



International  
Labour  
Organization

# The ILO in Nepal



# Key Facts and Figures

Population (2013): 27.2 million

GNI per capita (2014): US\$ 721

Population living below the national poverty line (2013): 23.8%

Labour force above 15 years of age (2013): 15.1 million

Labour force participation rate (above 15 years of age) (2013): 81.1%

- 87.1% male

- 79.9% female

Employment to population ratio (2013): 78.4%

- 82.9% male

- 74.9% female

Unemployment rate (2013): 2.7%

- 2.7% male

- 2.6% female

Labour Force Underutilisation rate (2013)

- 32.9% male

- 23.4% female

Sources: Central Bureau of Statistics, Nepal.

Nepal has made notable socio-economic progress in the past decade, reducing absolute poverty rate from 42 per cent in 1995/96 to 23.8 per cent in 2013. The Nepali labour force grew at the rate of 2.6 percent per annum during the same period. The total labour force is 15.1 million (2013), the annual addition to the labour force is approximately 500,000. Unemployment is much higher in urban areas than in rural areas.

## Ratified Conventions

Nepal has ratified 11 ILO Conventions, including seven out of eight Fundamental Conventions:

- C.29 - Forced Labour Convention, 1930 (ratified in 2002)
- C.98 - Right to Organise and Collective Bargaining Convention, 1949 (1996)
- C.100 - Equal Remuneration Convention, 1951 (1976)
- C.105 - Abolition of Forced Labour Convention, 1957 (2007)
- C.111- Discrimination (Employment and Occupation) Convention, 1958 (1974)
- C.138 - Minimum Age Convention, 1973 (1997)
- C.182 - Worst Forms of Child Labour Convention, 1999 (2002)



More than 90 per cent of the economically active population is involved in the informal economy. This means salaries below the minimum wage, no employment security, lack of access to public benefits, little protection against abuse from their employers, and bad working conditions. Social protection for workers is one of the emerging issues in Nepal.

Nepal is heavily dependent on remittances, which amount to as much as 22-25 per cent of GDP. Agriculture is the mainstay of the economy, providing a livelihood for more than 70 per cent of the population and accounting for a little more than one-third of GDP. In the absence of domestic employment opportunities, a large number of men and women, mostly youth, are leaving Nepal in search of better job opportunities abroad. However, their expectations of a relatively highly paid job in a foreign country are rarely realized. Rather, migrant workers are often faced with predicaments such as wages lower than promised, paying huge agent fees, and working for long hours in hazardous working conditions. Women are more vulnerable than men because they are more susceptible to human trafficking and abuse.

Unemployment, underemployment, child labour, social and income inequalities, and protection of worker's rights at home and abroad, are the major challenges the country needs to address in order to realize the Decent Work Agenda in Nepal.

## The ILO - Who We Are

The International Labour Organization (ILO) is the UN specialized agency dealing with work and workplace issues, and related rights and standards. Its overarching goal is to achieve decent work for all so everyone benefits from working conditions that offer freedom, equity, security and human dignity. In working towards this goal the ILO has four principal strategic objectives:

- To promote and realize standards, and fundamental principles and rights at work.
- To create greater opportunities for women and men to secure decent employment.
- To enhance the coverage and effectiveness of social protection for all.
- To strengthen the relationship between workers, employers and governments, and encourage social dialogue.

Founded in 1919, the ILO is the only surviving major creation of the Treaty of Versailles, which established the League of Nations. It became the first specialized agency of the United Nations in 1946.

# The ILO in Nepal

Nepal became a member of the ILO in 1966 and the ILO Country Office for Nepal was established in 1994. The Decent Work Country Programme (2013-17) focuses on promoting employment-centric inclusive growth, improving labour market governance and industrial relations, and promoting fundamental principles and rights at work.

The ILO in Nepal has played an important role in developing a constructive and congenial social partnership between the Government, workers' and employers' organizations. Based on this partnership, the tripartite constituents have been able to unionize informal workers, implement a range of social protection measures, amend labour laws, establish a social dialogue mechanism, and ratify ILO Conventions.

## Current areas of work

**Workers' activities:** The ILO's Bureau of Workers' Activities in Nepal enhances the capacity of the trade unions for effective and active involvement in social dialogue. Currently, its focus is to encourage more youth and women to participate in trade union activities through workers' education and campaigns promoting policy formulation and implementation.

**Employers' activities:** The ILO's Bureau for Employers' Activities in Nepal promotes industrial growth and decent work by building the capacity of employers' organizations and supporting effective implementation of laws and policies with a focus on gender equality at workplaces.

**Policies, Strategies and Regulatory Framework are Strengthened for the Promotion of Employment-centric and Inclusive Growth:** The programme focuses on creating awareness at policy level to take concrete actions for employment generation, especially addressing the need of women and vulnerable groups.

**Advocacy for Rights and Good Corporate Governance (UNNATI-Inclusive Growth Programme in Nepal):** The project contributes to promote improved advocacy for responsible business development, including rights and good corporate governance in selected four value chains; cardamom, ginger, milk and tea in seven districts of the Eastern Development Region of Nepal.

**Integrated Programme on Fair Recruitment (FAIR):** The project aims to establish a fair recruitment corridor between Nepal and Jordan focusing on the garment sector to prevent deceptive and coercive recruitment practices in the apparel industry in Jordan, reduce the vulnerability of migrant workers to labour exploitation and provide workers with decent work opportunity.

**Labour Market Information and Employment Services (LIFE):** The project aims to improve overall quality of employment services through public Employment Service Centres that help Nepalese job seekers especially young men and women have improved access to employment related information and help them make well informed choices about education, training, wage-employment and self-employment.

**From Protocol to Practice: A Bridge to global action on forced labour (The Bridge project):** The project aims to strengthen the capacity of the relevant Ministries and stakeholders, to develop, implement and monitor policies and national action plans on forced labour, provide capacity building to improve law enforcement, and support for public awareness campaigns to address all forms of forced labour.

**Strengthening National Rural Transport Programme (SNRTP):** The project assists with bridge construction and upgrading, rehabilitation and maintenance of local road networks and river crossings in 36 selected project districts. The ILO provides technical assistance for road and river crossing maintenance systems.

**Way Out of Informality: Facilitating Formalization of Informal Economy in Nepal:** The project assists with the incorporation of the informal sector into existing labour laws and National Employment Policy. It also initiates new campaigns related to the registration of small and medium enterprises, offers entrepreneurship skill development training, and conducts value chain analysis of economic sub-sectors with growth potential.

**Work in Freedom (WiF):** The project aims to prevent the trafficking of women and girls from South Asia by ensuring decent working conditions in destination countries in the Middle East, providing regular remittances for migrant workers, reducing migration costs, enhancing the knowledge, skills, and employability of migrant women, and improving education for girls.

## Social partners

The ILO in Nepal works closely with a number of partners including the Ministry of Labour and Employment, Ministry of Federal Affairs and Local Development, National Planning Commission, Central Bureau of Statistics, Member organizations of Joint Trade Union Council Cooperation, and the Federation of Nepalese Chambers of Commerce and Industry.



## The Asia Pacific Decent Work Decade

The International Labour Organization's members in Asia and the Pacific - governments, employers' and workers' organizations - have committed themselves to an "Asia-Pacific Decent Work Decade 2006-2015". In doing so they reaffirmed their commitment to achieving full, productive and decent employment for their people. To help realize the aims of the Decade five regional priority areas were selected:

- Competitiveness, productivity and jobs.
- Labour market governance.
- Youth employment.
- Managing labour migration.
- Local development for poverty reduction.

These priorities compliment each member country's individual goals, which are outlined in their national Decent Work Country Programmes (DWCPs). In turn, these DWCP's shape the ILO's work with its member States and so support the Organization's mandated aim, of Decent Work for All.

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