

Women in Informal Employment: The Case of Nepal

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Women in the formal and informal sectors

The involvement and contribution of women workers in various sectors of work as one-half of the entire population is highly significant in every country. However, the recognition and accounting of their contribution differs from place to place and country to country. The recognition and accounting as such also differs in accordance with the nature of work visibly in the modern formal sectors in comparison to traditional informal as well as agricultural sectors. In addition, rural–urban differences of treatment at workplace also create differences in the degree of recognition and accounting. The case of Nepal is not an exception to this reality.

Informal sector in Nepal consists of all unorganized industrial and craft works, construction, garbage cleaning, forest product works, animal product works, agricultural works and various informal services, which cover:

- Workers in enterprises employing less than 10 workers
- Economic activities of self employed families – agriculture, services and various family businesses
- Wage workers outside the enterprise structure – daily wage contract or long-time contract or work contract
- Factory associated home based workers

The largest is non-wage family work mainly in agriculture followed by Self employed non agricultural production and services. The third position is of Daily wage workers followed by piece rate workers and long-time contract workers

Poor households are engaged in the informal sector. Within the informal sector, too, high-yielding activities are covered by men and low income

activities are left for women. So gender gap in income is naturally high in the informal sectors compared to that in the formal sector

Various categories of informal sector women workers in Nepal are as follows:

- Self employed individual women workers – price earners
- Casual daily wage women workers
- Piece rate wage - workers under sub contracting
- Attached to male workers – joint wage conditions and unpaid helpers
- Unpaid family workers of self employed families and family businesses

Out of a total economically active age population of 11.2 millions, altogether 9.6 millions have been found active in the labour market. But currently employed work force as revealed by the National Labour Force Survey 1998/99 is altogether 9.4 millions.

While analyzing the total employed labour force of Nepal, Agriculture is the major one covering 76 per cent as the single largest sector of employment. Previously, the coverage of agriculture in comparison was 81 per cent of the workforce as reported by the population census of 1981. The currently available statistics show that 85.19 per cent of the total female workforce compared to 67.06 per cent of the total male work force is engaged in agriculture. On the other hand, Presence of women in non-agricultural formal sector seems just a token presence of 2 per cent of the total female work force, whereas it is considerable (12.8%) in non agricultural informal sector.

Table 1: Women by sectors of work (in '000)

Sector	Total	Male	Female
Agriculture	7203(76%)	3176(67.06)	4027(85.19)
Non-Agri Informal	1657(17.5)	1052(22.21)	605(12.8)
Non-Agri Formal	603(6.5)	509(10.75)	94(1.99)

(Source: NLFS 1998/99)

Total agricultural work force is a sum up of market agriculture and subsistence agriculture. If we exclude the market agriculture workforce from total agriculture workforce and add it to formal sector to take it in a broader sense, the picture will be a little different. Thus, from NLFS

statistics, if we add market agriculture to formal sector and the rest of agriculture to informal sector, the picture will be as follows:

Table 2: Women workers in Formal & Informal Sector (in '000)

Work Force	Broad Formal	Broad informal
Total	879 (9.28%)	8584 (90.78)
Male	655 (13.83%)	4082 (86.17%)
Female	224 (4.73%)	4502 (95.27%)

Source: *Calculation Based on NLF5, 1998/99*

Total workforce in the formal sector in a broader sense is 9.28 per cent and overwhelming majority of 90.78 per cent is engaged in informal sector. Looking from gender perspective, 13.83 per cent of male workers work in the formal sector in comparison to a mere 4.73 per cent of female workers. The informal sector coverage is very important in the sense that 95.27 per cent of women workers are engaged in the informal sectors of employment greater than that of male workers, which is 86.17 per cent.

Women in wage employment and self employment

In accordance with the socio-economic condition and the phase of development, women involvement differs in comparison to the male workers. As our society is still dominated by feudal socio-economic relations, the proportion of women in paid work is less, whereas that of women as unpaid family workers is very high. On the other hand, the number of self-employed women workers also seems low in comparison to males. It is because of the fact that activities of males are counted and those of females are hardly counted to that extent. Therefore, merely around 8 per cent of the female labour force is in paid employment and 29 per cent as self employed, but a high majority of altogether higher than 63 per cent of the total female labour force are working under the status of unpaid family workers including of course as the attached labour to their male members of the family working on wage elsewhere.

Table 3: Women participation by type of labour (in '000)

Type of work	Total	Male	Female
Total labour force	9463	4736	4727
Paid	1517(16%)	1153(24.3)	365(7.7)
Unpaid	4100(43.3)	1103(23.3)	2997(63.4)
Self-employed	3846(40.7)	2440(52.4)	1377(28.9)

Labour Force participation of rate of Women has increased considerably during the last three decades. The LFPR was around 60 per cent in early years. National Living Standard Survey, 1995/96 shows that LFPR for both sex was 70.6, where that of male & female were 75.2 and 66.4 respectively. Because of fast changes during the last decade of the 20th Century, National Labour Force Survey 1998/99 has revealed LFPR at 72.3 per cent for Both Sex, where LFPR for male and female have been calculated to be 73.3 and 71.3. This increased labour force participation rate of women is truly indicative of their increasing involvement in informal sectors of work as there is very limited scope for them to enter into formal sector. The picture of sex-wise distribution of employment in the paid jobs also justifies the reality.

Table 4: Women in paid jobs or organized employment

Sector	Total	Male	Female
Government Service	245	212(86.53)	33(13.47)
Public Enterprise	70	60(85.71)	10(14.29)
NGOs	26	21(80.77)	5(19.23)
Private companies	385	311(80.78)	75(19.48)
Others	791	549(69.41)	243(30.72)

The picture of women involvement very low in paid job particularly in organized sector employment gives a clear indication that the increased labour force participation of women naturally flows towards informal sector.

Women in agricultural sector

Women workers in agricultural sector can broadly be divided into self-employed and wage employed women workers. Looking in totality at the percentage of women workers in agriculture, the 1981 Census has recorded as 37per cent, which has increased to 62 per cent as recorded by 1991 census. However, the National Labour Force Survey of 1998/99 has revealed the fact that the percentage has gone down to 56 per cent where urban women are 59.8 per cent and rural women are 55.7per cent. The main factor responsible for this decline may be the expanding service sector as a part of informal employment. Even among the self-employed woman workers, an overwhelming majority is of unpaid family workers. From the unpaid family mass of working-women, exchange of labour among poor farm families, including peasant families, share-cropper families and small farmer families, in the neighbourhood as a

custom of *parma*⁵ is in existence. Under parma system, there will be no payment of wages to workers of neighbourhood families, but for the same number of days, workers from each of the families will equally work in each others' farmland.

The prevalence of forced labour, bondage in various forms and debt bondage is also a characteristic of Nepali agriculture and women and children (particularly girl children) have been the first victims in this connection. In the Kamaiya system, the bonded labour system, which has been banned from July 2000, the bonded Kamaiya worker must have one female worker *bukerahi* attached to his work who will not get any separate payment, but the wage in kind of Kamaiya worker would be made slightly higher by adding a negligible amount. The Kamaiya worker would work in the farm and *bukerahi* would work in the house of the landlord. The system of attaching women labour and child labour to the male worker of the family is still prevalent in agriculture everywhere in rural areas if the male worker is in long time contract for a season or year and not in daily wage. If he is in work contract, he normally uses women and children of his family as unpaid helpers.

Similarly, bondage for girl children caused by poverty and poor awareness of the parents has been observed mainly in domestic service as home workers in elite and middle class families of urban areas. Thus a flow of children with higher extent of girl children to the urban areas from rural areas has become more common nowadays.

Table 5: Children at work by Age & Sex

Age Group	Male	Female	Both Sex
5-9	226,000	285,000	510,000
10-14	688,000	788,000	1476,000
Total	914,000	1073,000	1987,000

Out of the total 2 million working children, only 64,000 have been in the regular wage work – 3,000 from the age below 9 Years and 61,000 from the age above 9. It is to be noted that the number of girl children is higher than the boys.

⁵ Exchanging labour. In Nepalese society, agricultural works are performed in turn by exchanging labour for which the close relatives or like minded friends or groups work together in their agricultural fields so that works are efficiently done on time and ins group.

Labour Force Participation Rate is high among the children i.e. 40.9 per cent for the age group 5 – 14, 36.8 for boys and 45.1 for girls. The LFPR for the age group 5-9 is 20.9 per cent – 18.3 and 23.6 boys and girls, respectively.

If we sum up the statistics and observation of the present realities, it is evident that the present status of women is mostly as unpaid family workers with higher workload and with very little or no recognition of their work and contribution. A look at the position of men and women workers in the paid jobs and also a comparison of their incomes provides a clearer picture in this regard.

Women and income

If we compare the position of women in different job status, no one can deny the domination of male. Here as revealed by the table 6, the peak point of women involvement is 16.39 per cent as technician whereas the lowest point of male involvement is 87.56 per cent in cottage industries.

Table 6: Women in the Paid Job:
Skill & Position (Figure in '000 and Percentage)

Status	Total	Male	Female
Senior Officers & Professionals	39	35(89.74)	4(10.26)
Technicians	238	199(83.61)	39(16.39)
Low paid officials	105	94(89.52)	11(10.48)
Service sector workers	55	49(89.09)	6(10.91)
Vocational agriculture	11	10(90.91)	1(9.09)
Cottage industries	193	169(87.56)	24(12.44)

Moreover, interesting is the average monthly income in various types of work if we compare sex-wise, which is presented in Table 7. It is visible that women's income in agriculture is only 34.72 per cent of that of male workers in spite of heavy involvement of women in agriculture. Similarly, it is 46.86 per cent in cottage industries and 62.29 per cent in other low-income informal jobs, but in other jobs, the difference is less compared to these areas. The national average in totality is considerable as the income of women is only 57.26 per cent of the income of males.

Table 7: Average Monthly Income (in NRs.)

Nature of work	Both Sex	Men	Women	% of Men Receipt
High level Administrative	8037	8068	7525	93.27
Vocational	5079	5141	4631	90.08
Machine Operators	2981	2995	2037	68.01
Technical	2971	3057	2678	87.6
Low paid employees	2832	2836	2805	98.91
Cottage industry	2773	2973	1393	46.86
Service sector	2507	2506	2525	100.76
Agriculture	2109	2756	957	34.72
Other low-income jobs	1491	1692	1054	62.29
Average in Totality	2143	2389	1368	57.26

It is also to be noted that the minimum wages for unskilled workers as fixed by the tripartite minimum wage board is Rs.2116 per month. However, from the minimum wage angle also, the average monthly income of women workers is considerably low, i.e. Rs. 1368.00. The minimum daily wage fixed for agricultural workers is Rs. 60 and if we divide the national average of women's income to convert it in daily terms, it will be Rs. 45.60 per day, whereas if we convert the monthly agricultural income of women in terms of daily income, it will be Rs. 19.14 per day which is quite low. These are the empirical evidences of reflections of discrimination in the level of women's income.

Women and discrimination

The differences in monthly income of women in comparison to their male counterparts are indicative of discrimination in wages. Heavy discrimination can be observed everywhere in informal sector employment and severe is the case of construction and agriculture. However even in the formal sector like tea estates of far eastern Nepal direct discrimination of wages can be observed.

In connection with the terms of employment, discrimination in formal sector is visible on recruitment, training and promotion. Employers do not like to employ women in key posts on the one hand and do not like to employ in lower jobs mainly because of their family works and reproduction (Maternity leave and child care) possibilities. So women employment in casual category of jobs has been higher than in other

categories. And hence the issue of job security is more relevant for women workers in comparison to males.

In agricultural sector, the society is traditionally accustomed of discriminating even in providing *khaja* and *khana* (breakfast & lunch to the workers in the work-field).

The Discrimination against women starts from family and is widespread in society Workplace is not an exception. Feudal socio-economic relations are reflected even in the laws and hence the entire legal structure is full of gender bias provisions. Lack of parental property rights for women is one of the examples in this regard. It is also because of the fact that political parties are less gender sensitive, which is directly reflected in policies-programs-plans of the government and election manifestos.

On the other hand, feudal socio-economic relations are stronger among the employers. The feudal mentality needs to be changed because of the laws and regulations in formal sector. But in the informal sector, restrictions and regulations through labour legislation are almost non-existent and hence the feudal mentality of employers is in more visible in the informal sectors. So discrimination is more common in informal employment.

Women and working conditions

Sexual harassment is one of the key issues even in the formal sector enterprises whether in public Enterprises or private enterprises. Sexual harassment is naturally more visible in the informal sectors of work. In addition, Women trafficking for commercial sexual exploitation from working families of informal sector and particularly from farm families is a very important current issue.

Maternity protection provisions are basically concentrated in the formal sector and labour laws do not provide coverage to the informal sector. So some facilities in case basis have been gained in those sectors where unions are strong especially in construction worksites due to strong affiliate of GEFONT. Child-care arrangements and reproductive health care as well as OSH related provisions also depend on union strength and bargaining and GEFONT affiliates of Construction and Garbage cleaning sector have been successful to some extent. Talking about social

security system in favour of women in a feudalistic society is actually an irony.

Low paid wages, long hours of work, no fringe benefits, no incentive earnings and fast increasing home-based character are the major features of working condition in informal sector, which victimize women workers first before male workers.

Women under organizational framework

NGOs have also started to organize women workers in the form of small groups for income generating activities or various other skill-related as well as human right and awareness activities. But most of the NGOs have tried to organize them under their project activities, which do not seem to go with a long-term vision. However, few genuine NGOs have done good efforts. But the coverage of the number by the NGOs is very small.

On the other hand, three types of mass organizations have been working for organizing women workers – peasant organizations, women organizations and trade unions.

Among few peasant organizations, major is the All Nepal Peasants' Association, which claims a total membership of 470,000 of which slightly higher than 28,000 are women. The membership coverage of other small peasant organizations altogether can be estimated to be around 40, 000, out of which women membership may not exceed 2,000. Therefore, Coverage of women members in peasant organizations is approximately 30,000. However, it is also to be noted that Women in the peasant organizations are not active part of the movement, though contribution of few active women is significant in the history of peasant movement.

While talking about women organization, there are two major women organizations – All Nepal Women Association and Nepal Women Organization. ANWA has a total membership of around 500,000 and NWO has approximately 100,000. Others are very small and they do not cover more than 5,000 members in total. But it is to be noted that these women organizations cover all types women whether working or housewives. However, the majority is of agricultural women and mostly the unpaid family workers. But these organizations do not have an approach of workers organization and are active under gender and

political motivation. Overwhelming majority of members is passive in these organizations.

Labour organizations, on the other hand, cover around 620,000 workers under registered trade unions. GEFONT covers 310,000, NTUC 194,000, DECONT 30,000 and others are under non-affiliated federations of white-collar workers basically health workers, teachers, PE workers and financial sector workers. Approximately 120,000 unionized workers are from agriculture and construction. Nominal is the number of workers under non-registered trade unions not exceeding 10,000. Therefore workers under trade union framework both registered & non-registered must be slightly higher than 630,000. The informal sector coverage of the union membership is lesser than 50 per cent. Out of the number under union framework, number of women workers does not exceed 17 per cent, approximately 107,000 out of which the number of active members is much lower. Moreover, the number of informal sector women workers under union membership can be estimated around 50,000. Their role in union leadership and decision-making process is also limited accordingly.

Thus, it is clear that membership of women workers in trade union organizations is much lower in comparison to their male counterparts. It is basically because of the triple responsibility of women – in workplace, in household work and in reproduction & child-care. Because of the heavy responsibility in family and workplace, their involvement in union activities is considerably limited. It is also because of the fact that society does not promote, but rather discourages the involvement of women in outer activities due mainly to existing as well as dominant feudal relationship in the society.

Male domination is one of the salient features of union leadership and hence women's issues in most of the cases cannot be found in the priority list of collective bargaining. If we analyze the internal structure of most of the unions, we cannot find key responsibilities assigned to women leaders. Efforts of the unions are insufficient to develop women involvement and leadership and as a result, less active participation and only representation of women has become natural. However, The GEFONT efforts from the very beginning are different from others and the efforts after the establishment of Central Women Workers Department have been able to change the situation though there are a number of things to be done.

Impacts of intensifying globalization on women workers in Nepal

The impacts are both positive and negative on society, working class and woman workers. The positive aspects are the increased awareness, fast process of organizing, increasing Trade Union activities in rural – agricultural & entire informal sector, increasing NGO activities on labour issues, expanding coverage of labour laws, development of right-based movement, increasing regional-international relations etc. But it is to be noted that these positive effects have emerged in process of resistance against the adversities imposed by globalization & liberalization. So the negative impacts are the key points in this regard, which are more visible creating adversities to the lives of thousand and thousands of women workers – both self-employed and wage-workers. Some mentionable points are as follows:

- Increasing job loss
- Deteriorating micro enterprises & cottage industries owing to the unbalanced competition with outside products as a result of import liberalization in the name of trade liberalization
- Hardships caused by increased male migration
- Increasing home-based character of work
- Loss of traditional social protection caused by declining joint family system
- Increased sexual commercial exploitation of women even of the girl children facilitated by the open border with India & no effective border regulation by the governments of the two countries (Recent commitment of SAARC Summit in the form of Agreement is significant but implementation has yet to be seen).

Needs and Efforts

In light of the above analysis, the current need of the women workers in the informal sectors can be mentioned as follows:

- Organizing and unionizing of the informal sector with focus to women workers
- Minimum Wage implementation in a wide coverage
- Genuine Price for the products & services of self employed workers
- Market Access to self employed workers
- Micro finance facilities to self employed workers

- Skill & technical training
- Literacy and awareness building activities
- Land reform in favour of landless rural workers
- Policy intervention and lobbying by Trade unions and NGOs
- Maintenance of Minimum Labour standards
- Gender review of legislation
- Social protection through various measures

Efforts of Government in this connection through the Ministry of Women, Children & Social Welfare, Ministry of Industry, Ministry of Local Development, Ministry of Land-Reform & Management and Ministry of Labour have not been much effective. Lack of coordination among the line Ministries is also responsible in this regard. Similarly, one-sided emphasis of government in self-employment and skill training without creating conducive environment for market access to the needies is another factor for ineffectiveness.

Similarly, women entrepreneurship-development efforts of employers' side and NGOs has covered very small portion of the workers. Also it is a fact that these efforts from such business oriented NGOs and women wings of Employers' organizations have not gone in the direction of improving working conditions & minimizing exploitation.

Working basically on right-based approach is a responsibility of Trade unions and also of the Human Right NGOs, which also can shape the efforts of government, employers' organizations and business oriented NGO groups.

Among the trade unions, significant efforts have been launched by GEFONT as the largest trade union confederation of the country. GEFONT is continuously working on women workers' issue through its special department – Central Women Workers Department – and workers Education Programme as well as other action programmes & campaigns in cooperation with ANWA, ILO, FES, CAW and KAD. The relationship with SEWA, Homenet International and WIEGO has also given promotions to GEFONT Efforts. Women issue with high emphasis in Workers Education Programme, Various publications & researches, Celebration of 8 March with high gravity, 25 per cent reservation for women in all GEFONT-Programmes, seminars & workshops, enterprise & area based programmes on women workers'

issues are some of the segments of work. Recent initiative of GEFONT is the formulation of Trade union Committee for Gender Equality & Promotion (TUC-GEP), which is a common mechanism of Nepali Trade Unions for action on gender issues.

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