among females in all educational attainment groups.

**Figure 4.9: Percentage of usually employed people out of 10+ population by major educational attainment categories, NPHC 2021**



The percent of the usually employed population by wealth index is shown in Figure 4.10. Individuals from the 'lower' wealth index category showed the highest percent of usual employment (45.2%). Only a small difference in the percent of the usually employed is observed among different wealth index categories. Classification in the highest wealth quintile indicates the lowest percent of usual employment, both for males and females. Economic group differences as a percent of usual employment are more visible for females than compared to males.

**Figure 4.10: Percent of usually employed people out of 10+ population by wealth index categories, NPHC 2021**



## 4.7 Length of economic life

### 4.7.1 Working life table

It has already been discussed that the LFPR by age shows a flat inverted U-shaped curve, both for men and women in Nepal. Similarly, age specific mortality rates show a J-shape or U-shape. Older persons are seen to exit the labour force either by retirement, or by death, and the role of international migration remains very minimal for the older population. Working life tables combine the effects of mortality and retirement from the labour force and estimate the average working life for a hypothetical cohort from an age at entry into the concerned age group. This gives a net average number of years of active and inactive life remaining at each age based on the current situation of age-specific mortality and age-specific labour force participation rates. Working life tables help better understand the demographic structure of a labour force and help to make projections regarding future trends of labour force participation. In this report, working life tables are constructed for males, females, and for both sexes at national and provincial levels. The life tables are taken from the thematic report on mortality (NSO, 2025) and the LFPR are the values calculated from NPHC 2021 data which have already been presented in this report (see Chapter 3). Although there is a general practice of constructing working life table for the age group 15-64 years, due to a substantial value of LFPR for age 10-14 and for ages 65 years and above in Nepal, this report constructs working life tables starting from age 10 to 75 years and above. The summary of the constructed working life tables is presented in this report. The detailed tables can be seen in the Annex (Annex Table 4.3a, 4.3b and 4.3c).

Table 4.21 data reveals that if age specific mortality and LFPR remain the same, a person entering the age of 15 will have 39.2 years of active working life activity ahead and 19.3 years of inactive life in Nepal. When disaggregated by sex, at the age of 15, males have a longer working life (42.2 years) than females (36.3 years). Although the life expectancy of females is higher than that of males, due to lower level of LFPR among females, the average working life for females is shorter than that of males. The male-female gap in the expected working life seems to be highest (around 6 years) for early ages (age 10, 15, 20, and 25 years), then somewhat reduces at mid-age (between 3 to 5 years in ages 30 to 50 years) and further declines at older ages (less than 3 years beyond the age of 55 years). A smaller active life expectancy at younger ages may be associated with women's fertility during those ages and not higher levels of labour inactivity during reproductive phases. However, women's increased participation potential in the labour force cannot be ruled out. It is to be noted that the average working life of a Nepali person who has entered the age of 60 years is still 8.4 years, with the value 9.4 years for male and 7.4 years for female. Moreover, the length of average inactive life exceeds that of active life at age 60 for both sexes combined, which is at age 60 for male and at age 50 for female. The figures show that females tend to exit the labour force earlier compared to males.

**Table 4.21: Average active and inactive life (in years) remaining at exact ages (years) by sex, NPHC 2021**

Age	Both sexes		Male		Female	
	Active life	Inactive life	Active life	Inactive life	Active life	Inactive life
10	40.5	22.8	43.5	17.2	37.6	28.5
15	39.2	19.3	42.2	13.7	36.3	25.0
20	37.3	16.6	40.3	10.9	34.3	22.3
25	34.2	15.0	37.0	9.6	31.4	20.5
30	30.5	14.1	33.1	9.1	28.0	19.2
35	26.7	13.4	28.9	8.9	24.4	18.1
40	22.8	12.8	24.8	8.8	20.8	17.1
45	19.0	12.4	20.7	8.8	17.2	16.1
50	15.3	11.9	16.8	8.9	13.7	15.2
55	11.7	11.5	13.0	8.9	10.4	14.3
60	8.4	11.0	9.4	8.8	7.4	13.3
65	5.6	10.2	6.4	8.5	4.9	12.1
70	3.2	9.3	3.6	8.0	2.8	10.7
75	1.4	8.2	1.6	7.3	1.2	9.2

Table 4.22 shows the differentials in average working life by age for all provinces. At the age of 15 years, the average working life duration is the highest in Karnali Province (43.7 years), followed by Koshi (41.5 years), Sudurpashchim (40.5 years) and Gandaki (39.5 years) provinces; all exceeding the national average of 39.2 years. Madhesh Province, at age 15, shows the lowest average working life duration (35.9 years). The differentials in average working life are caused by the differences in LFPR, by mortality situation, and due to differences in age-sex structure of the population. The highest average working life in Karnali is driven by higher value of LFPR in this province. Sex disaggregated values at provincial level are presented in the Annex (See Annex Table 4.4a, 4.4b, 4.4c, 4.4d, 4.4e, 4.4f and 4.4g).

**Table 4.22: Average active life (years) remaining at exact ages by province**

Age (years)	Nepal	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpashchim
10	40.5	43.0	37.0	39.4	40.6	40.0	45.3	42.0
15	39.2	41.5	35.9	38.2	39.5	38.7	43.7	40.5
20	37.3	39.2	34.3	36.5	37.8	36.7	41.3	38.4
25	34.2	35.8	31.7	33.5	34.7	33.6	37.7	34.9
30	30.5	32.0	28.5	29.8	30.9	29.9	33.5	31.0
35	26.7	28.1	25.1	25.9	27.0	26.1	29.2	27.0
40	22.8	24.1	21.5	22.0	23.1	22.3	24.9	22.9
45	19.0	20.2	18.0	18.2	19.3	18.5	20.7	19.0
50	15.3	16.4	14.5	14.5	15.6	14.9	16.5	15.1
55	11.7	12.8	11.1	11.1	12.1	11.4	12.5	11.5
60	8.4	9.3	8.0	7.9	8.7	8.1	8.8	8.1
65	5.6	6.3	5.4	5.3	5.8	5.4	5.9	5.4
70	3.2	3.6	3.1	3.0	3.3	3.1	3.3	3.0
75	1.4	1.5	1.4	1.3	1.3	1.4	1.5	1.3

## CHAPTER 5

# DISADVANTAGED AND VULNERABLE POPULATION IN LABOUR FORCE

The definition of the disadvantaged and vulnerable population is highly contextual and even more complex in the case of a labour force. However, vulnerability of individuals or groups of people participating in the labour force is dependent on the interplay of specific factors which make individuals susceptible to exploitation, unhealthy or undesirable work conditions, or exclusion and violations of their human rights (Department of Population, 2017). Generally, children, the elderly, youth and disabled groups are considered vulnerable in the analysis of the labour force. Vulnerability on many occasions entails situations of exploitation, forced labour, or exposure to dangerous or unhealthy circumstances while participating in labour market, and in some situations, this can lead to exclusion from the labour market. In general, children may be in a vulnerable position due to their higher chances of being exploited which influences impact on their personal development. Older persons' vulnerability may result from their reduced physiological and mental capacity to find appropriate work. In this chapter, a brief account is presented on the economic activity situation of two vulnerable groups of population, namely children and older persons. This report discusses two vulnerable population groups in the labour force in particular: children aged 10-17 years and older persons aged 65+ years.

### 5.1 Children in labour force

Child labour is regarded as a clear violation of human rights. There is a worldwide consensus on applying all efforts to end child labour. The childhood age should be used to develop human potential rather than to be used for labour in the labour market. Involvement of children in the labour force prevents them from fully developing their potential and results in unintended health consequences. Evidence shows that eliminating child labour in replacement for universal child education results in great economic benefits. Global efforts towards ending child labour are also reflected in the SDGs, particularly target 8.7 which directs nations to take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and to end child labour in all its forms by 2025 (United Nations General Assembly and Conference Management, 2016). The Labour and Employment

Policy BS 2062 (2006) of Nepal has considered elimination of child labour as one of the objectives.

The concept of child labour in this regard is somewhat difficult to define due to complexities regarding the involvement of children in the labour market. Debate exists as to whether every instead of ‘child work’ is a form of ‘child labour’. In many situations, children or adolescents may be engaged in labour activities for family support – such as family farming or family business activities – and may earn minimal financial reward without hampering their education, health or personal development. Such activities are connected to social development and partially contribute to financial support. This form of labour involvement is not immediately considered as child labour. According to the ILO, if children’s engagement deprives them of their childhood, their potential and their dignity, and is harmful to physical and mental development, it is regarded as child labour. Therefore, child labour can be distinguished from child work when it: a) is physically, mentally, morally, or psychologically unhealthy and harmful; b) places a burden on their education; c) prevents children from attending school, or; d) forces the child to leave school or forces them to combine school with long/heavy work responsibilities (Department of Population, 2017).

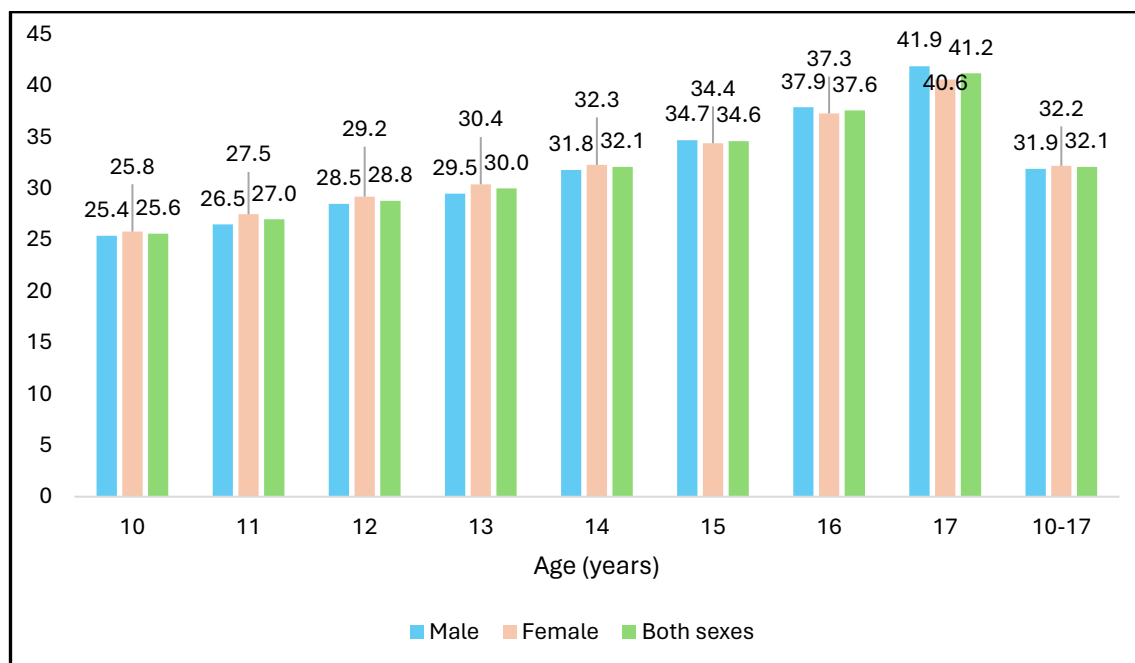
For the study of children’s involvement in child labour, it is important to determine the age boundaries to be used for analysis. Based on the ILO’s proposed criteria, it can be stated that “a child aged 17 years and under who is economically active for at least 43 hours per week, or who participates in activities that are ‘hazardous by nature or circumstance’ for one or more hours per week, or who participates in an ‘unconditional worst form of child labour’ such as trafficked children, children in bondage or forced labour, armed conflict, prostitution, pornography, and illicit activities” is considered to perform child labour (Edmonds, 2009). Although the contents of the census questionnaire do not allow the option for respondents to share detailed distinctions regarding child work and child labour, and therefore cannot precisely compute the time of hazardous work (if any) completed by children, an attempt has been made to assess the situation of children’s economic activity status, their employment status, sectors of involvement, and occupational categories of involvement. For this purpose, all children aged 10-17 years are considered for data analysis.

### **5.1.1 Economic activity of 10-17 years children**

Based on the census question regarding usual economic activity status, Figure 5.1 presents the LFPR of children aged 10-17 years. The population size of children in each age from 10 to 17 years and the LFPR among children of each specific age is presented in Annex Table 5.1. Among the usually active children aged 10-17 years, there are 225,737 usually employed children and 74,762 unemployed children who are actively seeking a job. Overall, the LFPR of children 10-17

years old is 32.1 percent, or 31.9 percent for male and 32.2 percent for female. Unlike the total rate for all people aged 10+ years, the LFPR for children aged 10-17 years shows increased rates for girls than boys. Except for the cases of 16 and 17 years old, the LFPR for females is slightly higher than that for males. This indicates that female children are more likely to be involved in economic activities than male children among the children of same age. The LFPR values show an increasing trend over ages, both for male and female children. A large number of children (596,124 males and 598,288 females) are partially involved in labour market.

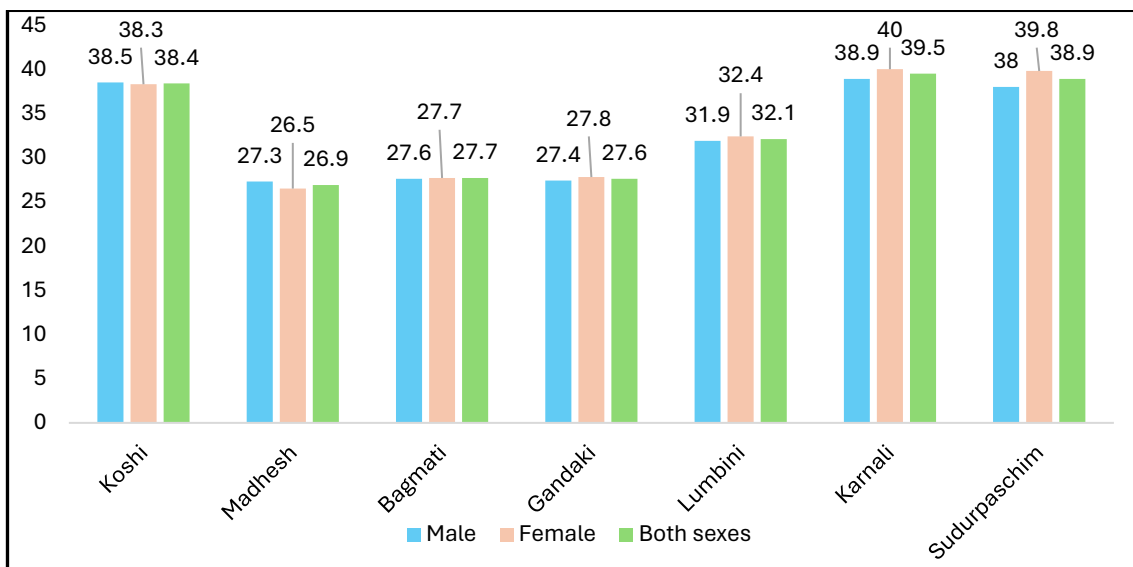
**Figure 5.1: LFPR among children aged 10-17 years by single years of age and sex, NPHC 2021**



Differences in the LFPR among children aged 10-17 years old across the provinces are presented in Figure 5.2. Karnali Province shows the highest level of LFPR among children, whereas the lowest level of LFPR is observed in Bagmati Province. The gender gap is almost non-existent or minimal in all provinces. The economic activity status of children aged 10-17 years for provinces is presented in Annex Table 5.2.

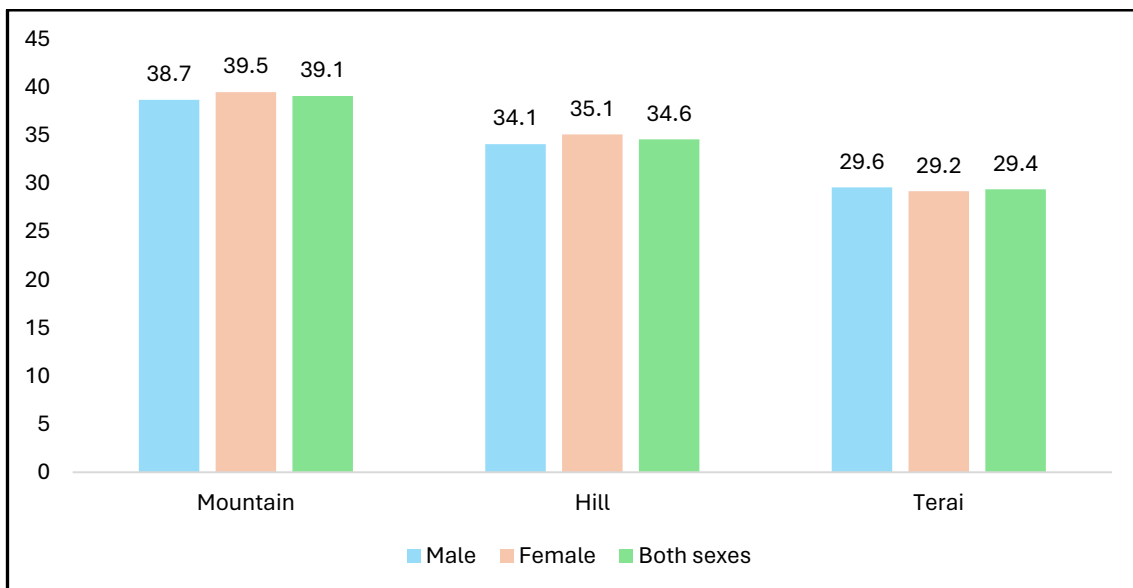


**Figure 5.2: LFPR among children aged 10-17 years by province and sex, NPHC 2021**



When assessing data from the three ecological zones, a substantial regional difference exists in the LFPR among children aged 10-17 years (Figure 5.3). The highest level of LFPR is observed in the Mountain region (39.1%) and the lowest in Terai region (28.4%), with an almost non-existent gender difference seen in all three regions.

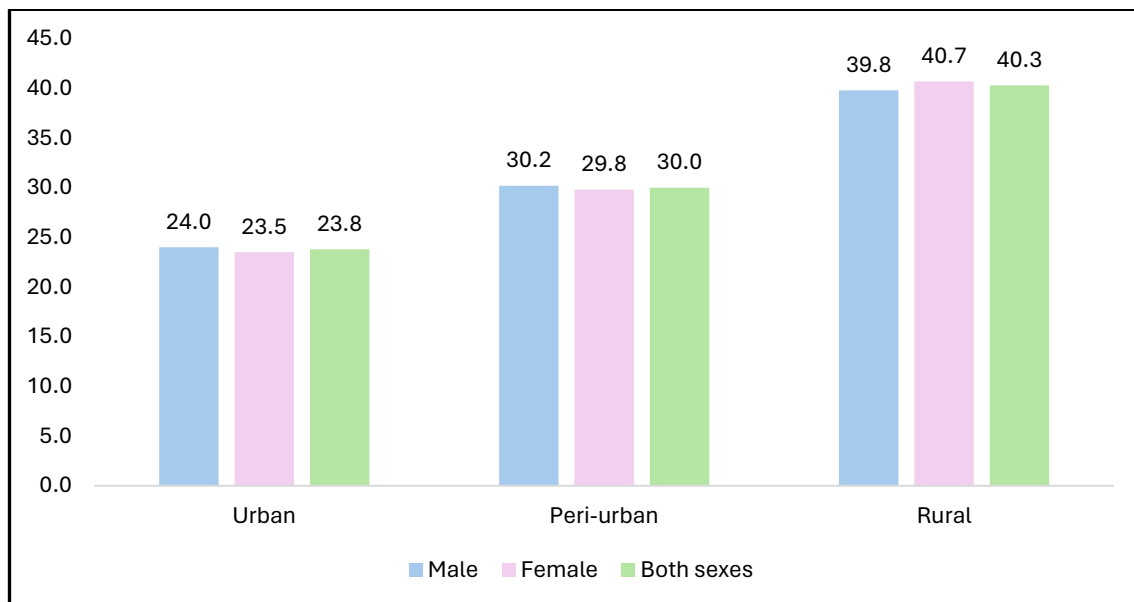
**Figure 5.3: LFPR among children aged 10-17 years by ecological zone and sex, NPHC 2021**



A noticeable urban-rural difference in LFPR among children is observed. The LFPR in urban residence is 23.8 percent, 30 percent in peri-urban residence and 40.3 percent in rural residence

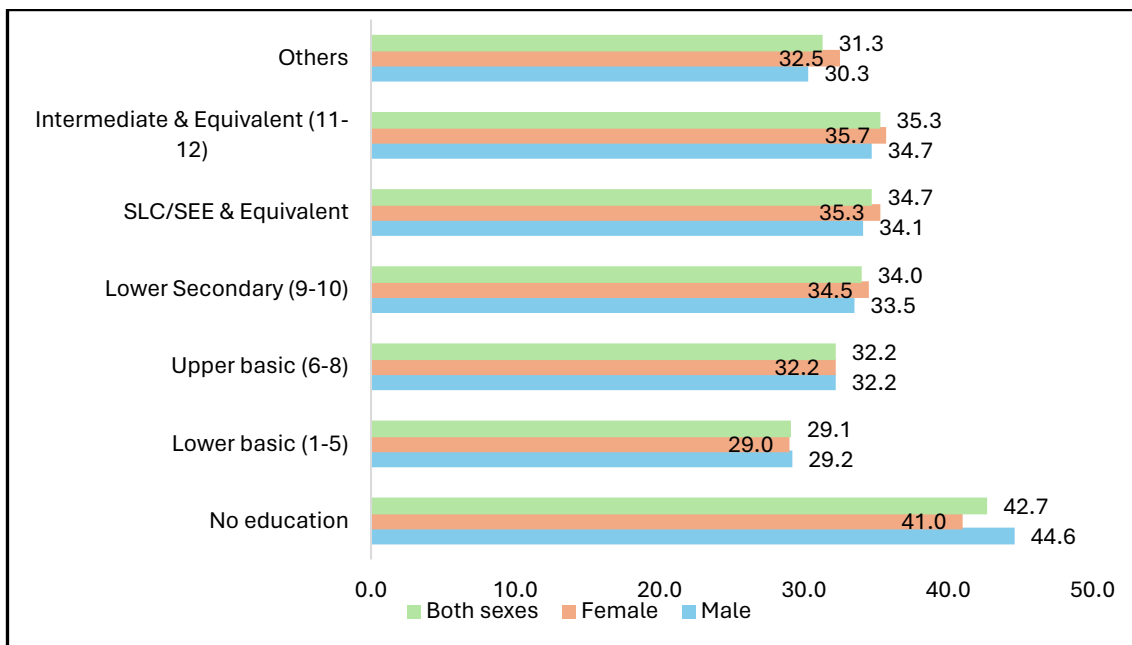
(Figure 5.4). However, gender differences within each type of place of residence are very small. The higher level of LFPR among children in rural areas may be due to the agrarian nature of work in rural settings, where children are deemed more useful for labour activities in agricultural works.

**Figure 5.4: LFPR among children aged 10-17 years by degree of urbanization and sex, NPHC 2021**



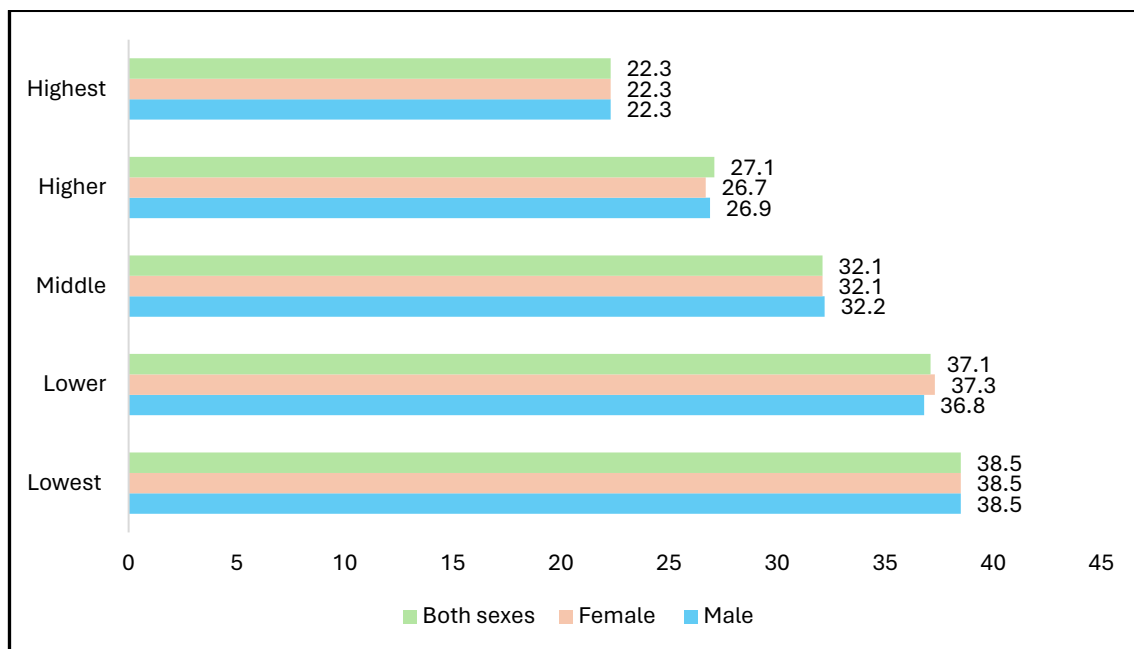
Educational differences in the LFPR among children are clearly visible. The LFPR is highest among children who have no education (42.7%), with the data showing some gender difference, and the lowest among children with 1-5 years of education (29.1%) with almost no gender difference seen (Figure 5.5). The LFPR gradually increases with an increase in the educational level of children. The details of economic activity status of children by educational attainment status are presented in Annex Table 5.4.

**Figure 5.5: LFPR of children aged 10-17 years by sex for different educational attainment status, NPHC 2021**



*Note: Others include those who can't read and write, can read only, had ECD class only, no level, the level not stated, literacy not stated and never attended school/college*

Different levels of LFPR are witnessed across children belonging to different household wealth indices. Increase in the wealth quintile is associated with a lower LFPR among children (Figure 5.6). The data shows that the highest LFPR is observed for children from the lowest wealth quintile (38.5%) and the lowest is observed among children from the highest wealth quintile (22.3%). Even after disaggregation by wealth quintile, gender differences are not clearly visible. The details of economic activity status of children by wealth index groups are presented in Annex Table 5.5.

**Figure 5.6: LFPR of children aged 10-17 years by sex for wealth index categories, NPHC 2021**

### 5.1.2 Duration of involvement, occupation and industry of children

The census question regarding respondents' economic activities directly categorizes individuals according to their duration of involvement in economic activities in the reference period of 12 months. Among children aged 10-17 years who were involved in any economic activity in the reference period, 13.4 percent were engaged for more than six months, with some gender differences shown (14.8% for males and 11.9% for females) (Table 5.1). Similarly, in the reference period of 12 months, 33.3 percent of children were engaged in economic activities for 3 to 6 months and 52.9 percent were engaged for less than 3 months. A majority of children engaged for less than 3 months in the 12-month reference period infers that their engagements are more occasional in nature.

**Table 5.1: Duration of involvement in economic activities of children aged 10-17 years who performed any economic activity in the reference period, NPHC 2021**

Duration involved in economic activity	Number of children aged 10-17 years			Percentage distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
6 months or more	104,154	81,694	185,848	14.8	11.9	13.4
3 to 6 months	232,748	235,150	467,898	33.1	34.4	33.7
Less than 3 months	367,102	367,099	734,201	52.1	53.7	52.9
<b>Total</b>	<b>704,004</b>	<b>683,943</b>	<b>1,387,947</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The type of institution which the children aged 10-17 years who performed any economic activity in the reference period are engaged in is presented in Table 5.2. Almost all children are engaged in two sectors: a majority (54.4%) are in a household sector and the remaining (45.5%) are in the non-financial sector. A negligible proportion of children are engaged in financial institutions (only 242 in number, or less than 0.1%). Gender differences are observed, where higher proportions of females are present in a household sector (55.0%) as compared to males (53%). Similarly, 44.1 percent of females and 47.0 percent of males are in non-financial institutions.

**Table 5.2: Institution of involvement of children aged 10-17 years who performed any economic activity in the reference period, NPHC 2021**

Working institution	Male	Female	Both sexes	Male	Female	Both sexes
Financial institution	89	153	242	0.0	0.0	0.0
Non-financial institution	330,106	301,084	631,190	47.0	44.1	45.5
Household sector	372,860	381,827	754,687	53.0	55.9	54.4

*Note: Out of a total of 1,387,947 cases, 1828 cases responding 'Not stated' were excluded*

Table 5.3 presents the number of children aged 10-17 years who are usually employed (worked for at least six months) in different types of major occupations and the percentage distribution by sex of children. A vast majority (69.5%) of children list their occupation under the response of skilled agriculture, forestry, and fishery workers, where a noticeable gender gap is seen between 61.6 percent of males as opposed to 79.1 percent of females. Elementary occupations (17.3%) stand as the second most prominent occupation area where children are engaged. The third major occupation area is craft and related trade works, where 5.5 percent of children (8.4% males and only 2.0% females) are engaged. Therefore, child labour is mainly characterized by agriculture-related occupations and other elementary occupations.

**Table 5.3: Major occupation of usually employed children aged 10-17 years by sex, NPHC 2021**

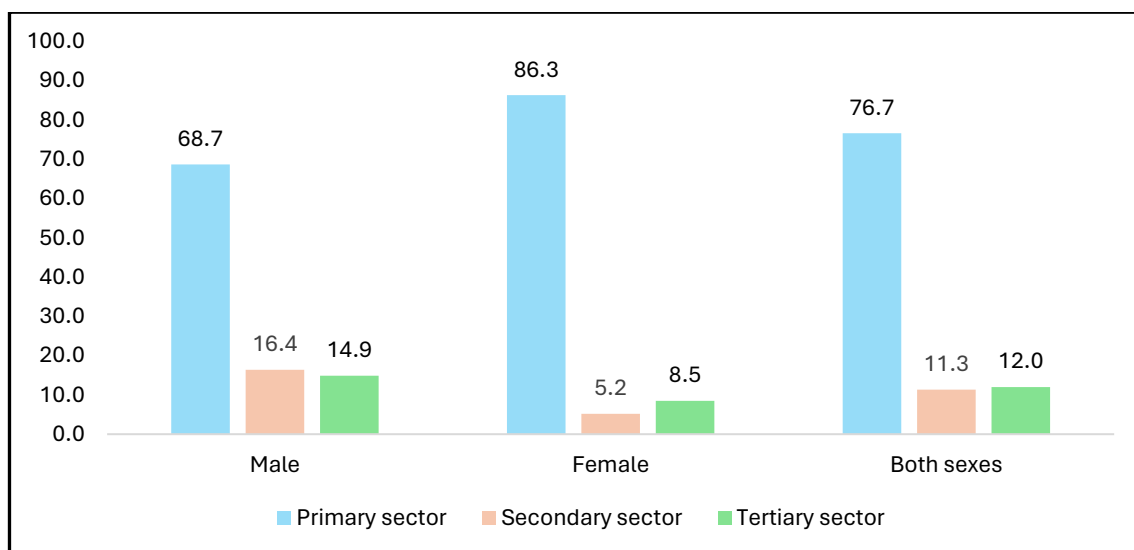
Occupation	Number			Percent distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
Managers	918	655	1,573	0.7	0.6	0.7
Professionals	567	497	1,064	0.5	0.5	0.5
Technicians and associate professions	1,264	930	2,194	1.0	0.9	1.0
Clerical support workers	740	611	1,351	0.6	0.6	0.6
Service and sales workers	4,854	2,197	7,051	3.9	2.2	3.1
Skilled agriculture, forestry and fishery workers	75,955	80,334	156,289	61.6	79.1	69.5

Occupation	Number			Percent distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
Craft and related trades workers	10,394	2,062	12,456	8.4	2.0	5.5
Plant and machine operators and assemblers	3,839	194	4,033	3.1	0.2	1.8
Elementary occupations	24,746	14,124	38,870	20.1	13.9	17.3
<b>All 10- 17 children who are usually employed</b>	<b>123,277</b>	<b>101,604</b>	<b>224,881</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Note:** Out of a total of 225,737 cases, 856 cases responding 'Not stated' and 'Don't know' were excluded

Figure 5.7 shows the percent distribution of usually employed children by broad industrial sectors of involvement. Four in five children (76.7%) are involved in the primary sector and slightly more than one-tenth (12.0%) are involved in the tertiary sector, with nearly the same rate (11.3%) engaged in the secondary sector. When disaggregated by sex, a relatively higher proportion of female children are seen to engage in the primary sector (86.3%) as compared to males (68.7%), with the opposite seen to be the case in secondary and tertiary sectors (secondary sector: 16.4% males and 5.2% females; tertiary sector: 14.9% males and 8.5% females).

**Figure 5.7: Percentage distribution of usually employed children aged 10-17 years by major industrial sectors of involvement, NPHC 2021**



**Note:** Out of a total of 225,737 cases, 856 cases responding 'Not stated' and 'Don't know' were excluded

Table 5.4 presents an elaborated form of data from Figure 5.7, where population size and percentage distribution of usually employed children (aged 10-17 years) is presented by major

types of industries of involvement. A vast majority (76.3%) of children are seen to engage in agriculture, forestry, and fishing sectors. The second major industrial sector for children's engagement is construction-related work (6.9%) and the third is wholesale and retail trade, such as the repair of motor vehicles and motorcycles (5.0%). The manufacturing sector (4.1%) accounts for the fourth largest industrial area of children's involvement. A very small proportion of children are engaged in other different types of industries. The industrial sectors featuring child involvement are mainly agriculture and allied sectors, construction, manufacturing and wholesale and retail sales.

**Table 5.4: Number and percentage distribution of usually employed children aged 10-17 years by industrial sectors of involvement, NPHC 2021**

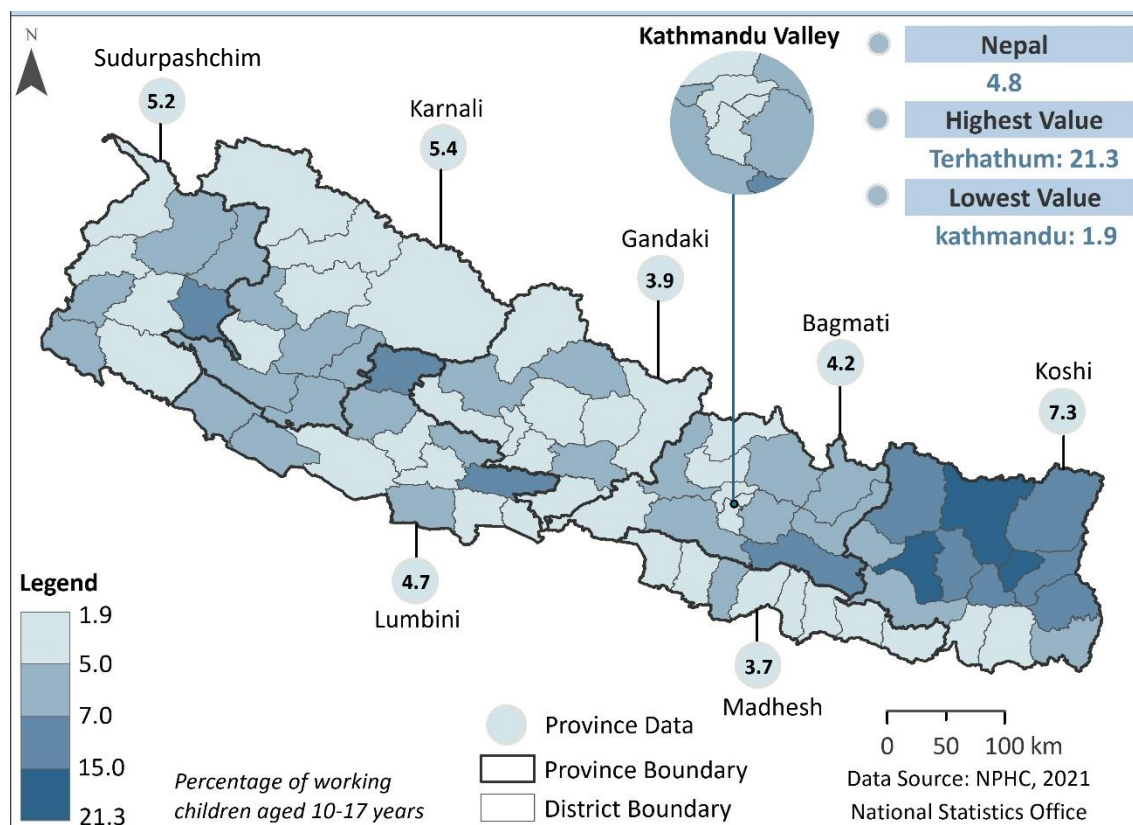
Industrial sectors of activities	Number			Percentage distribution		
	Male	Female	Both sexes	Male	Female	Both sexes
Agriculture, forestry and fishing	84,478	87,604	172,082	68.3	86.1	76.3
Mining and quarrying	501	262	763	0.4	0.3	0.3
Manufacturing	6,543	2,596	9,139	5.3	2.6	4.1
Electricity, gas, steam and air conditioning supply	234	64	298	0.2	0.1	0.1
Water supply; sewerage, waste management and remediation activities	414	244	658	0.3	0.2	0.3
Construction	13,120	2,371	15,491	10.6	2.3	6.9
Wholesale and retail trade; repair of motor vehicles and motorcycles	8,032	3,211	11,243	6.5	3.2	5.0
Transportation and storage	3,282	155	3,437	2.7	0.2	1.5
Accommodation and food services activities	2,155	992	3,147	1.7	1.0	1.4
Information and communication	101	43	144	0.1	0.0	0.1
Financial and insurance activities	72	128	200	0.1	0.1	0.1
Real estate business activities	16	13	29	0.0	0.0	0.0
Professional, scientific and technical activities	205	100	305	0.2	0.1	0.1
Administrative and support service activities	93	52	145	0.1	0.1	0.1
Education	274	342	616	0.2	0.3	0.3
Human health and social work activities	127	150	277	0.1	0.1	0.1
Arts, entertainment and recreation	506	127	633	0.4	0.1	0.3
Other service activities	1,998	1,130	3,128	1.6	1.1	1.4
Activities of households as employers	1,560	2,204	3,764	1.3	2.2	1.7
<b>Total economically active children aged 10-17 years</b>	<b>123,711</b>	<b>101,788</b>	<b>225,499</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Note:** Out of a total of 225,737 cases, 238 cases responding 'Not stated' and 'Don't know' were excluded

Based on the census questionnaire and the classification of economic activity status, the percentage of usually employed children out of all children aged 10-17 years has been calculated

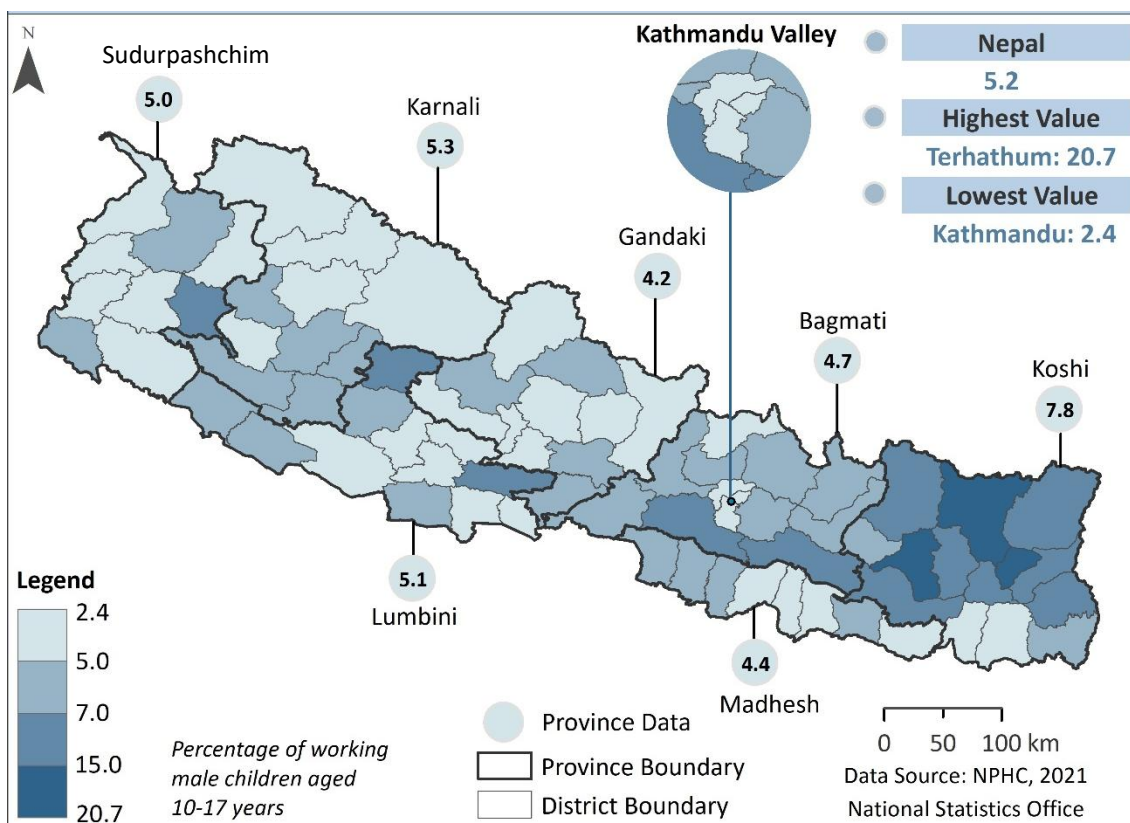
and the results for national, province and district level are presented in Figure 5.8a, 5.8b and 5.8c. Overall, 4.8 percent children are employed, ranging from the highest rate of 5.4 percent in Karnali Province and the lowest rate of 3.7 percent in Madhesh Province. Among the districts, Terhathum has the highest level (21.3%) and Kathmandu has the lowest (1.9%). Some gender differences are also observed as there are 5.2 percent male children and 4.5 percent female children employed.

**Figure 5.8a: Percentage of employed children out of all children aged 10-17 years for both sex by province and district, NPHC 2021**

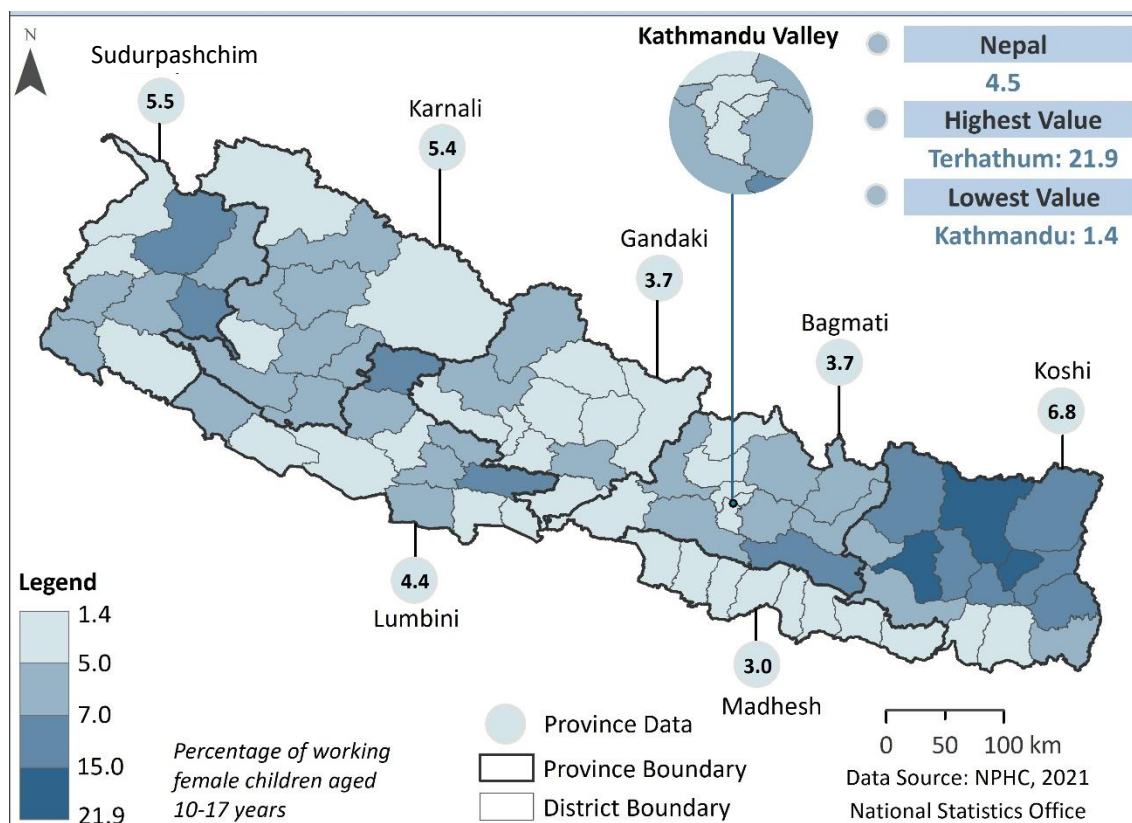




**Figure 5.8b: Percentage of employed children out of all children aged 10-17 years for male by province and district, NPHC 2021**



**Figure 5.8c: Percentage of employed children out of all children aged 10-17 years for female by province and district, NPHC 2021**



## 5.2 Older persons in the labour force

Another of the vulnerable groups in the labour market is elderly people who are of age 65 years or above. These people are considered to be disadvantaged or vulnerable groups in the labour market as they generally have a lower capacity to work in terms of physical strength, or they might not be updated with the new technology or trends available in the labour market. Based on the census questionnaire on economic activities, this section describes the involvement of the older population in the labour market.

### 5.2.1: Economic activity of older persons

More than two million people in Nepal are of age 65 or above, among which 45.9 percent of people are economically active (Table 5.5). The data explains a substantial rate of labour force participation of older persons in Nepal. There are 38.7 percent of the total older female population participating in labour force whereas a quite higher rate of male labour force

participation is seen (53.4%). Among older persons, the LFPR is the highest in Koshi Province (51.2%) and lowest in Bagmati Province (42%). The rate of participation of male older persons in the labour force is higher than that of female respondents in all seven provinces of Nepal, demonstrating that older men are more active in the labour force than the older women in Nepal. This may be due to gender norms in Nepalese society which place a greater role regarding household chores on women than for men.

The data highlights clear regional differences in labour force participation among older persons. The Mountain zone has the highest LFPR (56.3%), reflecting intense involvement of older persons in the workforce. This is likely driven by the heavy reliance on agriculture and other labour-intensive work in the region, where economic necessity further forces people to remain active for their livelihood. The Hill zone has a lower participation rate of 46.7 percent as compared to that of Mountain, likely due to a mix of traditional livelihoods and urban and semi-urban development, offering a broader range of job opportunities while still requiring considerable labour input. The Tarai zone, with an even lower participation rate of 43.7 percent as compared to other regions, further shows relatively low engagement, possibly due to factors such as migration or increased mechanization in farming, which reduces the need for manual labour.

Similarly, older persons in the rural residence of Nepal have a higher LFPR (54.2%) than those of the urban residence (33.4%), which could be linked to subsistence type of economy in rural areas based on agriculture which requires higher manual labour and additional human resources. On the other hand, urban and peri-urban areas show much lower labour force participation for older persons. With regard to urban areas, the lowest LFPR findings suggest that people in this area rely on retirement options or other income sources, reducing the need to remain in the workforce. Peri-urban areas, with a participation rate of 45 percent, sit between the urban and rural areas, likely reflecting a mix of traditional labour and emerging urban job opportunities.

The participation rate of older persons in labour force shows a negative association with household wealth index. The highest LFPR is observed for older persons from the lowest wealth index (53%) and is the lowest among those from the highest wealth index (32.4%). The results indicate the higher financial needs of lower people might be compelling them to work until late ages of life, whereas wealthier individuals may not face the same necessity, leading to lower participation rates. Further, wealthier individuals tend to retire earlier, while lower individuals continue working into later years. Additionally, the high gender gap in labour force participation across all wealth quintiles indicates that women, regardless of wealth, are less likely to participate in the labour market compared to men. This disparity could be attributed to societal roles, limited opportunities, or other socio-economic factors.

The participation in economic activities of female respondents who are aged 65 years and above is lower than the men of the same age group in every category across the entire nation, regardless of the geographical division, political division, wealth index, or the urban-rural residence, indicating a higher gender disparity in the labour market. Therefore, the analysis may infer that geographical location, poverty, wealth quintile, and the gender of older persons are the major factors affecting their rate of participation in the labour force.

**Table 5.5: Economic activity status and LFPR of people aged 65 years and above by sex, province, ecological zones, degree of urbanization and wealth quintile, NPHC 2021**

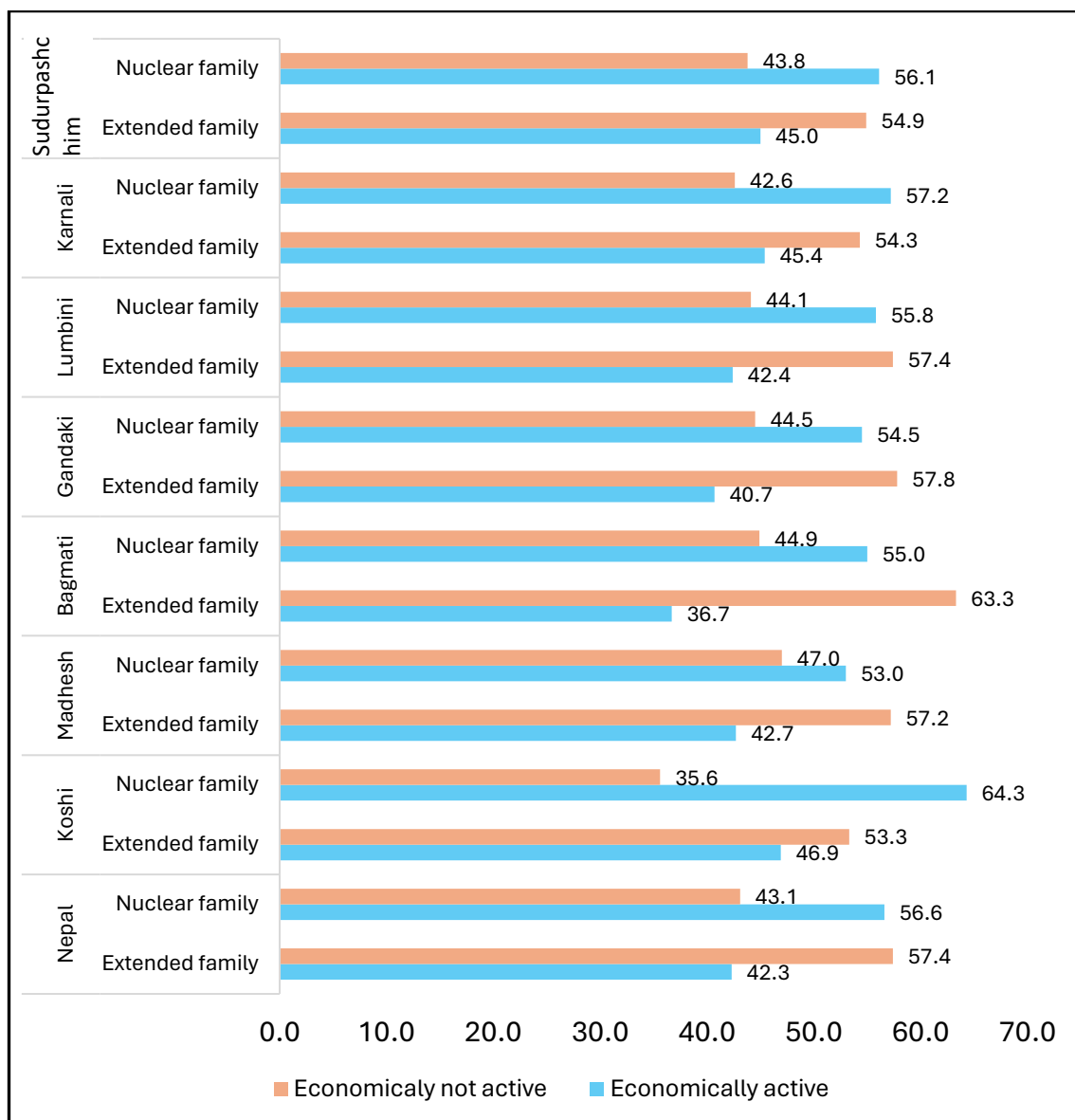
Area	Total population 65 years and above		Economically active population		Not economically active population		Labour force participation rate (LFPR)		
	Male	Female	Male	Female	Male	Female	Male	Female	Both sexes
<b>Nepal</b>	977,945	1,043,769	522,695	404,293	452,833	636,849	53.4	38.7	45.9
<b>Province</b>									
Koshi	182,580	190,291	107,727	83,079	74,672	107,065	59	43.7	51.2
Madhesh	199,938	185,686	109,813	62,256	89,927	123,300	54.9	33.5	44.6
Bagmati	208,196	233,555	100,381	85,329	107,647	148,083	48.2	36.5	42.0
Gandaki	105,494	121,423	54,420	48,384	49,722	71,351	51.6	39.8	45.3
Lumbini	161,943	169,457	85,323	65,073	76,340	104,109	52.7	38.4	45.4
Karnali	41,393	45,102	22,489	19,410	18,787	25,569	54.3	43	48.4
Sudurpashchim	78,401	98,255	42,542	40,762	35,738	57,372	54.3	41.5	47.2
<b>Ecological zone</b>									
Mountain	63,033	69,339	39,082	35,488	23,859	33,757	62	51.2	56.3
Hill	412,138	469,178	218,000	193,602	192,677	273,853	52.9	41.3	46.7
Tarai	502,774	505,252	265,613	175,203	236,297	329,239	52.8	34.7	43.7
<b>Degree of urbanization</b>									
Urban	222,086	248,300	90,282	66,820	131,322	180,941	40.7	26.9	33.4
Peri Urban	385,046	387,685	208,711	139,011	175,465	247,795	54.2	35.9	45.0
Rural	370,813	407,784	223,702	198,462	146,046	208,113	60.3	48.7	54.2
<b>Wealth index</b>									
Lowest	223,017	241,286	132,817	113,132	89,698	127,636	59.6	46.9	53.0
Lower	205,834	214,305	121,611	95,777	83,707	118,034	59.1	44.7	51.7
Middle	207,029	214,478	116,325	86,254	90,218	127,696	56.2	40.2	48.1
Higher	148,706	157,831	75,575	53,185	72,782	104,241	50.8	33.7	42.0
Highest	191,843	214,866	75,924	55,735	115,359	158,453	39.6	25.9	32.4

### 5.2.2. Employment and family structure of elderly

The family structures in which older persons reside may have some influence on the LFPR of older persons in Nepal. A nuclear family structure entails a much higher probability of engaging in economic activities. In addition, older persons in nuclear families are seen to work until later in their life than their counterparts in joint families, indicating that there may be a smaller number of financially active people in nuclear families creating more financial needs. Figure 5.9 presents the distribution of older persons aged 65+ by activity (economically active or not active) and by family type for Nepal and provinces. At the national level as well as in all the provinces, the proportion of older people who are economically active exceeds that of those who are inactive if they reside in nuclear family and the proportion of economically active older persons is less than those who are inactive if they are residing in extended family. At the national level, 56.6 percent of elderly individuals in nuclear families are economically active. In extended families, however, the rate drops to 42.3 percent. This trend might suggest that older individuals in nuclear families may have fewer family members to rely on, thereby necessitating continued economic engagement. It appears that the extended family system prevailing in Nepal creates a favourable environment for older persons to retire from economic activities in the absence of an adequate pension system.

At the provincial level, the proportion of the economically active population among older persons living in nuclear families is seen to be highest in Koshi (64.3%) and the lowest in Madhesh (53%). Similarly, when focusing on extended families, the proportion of economically active older persons is the highest in Koshi (49.9%) and lowest in Bagmati (36.7%). The data reveals similar patterns across the provinces, with nuclear family structures generally having higher percentage share of economically active older persons. This may be due to variations in cultural norms, family responsibilities, or the availability of social support systems for older persons across different regions of Nepal. Overall, the data suggests that older individuals in nuclear families are engaged in economic activities to a greater percent, possibly due to greater economic necessity or fewer familial resources to depend on.

**Figure 5.9: Percent distribution of elderly population by activity status and family structure, Nepal and province, NPHC 2021**

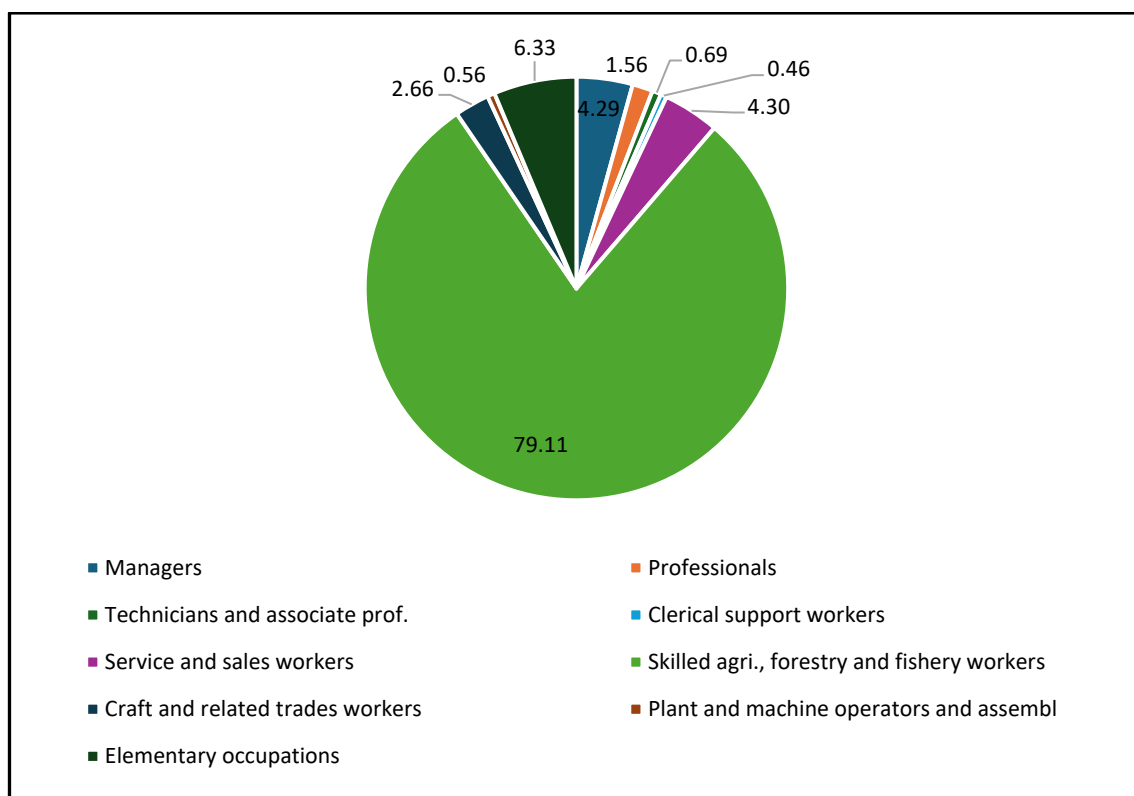


### 5.2.3 Types of occupation and industry of older persons

Of this group, the data indicates that nearly four in every five older individuals is engaged in skilled agricultural, forestry, and fishery work, highlighting the continued importance of these sectors for older populations, likely due to traditional livelihoods and rural settings (Figure 5.10). Despite being much less common, a smaller portion is involved in service and sales work (4.3%)

and managerial roles (4.3%), reflecting some level of economic diversification among older populations. Other occupations, such as professionals (1.6%), clerical support workers (0.5%), and plant and machine operators (0.6%), show minimal representation. The lower percentage share in more specialized or modern sectors may reflect barriers to entry for older individuals, such as technological changes or access to education. Overall, the data suggests that older workers are predominantly engaged as manual and agricultural labour, which are less organized sectors and hence more vulnerable.

**Figure 5.10: Percentage distribution of elderly economically active people according to occupations, NPHC 2021**



#### 5.2.4 Industrial sectors of involvement of older persons

The data provides a breakdown of the involvement of older populations across broad industrial sectors (Primary, Secondary, and Tertiary) in Nepal and its provinces, disaggregated by sex. Data are presented for older persons who are usually employed. A clear pattern emerges here, highlighting the dominance of engagement in the primary sector in Nepal and across all the provinces (Figure 5.11). The primary sector sees the highest involvement in Karnali (86.4%) and Gandaki (83.3%), reflecting a reliance on agriculture and rural livelihoods in these regions.

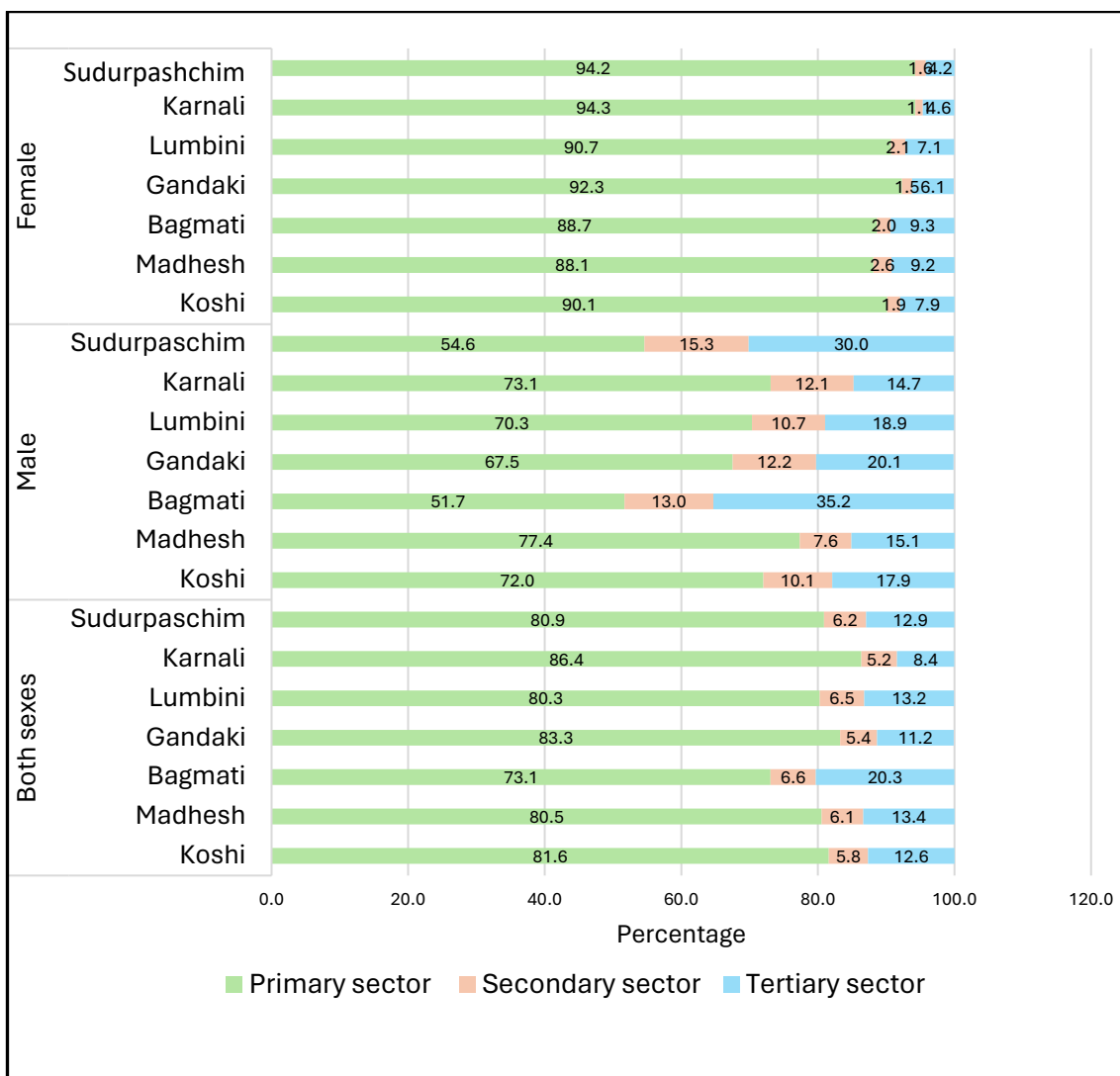
Bagmati has the lowest primary sector involvement at 73.1 percent, likely due to its more urbanized economy. The tertiary sector (services) shows the highest share in Bagmati (20.3%), signalling a more diverse economy with greater opportunities outside of agriculture, while Karnali (8.4%) and Gandaki (11.2%) provinces show the least involvement in the tertiary sector.

For males, the pattern is more varied, with a lower involvement in the primary sector compared to the combined data for both sexes. In Bagmati, only 51.7 percent of older male work in the primary sector, with the significant share represented in the tertiary sector (35.2%). Sudurpashchim and Gandaki provinces also show greater male engagement in the tertiary sector, at 30 percent and 20.1 percent respectively. This suggests that older men in these provinces may have better access to non-agricultural employment opportunities compared to women. On the other hand, older female workers are overwhelmingly concentrated in the primary sector, with minimal engagement in the secondary and tertiary sectors. For example, in Karnali, 94.3 percent of older women are involved in the primary sector, and similar trends are observed in Sudurpashchim (94.2%) and Gandaki (92.3%) provinces. This suggests that older women have far fewer opportunities to participate in non-agricultural sectors.

In summary, the data reveals that employment of older persons is dominant in the primary sector, especially for women, whereas men, particularly in more urbanized provinces like Bagmati, are more likely to be involved in tertiary sector activities. In terms of vulnerability, older female workers are participating in more vulnerable areas as compared to their male counterparts.



**Figure 5.11: Distribution of economically active elderly according to their participation in broad industrial sectors by sex, Nepal and province, NPHC 2021**



## CHAPTER 6

# CONCLUSION AND POLICY RECOMMENDATIONS

## 6.1 Conclusion

This Nepal 2021 Census Thematic Report on Labour Force and Economic Activities has observed various aspects of the labour force based on NPHC 2021 data. The census has made available a source of data which covers different aspects relating to the population's labour status and its dimensions. However, the choice of a long reference period, as well as the way the responses were categorized, posed challenges to computing the exact rates that could be internationally comparable in most cases. Despite such challenges, the collected information can be a vital source of information for planning and policy-making purposes in Nepal. Given the country's upcoming development endeavors, the labour force should be utilized in a proper manner. Keeping some conceptual and methodological weaknesses of the collected data in mind, this thematic report has been prepared based on the census data of NPHC 2021. The report is mainly descriptive in nature. However, some analytical tools have also been used in the report.

While the current analysis cannot offer detailed policy recommendations on the economic activities and labour force of the country, this report's recommendations are focused on providing broad policy suggestions based on the available results of the NPHC 2021 data and the indicators derived from it. As such, the following conclusions and policy suggestions can be made based on the data analysis:

- ◆ Despite the weaknesses mentioned above, NPHC 2021 provides a broad overview of economic activities, as well as an insight into the characteristics of the labour force and the labour market. It is also clear that all detailed aspects of labour conditions cannot be captured from limited census questions – the census questionnaire used in Nepal is already lengthy and there is little possibility of adding more questions on this part – however, opportunities to rephrase census questions to receive more precise responses are welcomed. For instance, a greater focus on informal sector jobs could be used to identify closer estimates of under-employment, which is also a pertinent issue and needs to be analyzed properly in Nepal.
- ◆ It can be agreed that all detailed information on economic activities and labour force cannot be collected in census. Therefore, a more extensive labour force survey should be conducted on a regular basis to examine the dynamics of the labour market situation

and the labour force. However, compatibility of the survey and census is essential to compare the results derived from both sources. Currently in Nepal, this is not the case, and data are not compatible and comparable since the 'usual activity' concept with a long reference period is used in the census and the 'current activity' concept with a short reference period is used in the labour force survey. Moreover, the concept and terms for defining a labour force is different in the census and the labour force survey, so the data are not uniform nor comparable to each other.

- ◆ The result of the NPHC 2021 showed large variations on labour force indicators, like in LFPR, unemployment rate, status in employment, occupation of individuals, and industrial involvement. The difference in these indicators is due to the variations in the area where individuals live, their living conditions, and more importantly their working environment, nature of employment, education and, ultimately, their level of wealth. It is important to note that the differences are observed in labour force indicators by provinces and districts, ecological zones, degree of urbanization, household wealth condition, and educational attainment.
- ◆ The NPHC 2021 also exhibited a large gap between the LFPR for males and females among people aged 15-64; substantially higher LFPR for males (80.2%) than that of females (67.1%). The LFPR for females is increasing over the years. In the coming years, the participation of females in the labour force would be an incremental factor for enhancing the labour market and accelerating economic growth in Nepal. The promotion of decent work to engage increased females' participation can lead to more equitable growth as well as prosperity in the country.
- ◆ The census results show that the unemployment rate is high among those having secondary level of education (7.0%) and higher education (6.7%) as compared to the no education (3.9%) and basic education (4.6%) groups. Education and skill development appears to be a key factor for the transformation of labour from the primary sector to secondary and tertiary sector. It seems that there is no relationship or negative relationship between education and employment in Nepal.
- ◆ In most of the occupation categories, the sex ratios show the number of males per hundred females being higher, except in 'agriculture, forestry and fishery skilled workers' where the female involvement is much higher as compared to males. The group of agriculture, forestry and fishery skilled workers is substantial in size, engaging a population of 5.6 million, where 44 percent of males and 56.9 percent of females are involved. Most of the workers engaged in the agriculture, forestry and fishery sector and other elementary occupations are engaged as own account workers and contributing

family members. The share of high-level occupational categories – ‘Managers’, ‘Professional’ and ‘Technicians and associate professionals’ – among various occupations is very small in comparison to the workers of lower skill categories in Nepal. Moreover, looking into the gender dimensions of occupational distribution, the share of females in these high-level occupational categories is even smaller.

- ◆ Analysis of status in employment shows that a vast majority of people are in own account employment and are contributing family members, where both are considered vulnerable from the perspective of decent work. On the other hand, only a very small share of employers as a status in employment indicates a very narrow formal sector space for the employment of people.
- ◆ Even though NPHC 2021 data doesn’t precisely produce child labour indicators, child work is seen quite notably in Nepal. It is reported that 1.5 million (32.1%) children aged 10-17 years are economically active. The Government of Nepal has a policy of eliminating child labour (objective no 3.7, Labour and Employment Policy 2062).
- ◆ Another important issue seen from the census data is the high rate of unemployment among the youth population aged 15 to 24 years (10.3% in 20-24 years and 7.1% in 25-29 years). The unemployment rates are much higher in comparison to the average national unemployment rate of 4.9 percent. It is evident that there is a lack of job opportunity for new entrants into the job market since Nepal is experiencing a demographic dividend in current years. Because of the lack of job opportunities, a large portion of the labour force is out of the country in search of employment. The current trend of the out-flow of workers can be controlled only with the creation of sufficient workspaces for gainful work in the domestic labour market.
- ◆ While in labour market transformation, Nepal has witnessed a rare situation in which the share of the tertiary sector substantially increased without a sufficient increase in the share of secondary sector. Gender dimensions are another cross-cutting issue together with this. In terms of working in the tertiary sector, the gender gap among highly educated people is almost non-existent. However, females’ involvement in the secondary sector is not promising. In general, the shrinking of secondary sector in Nepal is regarded as a constraint of the transformation of labour force from ‘agriculture’ to ‘industry’ sector.
- ◆ According to the census results, a significant number of older people (2.2 million) are working in different sectors of the economy. Most of the older people are mainly involved in ‘own account’ type of work of the household sector, which is considered ‘vulnerable employment’ without safe working conditions or adequate social security.

- ♦ The population projection and labour force projection of Nepal has indicated that the working age population, especially for males, is declining due to high emigration. The emigration trend of labour force is shown to continue over the period. A distortion in the composition of the working age male population can be observed. In this regard, prompt initiation through policy measures is needed to minimize the outflow of foreign migration and encourage the entrance of available labour force in the job market within the country.
- ♦ Any labour policy should consider the changes occurring due to demographic transition taking place in the country. Nepal at present is witnessing a demographic window of opportunities where the share of the population in the working age (15-64 years) is the one of the highest ever attained. Utilizing this working age population with increased productivity can lead the country towards prosperity. On the other hand, the proportion of older people has started increasing, posing challenges associated with management of the ageing population, where decent work for older people also counts.

## 6.2 Policy recommendations

Based on the above discussed major observations, the following policy recommendations are made:

- ♦ Since the concept and terms for defining a labour force is different in the census and the labour force survey, the data are not uniform nor comparable to each other. This anomaly should be reviewed by using data from both censuses and surveys to compliment and supplement that information found in both sources. Moreover, use of short reference period as used in Nepal labour force survey and in most of the other countries as per new recommendations by ICLSR is recommended.
- ♦ Rephrasing census questions on economic activities to receive more precise responses and capture informal sector jobs to identify closer estimates of under-employment Nepal is recommended.
- ♦ Policy focused on narrowing regional disparity and disparity based on other social constructs is deemed necessary for promoting equity in regional economic development.
- ♦ Government policy should focus on promotion of decent work to absorb increased females' participation in labour market to achieve more equitable growth as well as prosperity in the country.
- ♦ Education needs to be properly tailored to skill development so that a positive association between educational attainment and employment can be established.

- ◆ Policy for promoting females in higher level occupations is needed to promote gender balance in occupational distribution.
- ◆ Policies promoting the creation of formal jobs in private or even in public sectors can restructure the status in employment and promote decent work.
- ◆ Further study is needed to assess the areas and vulnerability of child workers who are economically active, and the government is suggested to review and strongly implement the existing policy on child labour.
- ◆ The policy of the government should focus on enhancing job opportunities to absorb people in the labour market of the national economy.
- ◆ Focusing on the transformation of labour and enhancing productivity with reducing the gender gap, a strong policy to expand the secondary sector with especial emphasis on enhancing females' involvement is deemed necessary.
- ◆ Special provisions and policy are needed to protect the rights of older persons and ensure that they have the right and opportunity to 'decent work' with sufficient social security.
- ◆ Policy should be oriented towards absorbing the working age population in the economy through gainful work opportunities. Simultaneously, policy orientation should also focus towards managing an ageing population in the country.

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## ANNEXES

**Annex Table 3.1: Status of economic activity of population aged 10+ years for Nepal and province, NPHC 2021**

Status of economic activity		Sex	Nepal	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpashchim
Total Population 10 years and above		Male	11,519,621	1,987,135	2,355,108	2,595,088	973,399	1,963,780	641,858	1,003,253
		Female	12,439,247	2,139,959	2,414,905	2,665,603	1,122,075	2,220,519	696,035	1,180,151
		Both sexes	23,958,868	4,127,094	4,770,013	5,260,691	2,095,474	4,184,299	1,337,893	2,183,404
Usually Active	Employed	Male	6,043,087	1,160,664	1,164,631	1,433,545	485,002	996,151	323,652	479,442
		Female	4,227,360	863,340	489,796	976,953	428,191	724,482	294,835	449,763
		Both sexes	10,270,447	2,024,004	1,654,427	2,410,498	913,193	1,720,633	618,487	929,205
	Unemployed	Male	400,928	57,649	79,369	79,778	38,676	78,076	26,685	40,695
		Female	366,730	53,238	70,042	71,987	34,651	73,502	23,543	39,767
		Both sexes	767,658	110,887	149,411	151,765	73,327	151,578	50,228	80,462
Not Usually Active		Male	1,752,493	300,665	338,522	319,462	146,919	322,272	120,153	204,500
		Female	2,899,179	496,653	588,087	523,098	242,957	557,713	169,775	320,896
		Both sexes	4,651,672	797,318	926,609	842,560	389,876	879,985	289,928	525,396
Not Economically Active		Male	3,297,328	466,683	770,155	760,658	291,713	562,289	168,584	277,246
		Female	4,913,684	724,826	1,264,721	1,091,758	401,340	858,685	204,433	367,921
		Both sexes	8,211,012	1,191,509	2,034,876	1,852,416	693,053	1,420,974	373,017	645,167
Economic Activity Not Stated		Male	25,785	1,474	2,431	1,645	11,089	4,992	2,784	1,370
		Female	32,294	1,902	2,259	1,807	14,936	6,137	3,449	1,804
		Both sexes	58,079	3,376	4,690	3,452	26,025	11,129	6,233	3,174

**Annex Table 3.2: Size of economically active population and age specific LFPR by sex for Nepal and province, NPHC 2021**

Age (Years)	Economically active population			LFPR		
	Both sexes	Male	Female	Both sexes	Male	Female
<b>Koshi</b>						
10-14	455,058	231,545	223,513	34.0	33.6	34.3
15-19	481,880	242,715	239,165	50.7	52.1	49.3
20-24	451,234	210,760	240,474	73.4	79.1	68.4
25-29	414,446	188,651	225,795	83.0	91.5	76.0
30-34	368,650	168,852	199,798	86.3	94.6	79.3
35-39	355,201	164,216	190,985	87.9	95.6	81.3
40-44	313,769	149,827	163,942	88.4	95.6	81.9
45-49	258,216	124,887	133,329	87.7	95.2	80.6
50-54	265,648	130,429	135,219	85.7	93.5	78.2
55-59	206,528	102,458	104,070	82.2	90.4	74.1
60-64	183,593	90,215	93,378	73.7	82.3	65.5
65+	372,871	182,580	190,291	51.2	59.0	43.7
<b>Madhesh</b>						
10-14	683,655	352,252	331,403	24.6	24.5	24.6
15-19	628,716	327,285	301,431	35.6	37.7	33.3
20-24	568,137	270,626	297,511	56.6	65.8	48.1
25-29	480,982	222,693	258,289	68.3	83.9	54.7
30-34	402,234	183,710	218,524	73.8	91.4	59.1
35-39	405,662	184,460	221,202	76.4	93.8	61.8
40-44	325,657	162,490	163,167	78.6	94.6	62.6
45-49	272,956	133,759	139,197	78.0	94.5	62.1
50-54	250,054	128,977	121,077	76.6	92.3	59.8
55-59	192,853	101,572	91,281	73.2	88.5	56.2
60-64	173,483	87,346	86,137	62.6	77.6	47.3
65+	385,624	199,938	185,686	44.6	54.9	33.5
<b>Bagmati</b>						
10-14	497,539	259,593	237,946	24.5	24.1	24.8
15-19	583,970	301,870	282,100	37.8	38.6	37.0
20-24	610,209	302,751	307,458	63.9	67.3	60.5
25-29	571,993	275,104	296,889	78.4	85.9	71.5
30-34	516,535	247,202	269,333	82.5	92.0	73.7
35-39	479,801	230,882	248,919	84.0	93.4	75.3
40-44	423,815	205,375	218,440	83.4	93.0	74.3

Age (Years)	Economically active population			LFPR		
	Both sexes	Male	Female	Both sexes	Male	Female
45-49	341,815	167,748	174,067	81.9	92.0	72.1
50-54	336,416	168,504	167,912	78.5	88.5	68.4
55-59	244,749	123,202	121,547	72.7	82.0	63.2
60-64	212,098	104,661	107,437	63.2	71.0	55.6
65+	441,751	208,196	233,555	42.0	48.2	36.5
<b>Gandaki</b>						
10-14	217,815	112,774	105,041	24.2	23.8	24.6
15-19	236,245	119,627	116,618	39.1	39.4	38.7
20-24	224,870	104,438	120,432	67.9	71.0	65.1
25-29	205,009	88,570	116,439	80.7	87.1	75.9
30-34	183,622	79,759	103,863	84.5	91.5	79.1
35-39	171,335	74,724	96,611	86.0	92.2	81.3
40-44	152,433	66,888	85,545	86.0	92.0	81.3
45-49	129,993	58,568	71,425	84.9	90.5	80.2
50-54	135,065	62,964	72,101	82.0	87.7	77.0
55-59	109,980	51,726	58,254	77.6	83.6	72.2
60-64	102,190	47,867	54,323	69.0	75.2	63.5
65+	226,917	105,494	121,423	45.3	51.6	39.8
<b>Lumbini</b>						
10-14	523,078	268,902	254,176	28.3	28.0	28.7
15-19	540,900	266,043	274,857	44.0	44.8	43.2
20-24	496,646	222,524	274,122	69.1	75.2	64.1
25-29	440,485	191,156	249,329	79.9	89.7	72.4
30-34	381,940	166,688	215,252	83.6	93.5	75.9
35-39	357,093	159,440	197,653	85.2	94.4	77.8
40-44	298,968	137,684	161,284	85.5	94.2	78.1
45-49	239,702	112,979	126,723	84.8	93.5	77.0
50-54	236,368	111,759	124,609	81.9	90.9	73.9
55-59	179,360	88,491	90,869	77.3	86.7	68.2
60-64	158,359	76,171	82,188	67.1	76.3	58.6
65+	331,400	161,943	169,457	45.4	52.7	38.4
<b>Karnali</b>						
10-14	208,372	105,671	102,701	35.8	35.3	36.3
15-19	196,744	95,552	101,192	51.9	51.3	52.4
20-24	171,261	78,794	92,467	79.0	80.2	78.0
25-29	133,332	62,847	70,485	89.2	92.1	86.6

Age (Years)	Economically active population			LFPR		
	Both sexes	Male	Female	Both sexes	Male	Female
30-34	110,629	51,760	58,869	92.6	95.9	89.8
35-39	100,490	46,602	53,888	93.2	96.2	90.5
40-44	86,139	39,691	46,448	92.8	96.0	90.0
45-49	73,055	34,930	38,125	92.3	95.3	89.5
50-54	69,706	34,094	35,612	89.7	94.1	85.5
55-59	53,683	27,094	26,589	84.9	89.9	79.8
60-64	47,987	23,430	24,557	71.7	78.0	65.7
65+	86,495	41,393	45,102	48.4	54.3	43.0
<b>Sudurpashchim</b>						
10-14	324,348	165,217	159,131	35.4	34.7	36.1
15-19	297,949	141,431	156,518	50.1	48.8	51.2
20-24	260,703	111,125	149,578	76.4	77.3	75.6
25-29	213,102	93,221	119,881	87.2	91.3	83.9
30-34	184,102	81,005	103,097	90.5	95.0	86.9
35-39	171,910	76,607	95,303	91.8	95.8	88.5
40-44	147,051	66,538	80,513	91.7	95.7	88.4
45-49	120,303	54,654	65,649	90.7	95.2	87.0
50-54	120,595	55,767	64,828	87.7	93.1	83.1
55-59	88,791	43,015	45,776	83.0	88.9	77.4
60-64	77,894	36,272	41,622	71.0	78.4	64.6
65+	176,656	78,401	98,255	47.2	54.3	41.5
<b>Nepal</b>						
10-14	2,909,865	1,495,954	1,413,911	28.7	28.3	29.1
15-19	2,966,404	1,494,523	1,471,881	42.8	43.6	42.1
20-24	2,783,060	1,301,018	1,482,042	67.3	72.2	62.9
25-29	2,459,349	1,122,242	1,337,107	79.0	88.0	71.5
30-34	2,147,712	978,976	1,168,736	83.1	93.0	74.8
35-39	2,041,492	936,931	1,104,561	84.7	94.3	76.5
40-44	1,747,832	828,493	919,339	85.1	94.3	76.9
45-49	1,436,040	687,525	748,515	84.2	93.6	75.6
50-54	1,413,852	692,494	721,358	81.7	91.1	72.8
55-59	1,075,944	537,558	538,386	77.3	86.7	68.0
60-64	955,604	465,962	489,642	67.4	76.6	58.7
65+	2,021,714	977,945	1,043,769	45.9	53.4	38.7

**Annex Table 3.3: Age and sex- specific LFPR, 1971-2021**

Age group	1971			1981			1991			2001			2011			2021		
	Both Sex	Male	Female	Both Sex	Male	Female	Both Sex	Male	Female	Both Sex	Male	Female	Both Sex	Male	Female	Both Sex	Male	Female
10-14	50.5	59.2	40.1	56.9	61.3	51.9	23.3	18.4	28.5	28.8	27.3	30.4	8.1	8.4	7.8	28.7	28.4	29.1
15-19	61.6	75.7	46.2	60.7	69.2	51.3	49.4	49.6	49.3	48.9	49.7	36.6	26.8	28.8	24.8	42.9	43.6	42.2
20-24	63.5	89.8	39.2	66.1	86.3	47.6	66.4	80.5	54.3	68.8	76.9	54.1	56.0	62.8	50.8	67.5	72.4	63.1
25-29	65.3	95.1	36.6	68.7	93.4	44.9	72.3	92.8	54.1	78.2	91.9	72.8	72.8	87.0	62.3	79.2	88.2	71.7
30-34	63.7	96.6	33.9	68.2	95.3	43.3	73.9	95.6	54.0	81.8	96.6	77.8	78.0	94.0	65.7	83.3	93.2	75.0
35-39	66.9	97.4	34	70.8	95.8	44.1	75.6	96.3	54.7	83.3	97.4	78.5	81.2	96.0	68.8	84.9	94.5	76.7
40-44	64.7	97.2	32.9	70.4	96	44.7	74.6	95.9	54.3	83.4	97.1	83.4	82.6	96.2	70.3	85.4	94.5	77.1
45-49	66.7	96.8	32.5	72.3	96.4	44.9	74.1	95.1	52.3	83.3	96.8	84.4	82.5	96.0	69.5	84.4	93.8	75.8
50-54	62.9	94	30.5	71.2	94.3	44.7	70.7	92.1	48.2	80.8	94.7	93.7	81.1	94.2	67.8	82.0	91.3	73.0
55-59	60	90.3	27.7	69.9	92.2	43.3	66.9	88.6	41.7	77.9	91.6	69.3	77.3	91.3	63.0	77.6	86.9	68.2
60-64	39.7	64.1	17.9	62.5	83.3	39.9	46.0	66.5	25.5	67.2	81.9	77.8	67.3	82.6	52.9	67.6	76.9	58.9
65 +	25.1	40.5	10.4	52.9	68.7	35	26.9	40.3	12.9	47.1	59.7	34.3	58.7	74.5	42.9	58.9	68.2	49.9

Source: Information for 1971 through 2011 come from CBS (2014). Population Monograph of Nepal Volume III (Economic Demography). Pp.16 and the figures for 2021 are computed from Nepal Population and Housing Census 2021 data provided by NSO.

**Annex Table 4.1: Distribution of population who performed any economic activity in reference period by occupation and sex for province**

Occupations	Population size			Percentage distribution			Sex ratio
	Male	Female	Both sexes	Male	Female	Both sexes	
Koshi							
Armed forces	10,378	819	11,197	0.7	0.1	0.4	1267.2
Managers	88,264	51,319	139,583	6.0	3.8	4.9	172.0
Professionals	52,311	39,139	91,450	3.5	2.9	3.2	133.7
Technicians and associate professionals	27,867	15,849	43,716	1.9	1.2	1.5	175.8
Office assistants	16,891	11,646	28,537	1.1	0.9	1.0	145.0
Service and sales workers	87,944	62,484	150,428	6.0	4.6	5.3	140.7
Agriculture, forestry and fishery skilled workers	728,117	816,464	1,544,581	49.4	60.1	54.5	89.2
Craft and related trade workers	123,284	25,782	149,066	8.4	1.9	5.3	478.2
Plants and machines operators and assemblers	74,635	4,402	79,037	5.1	0.3	2.8	1695.5
Elementary occupation	264,185	330,647	594,832	17.9	24.3	21.0	79.9
Total	1,473,876	1,358,551	2,832,427	100.0	100.0	100.0	108.5
Madhesh							
Armed forces	6,502	382	6,884	0.4	0.0	0.3	1702.1
Managers	59,733	14,775	74,508	4.0	1.4	2.9	404.3
Professionals	55,621	20,206	75,827	3.7	1.9	3.0	275.3
Technicians and associate professionals	24,120	6,775	30,895	1.6	0.6	1.2	356.0
Office assistants	14,762	4,188	18,950	1.0	0.4	0.7	352.5
Service and sales workers	101,287	25,850	127,137	6.7	2.5	5.0	391.8
Agriculture, forestry and fishery skilled workers	598,483	450,362	1,048,845	39.9	43.0	41.2	132.9
Craft and related trade workers	159,763	19,547	179,310	10.6	1.9	7.0	817.3
Plants and machines operators and assemblers	67,710	2,387	70,097	4.5	0.2	2.8	2836.6
Elementary occupation	413,371	502,635	916,006	27.5	48.0	35.9	82.2
Total	1,501,352	1,047,107	2,548,459	100.0	100.0	100.0	143.4
Bagmati							
Armed forces	41,926	5,045	46,971	2.4	0.3	1.4	831.0
Managers	183,738	85,725	269,463	10.5	5.8	8.3	214.3
Professionals	113,322	78,886	192,208	6.5	5.3	5.9	143.7
Technicians and associate professionals	76,442	43,660	120,102	4.4	2.9	3.7	175.1
Office assistants	47,721	43,230	90,951	2.7	2.9	2.8	110.4
Service and sales workers	192,145	115,201	307,346	10.9	7.7	9.5	166.8

Occupations	Population size			Percentage distribution			Sex ratio
	Male	Female	Both sexes	Male	Female	Both sexes	
Agriculture, forestry and fishery skilled workers	539,208	658,218	1,197,426	30.7	44.2	36.9	81.9
Craft and related trade workers	158,443	53,152	211,595	9.0	3.6	6.5	298.1
Plants and machines operators and assemblers	107,912	7,188	115,100	6.1	0.5	3.5	1501.3
Elementary occupation	295,262	399,050	694,312	16.8	26.8	21.4	74.0
<b>Total</b>	<b>1,756,119</b>	<b>1,489,355</b>	<b>3,245,474</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>117.9</b>
<b>Gandaki</b>							
Armed forces	8,919	678	9,597	1.4	0.1	0.7	1315.5
Managers	56,883	35,942	92,825	8.9	5.3	7.0	158.3
Professionals	29,522	27,412	56,934	4.6	4.1	4.3	107.7
Technicians and associate professionals	13,456	9,794	23,250	2.1	1.5	1.8	137.4
Office assistants	8,420	9,109	17,529	1.3	1.3	1.3	92.4
Service and sales workers	41,923	34,219	76,142	6.5	5.1	5.8	122.5
Agriculture, forestry and fishery skilled workers	285,832	395,643	681,475	44.5	58.6	51.7	72.2
Craft and related trade workers	54,640	13,510	68,150	8.5	2.0	5.2	404.4
Plants and machines operators and assemblers	35,838	1,773	37,611	5.6	0.3	2.9	2021.3
Elementary occupation	106,732	146,731	253,463	16.6	21.7	19.2	72.7
<b>Total</b>	<b>642,165</b>	<b>674,811</b>	<b>1,316,976</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>95.2</b>
<b>Lumbini</b>							
Armed forces	13,207	1,002	14,209	1.0	0.1	0.5	1318.1
Managers	82,207	36,853	119,060	6.1	2.9	4.5	223.1
Professionals	45,660	34,942	80,602	3.4	2.7	3.1	130.7
Technicians and associate professionals	21,843	13,014	34,857	1.6	1.0	1.3	167.8
Office assistants	13,977	10,192	24,169	1.0	0.8	0.9	137.1
Service and sales workers	80,158	41,797	121,955	6.0	3.3	4.6	191.8
Agriculture, forestry and fishery skilled workers	627,766	790,142	1,417,908	46.8	61.6	54.1	79.4
Craft and related trade workers	120,336	23,822	144,158	9.0	1.9	5.5	505.1
Plants and machines operators and assemblers	65,701	2,877	68,578	4.9	0.2	2.6	2283.7
Elementary occupation	269,645	327,669	597,314	20.1	25.6	22.8	82.3
<b>Total</b>	<b>1,340,500</b>	<b>1,282,310</b>	<b>2,622,810</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>104.5</b>
<b>Karnali</b>							
Armed forces	6,767	414	7,181	1.5	0.1	0.8	1634.5
Managers	18,999	10,762	29,761	4.2	2.3	3.2	176.5
Professionals	16,847	9,797	26,644	3.7	2.1	2.9	172.0



Occupations	Population size			Percentage distribution			Sex ratio
	Male	Female	Both sexes	Male	Female	Both sexes	
Technicians and associate professionals	6,247	3,829	10,076	1.4	0.8	1.1	163.1
Office assistants	4,221	2,351	6,572	0.9	0.5	0.7	179.5
Service and sales workers	18,511	12,543	31,054	4.1	2.7	3.4	147.6
Agriculture, forestry and fishery skilled workers	288,980	357,813	646,793	63.5	76.1	69.9	80.8
Craft and related trade workers	22,599	4,978	27,577	5.0	1.1	3.0	454.0
Plants and machines operators and assemblers	9,068	493	9,561	2.0	0.1	1.0	1839.4
Elementary occupation	62,801	67,498	130,299	13.8	14.3	14.1	93.0
<b>Total</b>	<b>455,040</b>	<b>470,478</b>	<b>925,518</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>96.7</b>
<b>Sudurpashchim</b>							
Armed forces	8,105	525	8,630	1.2	0.1	0.6	1543.8
Managers	32,821	13,424	46,245	4.7	1.7	3.1	244.5
Professionals	28,709	16,316	45,025	4.1	2.1	3.0	176.0
Technicians and associate professionals	9,914	5,776	15,690	1.4	0.7	1.1	171.6
Office assistants	6,971	3,517	10,488	1.0	0.5	0.7	198.2
Service and sales workers	38,707	17,850	56,557	5.5	2.3	3.8	216.8
Agriculture, forestry and fishery skilled workers	390,561	574,796	965,357	55.8	73.8	65.3	67.9
Craft and related trade workers	44,446	11,612	56,058	6.4	1.5	3.8	382.8
Plants and machines operators and assemblers	21,155	988	22,143	3.0	0.1	1.5	2141.2
Elementary occupation	118,500	134,205	252,705	16.9	17.2	17.1	88.3
<b>Total</b>	<b>699,889</b>	<b>779,009</b>	<b>1,478,898</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>89.8</b>

Annex Table 4.2: Industry by occupation matrix for province

Industries/Occupations	Armed forces occupations	Managers	Professionals	Technicians and associate professionals	Clerical support workers	Service and sales workers	Skilled agriculture, forestry and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers	Elementary occupations	Not stated	Total
<b>Koshi</b>												
Agriculture, forestry and fishing	0	8,918	795	1,594	1,399	2,595	1,543,895	0	8,741	208,063	566	1776566
Mining and quarrying	0	541	446	189	239	333	0	0	560	3,295	24	5,627
Manufacturing	0	11,961	1,304	3,997	1,804	5,066	0	52,785	12,043	26,012	176	115,148
Electricity, gas, steam and air conditioning supply	0	520	162	837	655	420	0	532	3,476	458	11	7,071
Water supply; sewerage management and remediation activities	0	789	274	698	433	888	0	628	229	1,251	14	5,204
Construction	0	7,773	2,283	2,217	421	715	0	69,341	2,560	111,763	238	197,311
Wholesale and retail trade	0	61,417	899	1,911	1,343	95,067	0	13,333	1,001	138,974	188	314,133
Transportation and storage	0	1,726	128	404	1,135	1,317	0	504	47,096	15,118	136	67,564
Accommodation and food service activities	0	22,062	309	939	1,569	11,621	0	884	245	3,344	53	41,026
Information and communication	0	725	1,612	1,430	1,216	387	0	366	365	344	4	6,449
Financial and insurance activities	0	3,717	1,768	3,276	8,706	6,293	0	99	147	691	8	24,705
Real estate business activities	0	245	186	2,677	207	192	0	27	14	80	0	3,628
Professional, scientific and technical activities	0	963	3,676	3,450	561	283	0	260	79	188	2	9,462
Administrative and support service activities	0	673	336	958	1,396	1,852	0	152	131	431	7	5,936
Public administration and defense	11,078	6,122	1,700	4,370	3,683	14,674	0	291	408	1,198	8	43,532
Education	26	4,025	63,403	2,388	1,501	974	0	133	787	2,552	26	75,815
Human health and social work activities	93	1,811	7,915	10,871	1,537	1,645	0	193	247	2,510	10	26,832
Arts, entertainment and recreation	0	569	1,153	636	150	363	0	3,772	94	300	4	7,041
Other service activities	0	4,730	2,937	725	398	5,583	42	4,733	321	58,494	15	77,978
Activities of households as employers	0	0	0	0	0	0	0	927	433	19,647	77	21,084
Activities of extra-territorial	0	149	144	134	161	60	513	9	18	86	2	1,276
Not stated	0	147	20	15	23	100	131	97	42	33	92	700
<b>Total</b>	<b>11,197</b>	<b>139,583</b>	<b>91,450</b>	<b>43,716</b>	<b>28,537</b>	<b>150,428</b>	<b>1,544,581</b>	<b>149,066</b>	<b>79,037</b>	<b>594,832</b>	<b>1661</b>	<b>2834088</b>
<b>Madhesh</b>												
Agriculture, forestry and fishing	0	5,768	768	1,300	1,166	2,036	1,048,246	0	15,049	303,766	831	1378930
Mining and quarrying	0	312	565	226	341	217	0	0	286	1,090	9	3,046
Manufacturing	0	5,469	1,825	3,373	1,383	3,523	0	75,674	8,863	16,123	138	116,371
Electricity, gas, steam and air conditioning supply	0	255	156	463	660	247	0	505	3,908	283	8	6,485

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Industries/Occupations	Armed forces occupations	Managers	Professionals	Technicians and associate professionals	Clerical support workers	Service and sales workers	Skilled agriculture, forestry and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers	Elementary occupations	Not stated	Total
Water supply; sewerage management and remediation activities	0	427	341	490	224	828	0	923	128	1,247	13	4,621
Construction	0	5,098	2,926	1,384	292	447	0	72,745	1,312	194,888	379	279,471
Wholesale and retail trade	0	33,517	801	1,471	539	90,362	0	18,670	902	247,725	102	394,089
Transportation and storage	0	679	137	288	741	687	0	485	37,818	6,945	97	47,877
Accommodation and food service activities	0	7,305	163	429	821	4,570	0	946	174	2,599	38	17,045
Information and communication	0	269	1,159	650	620	193	0	194	166	294	1	3,546
Financial and insurance activities	0	1,731	1,921	1,648	6,393	3,017	0	89	88	625	5	15,517
Real estate business activities	0	95	154	1,539	118	74	0	31	12	122	0	2,145
Professional, scientific and technical activities	0	467	4,851	3,289	460	234	0	201	64	198	2	9,766
Administrative and support service activities	0	279	251	812	844	329	0	108	92	236	2	2,953
Public administration and defense	6,737	5,547	1,410	3,307	2,435	10,015	0	104	245	943	10	30,753
Education	27	2,787	44,233	2,264	621	453	0	115	199	1,724	16	52,439
Human health and social work activities	120	1,145	11,319	6,890	756	939	0	151	139	1,599	6	23,064
Arts, entertainment and recreation	0	222	1,057	432	64	162	0	2,500	107	177	9	4,730
Other service activities	0	2,935	1,626	512	305	8,712	28	5,046	245	112,430	29	131,868
Activities of households as employers	0	0	0	0	0	0	0	655	249	22,881	82	23,867
Activities of extra-territorial	0	124	142	113	154	51	423	15	13	71	1	1,107
Not stated	0	77	22	15	13	41	148	153	38	40	209	756
<b>Total</b>	<b>6,884</b>	<b>74,508</b>	<b>75,827</b>	<b>30,895</b>	<b>18,950</b>	<b>127,137</b>	<b>1,048,845</b>	<b>179,310</b>	<b>70,097</b>	<b>916,006</b>	<b>1987</b>	<b>2550446</b>
<b>Bagmati</b>												
Agriculture, forestry and fishing	0	11,348	1,651	2,014	2,113	3,890	1,196,728	0	4,656	146,804	221	1369425
Mining and quarrying	0	2,030	1,129	547	491	1,213	0	0	1,054	2,222	12	8,698
Manufacturing	0	25,128	5,670	7,358	5,390	14,128	0	81,184	11,922	17,266	111	168,157
Electricity, gas, steam and air conditioning supply	0	1,975	1,296	2,962	1,535	1,846	0	705	4,067	869	9	15,264
Water supply; sewerage management and remediation activities	0	1,629	731	1,221	946	2,094	0	1,115	819	2,639	15	11,209
Construction	0	15,785	7,901	6,548	2,043	4,459	0	70,294	4,615	134,594	220	246,459
Wholesale and retail trade	0	91,675	5,036	5,716	5,466	143,888	0	19,388	3,561	212,949	101	487,780
Transportation and storage	0	4,837	3,509	3,242	3,619	8,147	0	1,529	72,429	9,761	97	107,170
Accommodation and food service activities	0	38,589	3,086	3,880	5,420	37,816	0	2,073	669	8,872	48	100,453
Information and communication	0	4,159	8,207	8,096	4,473	2,197	0	950	1,137	1,248	5	30,472
Financial and insurance activities	0	14,876	10,137	10,824	23,253	13,549	0	280	496	2,927	16	76,358
Real estate business activities	0	1,300	1,120	6,658	625	1,660	0	479	229	1,023	2	13,096

Industries/Occupations	Armed forces occupations	Managers	Professionals	Technicians and associate professionals	Clerical support workers	Service and sales workers	Skilled agriculture, forestry and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers	Elementary occupations	Not stated	Total
Professional, scientific and technical activities	0	4,679	14,158	12,151	2,254	2,082	0	1,306	717	1,316	5	38,668
Administrative and support service activities	0	5,860	4,751	5,901	7,901	5,930	0	697	620	2,508	7	34,175
Public administration and defense	45,096	10,332	4,529	7,838	5,629	19,073	0	299	846	2,193	23	95,858
Education	149	8,290	84,865	7,009	5,940	5,337	0	484	1,402	7,083	26	120,585
Human health and social work activities	1,726	5,799	18,773	19,461	5,386	6,386	0	521	707	5,785	32	64,576
Arts, entertainment and recreation	0	3,530	4,564	2,222	1,119	3,357	0	16,979	467	2,298	11	34,547
Other service activities	0	15,648	9,615	5,255	6,032	29,496	29	10,578	3,197	107,094	29	186,973
Activities of households as employers	0	0	0	0	3	2	0	2,480	1,224	24,063	92	27,864
Activities of extra-territorial	0	1,730	1,446	1,148	1,272	578	439	106	201	766	6	7,692
Not stated	0	264	34	51	41	218	230	148	65	32	134	1217
Total	46,971	269,463	192,208	120,102	90,951	307,346	1,197,426	211,595	115,100	694,312	1222	3,246,696
<b>Gandaki</b>												
Agriculture, forestry and fishing	0	7,134	488	1,041	698	1,256	681,185	0	2,492	65,400	117	759,811
Mining and quarrying	0	523	338	134	98	153	0	0	327	1,609	14	3,196
Manufacturing	0	6,415	644	1,457	717	2,845	0	22,580	2,846	4,356	45	41,905
Electricity, gas, steam and air conditioning supply	0	395	172	838	567	362	0	415	1,945	561	4	5,259
Water supply; sewerage management and remediation activities	0	546	200	430	284	635	0	344	190	650	4	3,283
Construction	0	4,877	1,305	1,239	297	421	0	32,376	1,228	51,082	74	92,899
Wholesale and retail trade	0	37,677	512	1,059	1,083	42,737	0	6,620	766	78,775	53	169,282
Transportation and storage	0	996	87	196	469	667	0	288	25,973	1,522	15	30,213
Accommodation and food service activities	0	18,116	255	1,691	1,699	8,727	0	449	157	2,784	151	34,029
Information and communication	0	516	1,007	695	642	284	0	231	233	167	4	3,779
Financial and insurance activities	0	2,752	1,115	1,602	5,412	4,341	0	64	80	385	31	15,782
Real estate business activities	0	103	51	715	55	65	0	24	6	33	1	1,053
Professional, scientific and technical activities	0	613	2,084	1,412	299	153	0	122	50	111	4	4,848
Administrative and support service activities	0	533	176	444	732	757	0	108	127	198	1	3,076
Public administration and defense	9,426	4,063	1,022	2,418	1,942	8,072	0	160	205	600	16	27,924
Education	23	2,692	40,829	1,459	1,145	690	0	89	414	2,033	10	49,384
Human health and social work activities	148	1,159	4,736	5,492	885	803	0	82	160	1,346	10	14,821
Arts, entertainment and recreation	0	483	813	398	95	304	0	1,620	53	272	9	4,047
Other service activities	0	2,986	965	368	238	2,731	0	1,946	164	32,755	15	42,168
Activities of households as employers	0	0	0	0	0	0	0	543	166	8,635	22	9,366

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Industries/Occupations	Armed forces occupations	Managers	Professionals	Technicians and associate professionals	Clerical support workers	Service and sales workers	Skilled agriculture, forestry and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers	Elementary occupations	Not stated	Total
Activities of extra-territorial	0	128	106	129	127	50	53	11	11	44	4	663
Not stated	0	118	29	33	45	89	237	78	18	145	2614	3406
Total	9,597	92,825	56,934	23,250	17,529	76,142	681,475	68,150	37,611	253,463	3218	1,320,194
<b>Lumbini</b>												
Agriculture, forestry and fishing	0	8,740	701	1,319	1,491	2,002	1,416,964	0	10,085	141,009	346	1582657
Mining and quarrying	0	605	806	331	323	232	0	0	516	1,188	55	4,056
Manufacturing	0	9,858	1,439	3,275	1,525	4,376	0	46,165	7,057	12,438	136	86,269
Electricity, gas, steam and air conditioning supply	0	477	139	611	611	296	0	478	3,452	342	10	6,416
Water supply; sewerage management and remediation activities	0	684	290	741	398	836	0	793	206	785	12	4,745
Construction	0	7,295	1,802	1,635	374	593	0	74,412	1,865	159,733	421	248,130
Wholesale and retail trade	0	50,169	722	1,695	1,128	75,058	0	12,837	979	164,673	126	307,387
Transportation and storage	0	1,451	103	349	879	992	0	400	41,814	8,955	82	55,025
Accommodation and food service activities	0	18,706	247	1,355	1,622	10,189	0	759	234	3,674	101	36,887
Information and communication	0	529	1,381	920	856	307	0	245	229	252	6	4,725
Financial and insurance activities	0	3,124	1,629	2,373	7,194	4,208	0	106	114	485	11	19,244
Real estate business activities	0	165	158	1,316	129	90	0	29	10	64	2	1,963
Professional, scientific and technical activities	0	831	3,385	2,675	417	269	0	216	72	134	8	8,007
Administrative and support service activities	0	487	232	649	1,045	398	0	99	209	233	5	3,357
Public administration and defense	14,032	6,136	1,421	4,057	2,954	14,480	0	160	386	1,060	11	44,697
Education	34	3,204	55,943	2,185	1,301	759	0	130	478	2,803	26	66,863
Human health and social work activities	143	1,673	8,094	8,231	1,287	1,277	0	188	208	2,069	20	23,190
Arts, entertainment and recreation	0	411	677	364	73	210	0	2,418	63	211	4	4,431
Other service activities	0	4,179	1,264	575	303	5,242	27	4,141	279	70,826	26	86,862
Activities of households as employers	0	0	0	0	0	0	0	442	266	26,202	87	26,997
Activities of extra-territorial	0	159	128	164	220	57	505	11	25	72	2	1,343
Not stated	0	177	41	37	39	84	412	129	31	106	1618	2,674
Total	14,209	119,060	80,602	34,857	24,169	121,955	1417908	144,158	68,578	597,314	3115	2,625,925
<b>Karnali</b>												
Agriculture, forestry and fishing	0	2,611	245	401	440	541	646,537	0	622	31,554	46	682,997
Mining and quarrying	0	105	298	55	52	33	0	0	63	529	44	1,179
Manufacturing	0	1,479	178	295	123	482	0	9,786	575	405	25	13,348
Electricity, gas, steam and air conditioning supply	0	102	53	124	149	56	0	73	527	74	1	1,159

Industries/Occupations	Armed forces occupations	Managers	Professionals	Technicians and associate professionals	Clerical support workers	Service and sales workers	Skilled agriculture, forestry and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers	Elementary occupations	Not stated	Total
Water supply; sewerage management and remediation activities	0	164	120	272	158	157	0	152	16	106	1	1,146
Construction	0	1,772	494	565	76	89	0	14,358	277	30,820	69	48,520
Wholesale and retail trade	0	11,091	208	190	170	19,307	0	1,709	123	39,896	26	72,720
Transportation and storage	0	191	15	40	332	150	0	36	6,978	959	2	8,703
Accommodation and food service activities	0	5,015	51	287	468	2,076	0	151	17	620	28	8,713
Information and communication	0	109	351	179	241	57	0	48	47	45	3	1,080
Financial and insurance activities	0	672	351	523	1,353	1,238	0	10	22	87	6	4,262
Real estate business activities	0	35	20	193	24	7	0	7	1	10	1	298
Professional, scientific and technical activities	0	183	987	655	117	55	0	33	20	39	1	2,090
Administrative and support service activities	0	69	53	148	250	75	0	11	12	52	2	672
Public administration and defense	7,145	2,948	641	2,101	1,533	5,708	0	46	101	615	5	20,843
Education	11	1,559	19,702	745	528	148	0	41	56	1,294	12	24,096
Human health and social work activities	25	407	2,366	2,971	381	230	0	30	39	804	8	7,261
Arts, entertainment and recreation	0	50	141	89	13	17	0	204	7	14	0	535
Other service activities	0	1,067	300	151	80	589	8	762	32	15,652	9	18,650
Activities of households as employers	0	0	0	0	0	0	0	105	24	6,682	20	6,831
Activities of extra-territorial	0	85	61	79	72	19	99	2	1	15	3	436
Not stated	0	47	9	13	12	20	149	13	1	27	510	801
<b>Total</b>	<b>7,181</b>	<b>29,761</b>	<b>26,644</b>	<b>10,076</b>	<b>6,572</b>	<b>31,054</b>	<b>646,793</b>	<b>27,577</b>	<b>9,561</b>	<b>130,299</b>	<b>822</b>	<b>926,340</b>
<b>Sudurpashchim</b>												
Agriculture, forestry and fishing	0	3,317	386	608	713	1,060	964,874	0	3,875	61,244	100	1,036,177
Mining and quarrying	0	171	300	77	76	122	0	0	142	898	15	1,801
Manufacturing	0	2,860	296	688	244	1,107	0	19,636	1,492	3,300	32	29,655
Electricity, gas, steam and air conditioning supply	0	174	57	278	299	120	0	168	1,448	197	4	2,745
Water supply; sewerage management and remediation activities	0	276	179	279	232	427	0	290	37	292	5	2,017
Construction	0	2,780	861	716	146	183	0	27,114	628	69,641	204	102,273
Wholesale and retail trade	0	19,084	254	480	274	36,574	0	5,195	264	69,877	76	132,078
Transportation and storage	0	360	48	93	280	293	0	138	13,401	3,612	34	18,259
Accommodation and food service activities	0	6,366	146	448	756	3,384	0	383	96	1,499	24	13,102
Information and communication	0	210	684	349	447	130	0	76	93	101	4	2,094
Financial and insurance activities	0	1,214	837	963	2,785	1,799	0	23	35	219	3	7,878
Real estate business activities	0	37	46	213	44	43	0	13	8	28	0	432

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Industries/Occupations	Armed forces occupations	Managers	Professionals	Technicians and associate professionals	Clerical support workers	Service and sales workers	Skilled agriculture, forestry and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers	Elementary occupations	Not stated	Total
Professional, scientific and technical activities	0	318	1,571	1,186	185	101	0	71	36	76	2	3,546
Administrative and support service activities	0	135	105	287	527	159	0	67	32	89	2	1,403
Public administration and defense	8,512	4,203	892	2,696	1,812	8,562	0	78	184	691	4	27,634
Education	34	2,041	33,551	1,279	699	250	0	74	106	1,918	10	39,962
Human health and social work activities	84	677	3,855	4,454	603	465	0	64	74	1,250	6	11,532
Arts, entertainment and recreation	0	96	241	198	45	64	0	558	14	42	1	1,259
Other service activities	0	1,705	603	245	163	1,609	23	1,782	75	28,181	15	34,401
Activities of households as employers	0	0	0	0	0	0	0	248	76	9,473	23	9,820
Activities of extra-territorial	0	150	102	139	146	65	357	4	6	43	2	1,014
Not stated	0	71	11	14	12	40	103	76	21	34	157	539
Total	8,630	46,245	45,025	15,690	10,488	56,557	965,357	56,058	22,143	252,705	723	1,479,621

**Annex Table 4.3a: Working life table, both sexes, NPHC 2021**

Age	$l(x)$	$L(x,n)$	$e(x)$	LFPR(x)	Years of active life for survivors of age $(x, x+n)$	Total years of active life remaining at age $x$	$e$ (active, $x$ )	$e$ (inactive, $x$ )
10	97,403	486,150	63.3	28.7	139,418	3,944,715	40.5	22.8
15	97,057	484,017	58.5	42.8	207,307	3,805,297	39.2	19.3
20	96,518	480,871	53.8	67.3	323,513	3,597,989	37.3	16.6
25	95,805	476,992	49.2	79.0	376,851	3,274,476	34.2	15.0
30	94,967	472,394	44.6	83.1	392,508	2,897,625	30.5	14.1
35	93,945	466,367	40.1	84.7	394,842	2,505,117	26.7	13.4
40	92,526	458,037	35.7	85.1	389,958	2,110,275	22.8	12.8
45	90,592	446,808	31.4	84.2	376,215	1,720,317	19.0	12.4
50	88,006	431,796	27.2	81.7	352,990	1,344,102	15.3	11.9
55	84,547	411,843	23.2	77.3	318,489	991,112	11.7	11.5
60	79,951	384,473	19.4	67.4	259,270	672,623	8.4	11.0
65	73,523	347,960	15.9	58.8	204,473	413,353	5.6	10.2
70	65,272	299,562	12.5	44.9	134,414	208,880	3.2	9.3
75	54,096	238,401	9.6	31.2	74,466	74,466	1.4	8.2

**Annex Table 4.3b: Working life table, males, NPHC 2021**

Age	$l(x)$	$L(x,n)$	$e(x)$	LFPR(x)	Years of active life for survivors of age $(x, x+n)$	Total years of active life remaining at age $x$	$e$ (active, $x$ )	$e$ (inactive, $x$ )
10	97,195	485,126	60.7	28.3	137,400	4,223,961	43.5	17.2
15	96,856	482,929	55.9	43.6	210,325	4,086,561	42.2	13.7
20	96,267	479,167	51.2	72.2	346,026	3,876,236	40.3	10.9
25	95,347	473,907	46.7	88.0	416,939	3,530,210	37.0	9.6
30	94,171	467,373	42.2	93.0	434,644	3,113,271	33.1	9.1
35	92,713	458,763	37.8	94.3	432,498	2,678,627	28.9	8.9
40	90,686	446,889	33.6	94.3	421,243	2,246,129	24.8	8.8
45	87,949	431,428	29.6	93.6	403,881	1,824,887	20.7	8.8
50	84,505	412,573	25.7	91.1	375,873	1,421,005	16.8	8.9
55	80,378	389,315	21.9	86.7	337,536	1,045,132	13.0	8.9
60	75,108	358,566	18.2	76.6	274,818	707,596	9.4	8.8
65	68,017	319,110	14.8	68.1	217,156	432,778	6.4	8.5
70	59,255	268,245	11.7	52.7	141,302	215,622	3.6	8.0
75	47,634	205,999	8.9	36.1	74,320	74,320	1.6	7.3



**Annex Table 4.3c: Working life table, females, NPHC 2021**

Age	$l(x)$	$L(x,n)$	$e(x)$	LFPR(x)	Years of active life for survivors of age $(x, x+n)$	Total years of active life remaining at age $x$	$e$ (active, $x$ )	$e$ (inactive, $x$ )
10	97,642	487,322	66.1	29.1	141,587	3,669,316	37.6	28.5
15	97,287	485,253	61.3	42.1	204,283	3,527,729	36.3	25.0
20	96,798	482,680	56.6	62.9	303,809	3,323,445	34.3	22.3
25	96,269	479,990	51.9	71.5	343,070	3,019,637	31.4	20.5
30	95,718	477,033	47.2	74.8	356,772	2,676,567	28.0	19.2
35	95,070	473,251	42.5	76.5	362,086	2,319,795	24.4	18.1
40	94,187	468,175	37.9	76.9	360,094	1,957,709	20.8	17.1
45	93,017	461,044	33.3	75.6	348,334	1,597,615	17.2	16.1
50	91,277	449,988	28.9	72.8	327,450	1,249,282	13.7	15.2
55	88,539	433,728	24.7	68.0	294,847	921,832	10.4	14.3
60	84,720	410,270	20.7	58.7	240,712	626,985	7.4	13.3
65	79,063	377,332	17.0	49.8	187,784	386,273	4.9	12.1
70	71,470	332,261	13.5	37.7	125,213	198,488	2.8	10.7
75	60,942	273,384	10.4	26.8	73,275	73,275	1.2	9.2

**Annex Table 4.4a: Average active and inactive life (in years) remaining at exact ages (years) by sex, Koshi, NPHC 2021**

Age	Both sexes		Male		Female	
	Active life	Inactive life	Active life	Inactive life	Active life	Inactive life
10	43.0	19.7	45.5	14.7	40.6	24.8
15	41.5	16.4	44.0	11.4	39.0	21.6
20	39.2	14.1	41.6	9.1	36.7	19.2
25	35.8	12.8	38.1	8.2	33.5	17.7
30	32.0	12.1	34.1	7.8	29.9	16.6
35	28.1	11.6	29.9	7.7	26.2	15.7
40	24.1	11.2	25.8	7.7	22.4	14.9
45	20.2	10.9	21.8	7.7	18.6	14.3
50	16.4	10.6	17.8	7.8	15.0	13.6
55	12.8	10.3	14.0	7.9	11.5	13.0
60	9.3	10.0	10.3	7.9	8.2	12.2
65	6.3	9.5	7.0	7.8	5.5	11.4
70	3.6	8.9	4.1	7.6	3.1	10.3
75	1.5	8.1	1.7	7.2	1.3	9.0

**Annex Table 4.4b: Average active and inactive life (in years) remaining at exact ages (years) by sex, Madhesh, NPHC 2021**

Age	Both sexes		Male		Female	
	Active life	Inactive life	Active life	Inactive life	Active life	Inactive life
10	37.0	27.0	43.6	18.9	30.3	35.4
15	35.9	23.3	42.5	15.1	29.2	31.7
20	34.3	20.3	40.9	12.1	27.7	28.6
25	31.7	18.2	37.9	10.5	25.4	26.1
30	28.5	16.8	34.1	9.8	22.8	24.0
35	25.1	15.6	29.9	9.5	20.0	22.1
40	21.5	14.6	25.7	9.3	17.0	20.3
45	18.0	13.8	21.6	9.3	14.1	18.7
50	14.5	13.0	17.4	9.3	11.2	17.2
55	11.1	12.3	13.4	9.3	8.5	15.7
60	8.0	11.6	9.7	9.3	6.1	14.2
65	5.4	10.7	6.6	9.0	4.1	12.7
70	3.1	9.7	3.7	8.5	2.4	10.9
75	1.4	8.3	1.6	7.7	1.1	9.1

**Annex Table 4.4c: Average active and inactive life (in years) remaining at exact ages (years) by sex, Bagmati, NPHC 2021**

Age	Both sexes		Male		Female	
	Active life	Inactive life	Active life	Inactive life	Active life	Inactive life
10	39.4	24.7	42.3	19.3	36.3	30.5
15	38.2	21.0	41.3	15.5	35.2	26.8
20	36.5	18.0	39.5	12.5	33.4	23.7
25	33.5	16.3	36.4	10.9	30.5	21.8
30	29.8	15.3	32.4	10.3	27.1	20.5
35	25.9	14.6	28.2	10.1	23.6	19.3
40	22.0	13.9	23.9	9.9	20.0	18.2
45	18.2	13.4	19.9	9.8	16.5	17.1
50	14.5	12.8	15.9	9.8	13.1	16.0
55	11.1	12.2	12.1	9.6	10.0	14.9
60	7.9	11.4	8.7	9.3	7.2	13.6
65	5.3	10.4	5.8	8.7	4.7	12.1
70	3.0	9.3	3.3	8.0	2.7	10.6
75	1.3	8.1	1.4	7.2	1.1	9.1

**Annex Table 4.4d: Average active and inactive life (in years) remaining at exact ages (years) by sex, Gandaki, NPHC 2021**

Age	Both sexes		Male		Female	
	Active life	Inactive life	Active life	Inactive life	Active life	Inactive life
10	40.6	23.1	41.6	18.4	39.6	27.6
15	39.5	19.4	40.6	14.7	38.5	24.0
20	37.8	16.4	38.8	11.7	36.7	21.0
25	34.7	14.9	35.7	10.4	33.6	19.4
30	30.9	14.1	31.8	9.9	30.0	18.3
35	27.0	13.5	27.8	9.7	26.2	17.3
40	23.1	13.0	23.9	9.5	22.4	16.5
45	19.3	12.6	20.1	9.5	18.6	15.8
50	15.6	12.2	16.4	9.4	14.8	15.1
55	12.1	11.8	12.8	9.4	11.3	14.3
60	8.7	11.3	9.4	9.2	8.0	13.4
65	5.8	10.5	6.4	8.8	5.2	12.3
70	3.3	9.5	3.6	8.2	2.9	10.9
75	1.3	8.4	1.5	7.5	1.2	9.4

**Annex Table 4.4e: Average active and inactive life (in years) remaining at exact ages (years) by sex, Lumbini, NPHC 2021**

Age	Both sexes		Male		Female	
	Active life	Inactive life	Active life	Inactive life	Active life	Inactive life
10	40.0	21.9	42.4	16.3	37.5	27.4
15	38.7	18.4	41.2	12.7	36.2	23.9
20	36.7	15.7	39.2	10.1	34.3	21.2
25	33.6	14.2	35.9	8.9	31.3	19.5
30	29.9	13.4	31.9	8.6	27.9	18.3
35	26.1	12.7	27.8	8.4	24.2	17.2
40	22.3	12.2	23.8	8.3	20.6	16.3
45	18.5	11.8	20.0	8.4	16.9	15.4
50	14.9	11.4	16.3	8.5	13.4	14.6
55	11.4	11.1	12.6	8.6	10.1	13.8
60	8.1	10.6	9.1	8.6	7.2	12.9
65	5.4	10.0	6.1	8.3	4.7	11.7
70	3.1	9.1	3.5	7.9	2.7	10.4
75	1.4	8.0	1.5	7.3	1.2	8.9

**Annex Table 4.4f: Average active and inactive life (in years) remaining at exact ages (years) by sex, Karnali, NPHC 2021**

Age	Both sexes		Male		Female	
	Active life	Inactive life	Active life	Inactive life	Active life	Inactive life
10	45.3	18.8	45.8	15.5	44.7	22.5
15	43.7	15.7	44.2	12.3	43.0	19.4
20	41.3	13.4	41.9	9.9	40.6	17.1
25	37.7	12.4	38.3	9.0	37.0	16.1
30	33.5	12.0	34.2	8.7	32.8	15.5
35	29.2	11.7	29.9	8.7	28.5	15.1
40	24.9	11.5	25.6	8.6	24.2	14.8
45	20.7	11.4	21.4	8.7	19.9	14.4
50	16.5	11.3	17.3	8.7	15.7	14.1
55	12.5	11.1	13.2	8.8	11.8	13.7
60	8.8	11.0	9.4	8.8	8.2	13.3
65	5.9	10.4	6.3	8.6	5.4	12.5
70	3.3	9.6	3.5	8.2	3.0	11.3
75	1.5	8.6	1.6	7.4	1.3	9.9

**Annex Table 4.4g: Average active and inactive life (in years) remaining at exact ages (years) by sex, Sudurpashchim, NPHC 2021**

Age	Both sexes		Male		Female	
	Active life	Inactive life	Active life	Inactive life	Active life	Inactive life
10	42.0	16.4	44.2	15.1	43.5	23.7
15	40.5	13.2	42.6	11.9	41.9	20.6
20	38.4	10.8	40.4	9.4	39.5	18.2
25	34.9	9.8	37.0	8.4	36.0	17.1
30	31.0	9.3	33.0	8.1	32.0	16.4
35	27.0	8.9	28.9	8.0	27.9	15.9
40	22.9	8.7	24.8	8.0	23.7	15.5
45	19.0	8.6	20.8	8.0	19.5	15.1
50	15.1	8.4	16.9	8.2	15.5	14.7
55	11.5	8.3	13.1	8.3	11.7	14.2
60	8.1	8.1	9.4	8.3	8.2	13.7
65	5.4	7.6	6.4	8.1	5.4	12.7
70	3.0	7.0	3.6	7.8	3.0	11.5
75	1.3	5.8	1.6	7.1	1.3	10.1

**Annex Table 5.1: Number and percentage of children aged 10-17 years by single years of age and sex and economic activity status, NPHC 2021**

Age	Sex	Economically active			Economically not active	Economic activity not stated	Population size	LFPR
		Usually active		Usually not active				
		Employed	Unemployed					
10	Male	6,392	3,667	75,993	252,180	553	338,785	25.4
	Female	5,871	3,291	70,432	227,887	506	307,987	25.8
	Both sexes	12,263	6,958	146,425	480,067	1,059	646,772	25.6
11	Male	5,049	2,575	57,616	180,631	410	246,281	26.5
	Female	4,988	2,288	55,592	165,459	408	228,735	27.5
	Both sexes	10,037	4,863	113,208	346,090	818	475,016	27.0
12	Male	8,599	4,045	81,359	235,703	443	330,149	28.5
	Female	8,114	3,668	78,199	218,269	418	308,668	29.2
	Both sexes	16,713	7,713	159,558	453,972	861	638,817	28.8
13	Male	8,795	3,470	70,971	198,070	412	281,718	29.5
	Female	8,584	3,289	71,706	191,218	375	275,172	30.4
	Both sexes	17,379	6,759	142,677	389,288	787	556,890	30.0
14	Male	12,977	4,398	77,785	203,447	414	299,021	31.8
	Female	11,624	4,002	79,151	198,125	447	293,349	32.3
	Both sexes	24,601	8,400	156,936	401,572	861	592,370	32.1
15	Male	19,614	5,771	80,586	199,299	480	305,750	34.7
	Female	15,514	4,898	83,404	197,065	497	301,378	34.4
	Both sexes	35,128	10,669	163,990	396,364	977	607,128	34.6
16	Male	27,516	7,226	81,373	190,163	495	306,773	37.9
	Female	21,018	6,402	85,409	188,911	466	302,206	37.3
	Both sexes	48,534	13,628	166,782	379,074	961	608,979	37.6
17	Male	34,912	8,530	70,441	157,709	506	272,098	41.9
	Female	26,170	7,242	74,395	157,531	465	265,803	40.6
	Both sexes	61,082	15,772	144,836	315,240	971	537,901	41.2
10-17	Male	123,854	39,682	596,124	1,617,202	3713	2,380,575	31.9
	Female	101,883	35,080	598,288	1,544,465	3582	2,283,298	32.2
	Both sexes	225,737	74,762	1,194,412	3,161,667	7295	4,663,873	32.1

**Annex Table 5.2: Economic activity status of children aged 10-17 years and their LFPR by sex for province, NPHC 2021**

Province	Sex	Economically active			Economically not active	Economic activity not stated	Population size	LFPR
		Usually active		Usually not active				
		Employed	Unemployed					
Koshi	Male	29,176	5,762	109,539	230,671	99	375,247	38.5
	Female	24,709	5,059	109,790	224,826	90	364,474	38.3
	Both sexes	53,885	10,821	219,329	455,497	189	739,721	38.4
Madhesh	Male	23,694	10,775	114,221	395,083	203	543,976	27.3
	Female	15,158	9,397	111,511	377,051	181	513,298	26.5
	Both sexes	38,852	20,172	225,732	772,134	384	1,057,274	26.9
Bagmati	Male	20,196	5,724	93,472	312,338	90	431,820	27.6
	Female	14,844	4,802	90,817	288,352	75	398,890	27.7
	Both sexes	35,040	10,526	184,289	600,690	165	830,710	27.7
Gandaki	Male	7,609	2,800	39,923	130,914	2,406	183,652	27.4
	Female	6,265	2,448	39,462	122,802	2,257	173,234	27.8
	Both sexes	13,874	5,248	79,385	253,716	4,663	356,886	27.6
Lumbini	Male	21,816	7,877	107,094	291,226	437	428,450	31.9
	Female	18,234	6,976	109,654	281,463	456	416,783	32.4
	Both sexes	40,050	14,853	216,748	572,689	893	845,233	32.1
Karnali	Male	8,656	2,984	52,007	99,572	370	163,589	38.9
	Female	8,848	2,646	53,679	97,366	401	162,940	40
	Both sexes	17,504	5,630	105,686	196,938	771	326,529	39.5
Sudurpashchim	Male	12,707	3,760	79,868	157,398	108	253,841	38
	Female	13,825	3,752	83,375	152,605	122	253,679	39.8
	Both sexes	26,532	7,512	163,243	310,003	230	507,520	38.9

**Annex Table 5.3: Economic activity status of children aged 10-17 years and their LFPR by sex for ecological zones and degree of urbanization, NPHC 2021**

Ecological zone	Sex	Economically Active			Economically not active	Economic activity not stated	Population size	LFPR
		Usually active		Usually not active				
		Employed	Unemployed					
Mountain	Male	10,452	2,370	47,329	95,124	196	155,471	38.7
	Female	10,835	2,262	48,881	94,781	261	157,020	39.5
	Both sexes	21,287	4,632	96,210	189,905	457	312,491	39.1
Hill	Male	51,435	13,892	248,312	604,451	2,288	920,378	34.1
	Female	46,988	12,474	250,825	571,686	2,155	884,128	35.1
	Both sexes	98,423	26,366	499,137	1,176,137	4,443	1,804,506	34.6
Terai	Male	61,967	23,420	300,483	917,627	1,229	1,304,726	29.6
	Female	44,060	20,344	298,582	877,998	1,166	1,242,150	29.2
	Both sexes	106,027	43,764	599,065	1,795,625	2,395	2,546,876	29.4
Degree of urbanization								
Urban	Male	20,155	8,661	117,431	461,117	852	608,216	24
	Female	11,294	7,404	109,605	417,416	738	546,457	23.5
	Both sexes	31,449	16,065	227,036	878,533	1,590	1,154,673	23.8
Peri-urban	Male	46,362	17,536	225,474	668,338	1,342	959,052	30.2
	Female	33,423	15,411	225,040	642,735	1,239	917,848	29.8
	Both sexes	79,785	32,947	450,514	1,311,073	2,581	1,876,900	30
Rural	Male	57,337	13,485	253,219	487,747	1,519	813,307	39.8
	Female	57,166	12,265	263,643	484,314	1,605	818,993	40.7
	Both sexes	114,503	25,750	516,862	972,061	3,124	1,632,300	40.3

**Annex Table 5.4: Economic activity status of children aged 10-17 years and their LFPR by sex for different educational status, NPHC 2021**

Educational status	Sex	Economically active			Economically not active	Economic activity not stated	Population size	LFPR
		Usually active		Not usually active				
		Employed	Unemployed					
Can't read & write	Male	12,963	4,046	18,738	44,127	239	80,113	44.6
	Female	9,794	3,854	23,424	53,090	279	90,441	41.0
	Both sexes	22,757	7,900	42,162	97,217	518	170,554	42.7
Lower basic (1-5)	Male	34,767	11,403	197,145	589,764	1,201	834,280	29.2
	Female	24,081	8,879	179,199	518,899	1,069	732,127	29.0
	Both sexes	58,848	20,282	376,344	1,108,663	2,270	1,566,407	29.1
Upper basic (6-8)	Male	45,913	13,163	227,173	600,573	1,271	888,093	32.2
	Female	35,837	11,002	227,319	575,372	1,193	850,723	32.2
	Both sexes	81,750	24,165	454,492	1,175,945	2,464	1,738,816	32.2
Lower secondary (9-10)	Male	18,593	5,926	95,249	237,227	541	357,536	33.5
	Female	19,193	5,875	101,561	240,274	601	367,504	34.5
	Both sexes	37,786	11,801	196,810	477,501	1,142	725,040	34.0
SLC/SEE & equivalent	Male	8,576	3,759	44,907	110,391	264	167,897	34.1
	Female	9,753	3,943	52,592	121,297	281	187,866	35.3
	Both sexes	18,329	7,702	97,499	231,688	545	355,763	34.7
Intermediate and equivalent (11-12)	Male	1,804	989	8,035	20,269	66	31,163	34.7
	Female	2,201	1,107	9,759	23,444	59	36,570	35.7
	Both sexes	4,005	2,096	17,794	43,713	125	67,733	35.3
Others	Male	1,238	396	4,877	14,851	131	21,493	30.3
	Female	1,024	420	4,434	12,089	100	18,067	32.5
	Both sexes	2,262	816	9,311	26,940	231	39,560	31.3

*Note: Others include those who can't read and write, can read only, had ECD class only, no level, the level not stated, literacy not stated and never attended school/college*



**Annex Table 5.5: Economic activity status of children aged 10-17 years and their LFPR by sex for different wealth quintile, NPHC 2021**

Wealth quintile	Sex	Economically active			Economically not active	Economic activity not stated	Population size	LFPR
		Usually active		Usually not active				
		Employed	Unemployed					
Lowest	Male	39,958	10,816	153,872	326,346	675	531,667	38.5
	Female	34,846	9,594	160,487	327,200	741	532,868	38.5
	Both sexes	74,804	20,410	314,359	653,546	1,416	1,064,535	38.5
Lower	Male	34,317	9,478	143,169	319,877	686	507,527	36.8
	Female	30,566	8,386	148,864	314,465	676	502,957	37.3
	Both sexes	64,883	17,864	292,033	634,342	1,362	1,010,484	37.1
Middle	Male	26,358	8,853	122,064	330,848	690	488,813	32.2
	Female	20,625	7,761	124,915	323,417	715	477,433	32.1
	Both sexes	46,983	16,614	246,979	654,265	1,405	966,246	32.1
Higher	Male	15,966	6,274	95,845	316,852	750	435,687	27.1
	Female	10,760	5,588	92,198	297,082	678	406,306	26.7
	Both sexes	26,726	11,862	188,043	613,934	1,428	841,993	26.9
Highest	Male	6,865	4,123	77,673	307,169	879	396,709	22.3
	Female	4,909	3,679	69,794	273,059	755	352,196	22.3
	Both sexes	11,774	7,802	147,467	580,228	1,634	748,905	22.3

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