

Chapter 3 *Economic Participation of Women*

A. Women's Access to Productive Resources

1. Inheritance System and Women's Command over Resources

Lack of access to, and control over, productive resources is one of the major factors that hamper women's equal participation in economic activities and the decision-making process.

While Nepal's 1990 Constitution provides equal rights for women to property inheritance, there have been no specific laws in Nepal to enforce this. On the contrary, family laws in Nepal that govern marriage, divorce, property rights, and inheritance reinforce the patriarchy and put severe limits on women's command over economic resources. For example, the National Code of Nepal (*Mulki Ain*) of 1963, which codifies the inheritance system, derives from the Hindu system of beliefs emphasizing patrilineal descent and a patrifocal residence system. Some of the provisions severely limit economic options for women. Attempts at integrating women in development programs and projects tend to have been hampered by these sociolegal constraints.

Box 2

Strategic Issues on the Economic Participation of Women

- women's limited access to productive assets — land and property, credit, and modern avenues of knowledge and information — reinforced by unequal inheritance laws and by social norms that confine women's resource base only to marriage
- lack of information on women's employment and wages, and underreporting or "invisibility" of women's economic activities
- concentration of women in low-productive, subsistence agriculture
- concentration of women in low-wage, low-skill, menial jobs in the agriculture and nonagriculture sectors, due to lack of education, training, information, and bargaining power
- high and increasing work burden without concomitant increase in access to resources
- the "feminization" of the self-employed sector
- poor working environment — e.g. concentration at lower level jobs, poor working conditions, lack of child care facilities at workplaces, and trade unions' lack of awareness of women's problems — and the gaps between law and practice
- difficult environment for women entrepreneurs
- child labor (girls more than boys)

According to the National Code, as amended in 1975, a woman shares equal rights of inheritance to her husband's property with her sons. She is also an equal copartner (one who may claim a share) in the ancestral property if her husband is not alive, provided she is at least 30 years old and/or has been married for at least 15 years. However, she is entitled to equal inheritance rights with her brothers in her parental household only if she is unmarried and is at least 35 years of age at the time of the division of the property. The property she receives as the marital household is conditional on her remaining faithful to her husband and his clan even if he is dead. She loses all rights to his property upon marriage to another person or divorce. She has no claims on even maintenance after five years of divorce. A woman

inheriting property in her parental household must return this property to her brothers or their direct male descendants if she marries afterwards.

On the other hand, a woman has absolute rights over *stridhan* — a type of property that originates from her own earnings, and from gifts from her parental household, her husband, his household, or from any other sources. *Stridhan* is the only property upon which a woman can freely make legal contracts. Nonetheless, family laws stipulate that the husband has the right to decide the place of settlement, and a wife must receive her husband's permission to work outside the home, thereby limiting her opportunity to earn her own income.

Women activists at various levels have waged a constant struggle for equal inheritance rights over the past five to six years. A new bill²⁴ introducing some changes in the inheritance rights and making women's access to property a little more secure has been discussed by the Parliament. The new law, when approved, would remove the age limits for women to inherit property both in the natal and marital households; ensure property rights of divorced women until she remarries; make girls eligible for adoption; and strengthen preventive measures against polygyny, child marriages, and rape. However, her right to inheritance would remain conditional on her marital status. On marriage, a daughter would still forfeit all her rights to inheritance in the natal household. Nonetheless, as of the time of writing, the passage of this controversial bill is still pending, as the Parliament has failed to discuss it. This led to a large-scale demonstration by women activists all over the country in May 1998.

Women's entitlement to land has been limited also in the context of involuntary resettlement. For example, the provision of land for female household heads has often been neglected in practice, however poor these households might be. These women themselves have often not been aware of their rights either.

Woman's common property rights have also been limited in that a wife can only exercise them if her husband does not abandon her. Under the common practice of polygyny, however, this is not guaranteed: if a husband marries another wife and subsequently leaves her — which is highly probable in the average woman's life — she loses all access to community property as well. Such processes are hard to capture in data, since no data are collected on polygyny, which is technically illegal. Recorded data, therefore, need to be analyzed with much care to identify the symptoms of inequality in access to resources. Two major indicators of such inequality are women's limited access to credit (as discussed below) and the increasing involvement of women in commercial sex work for survival (see Chapter 2).

2. Access to Credit

As discussed in an extensive literature, women's access to credit is limited because both formal and informal credit institutions cater to property owners who can provide collateral. All formal credit institutions seek tangible collateral for loans. Hence, women are effectively excluded from institutional credit since women have little access to inherited property. Village moneylenders are also more interested in earning high interest or in acquiring the debtor's property than in financing people in need. Women's access to institutional credit is further restricted by their confinement to household activities, their lack of mobility, and their lower level of awareness and educational attainment. They are more prone to fall prey to the exploitative conditions of village moneylenders than are men.

²⁴ Parliamentary Secretariat, 1996.

Access to institutional credit is one of the major stumbling blocks for women entrepreneurs in all sectors, including agriculture. The *Nepal Rural Credit Review Study* (NRCRS) by the Nepal Rastra Bank in 1991/92 revealed that, of the total number of female-headed sample households, almost 35 percent borrowed from one or other sources compared with 39 percent of male-headed households. However, among borrowing female-headed-households, only 15.4 percent borrowed from institutional sources such as the Agricultural Development Bank and commercial banks, and 84 percent borrowed from non-institutional sources (Table 3.1). Almost 40 percent borrowed from moneylenders.

Table 3.1: Borrowing from Formal and Informal Sources
(percent)

Source of Credit	All Households	Male	Female
Institutional	29.7	30.4	15.4
Agricultural Dev. Bank	15.9	16.4	4.9
Commercial Bank	11.6	11.9	7.4
Others	2.1	2.1	3.1
Noninstitutional	70.3	69.6	84.6
Friends and Relatives	24.5	24.2	30.5
Moneylenders	28.4	27.9	38.9
Landlords	0.9	0.9	1.0
Merchants/Traders/Others	16.5	16.6	14.2
Total	100.0	100.0	100.0

Source: IIDS, *Improving Access of Women to Formal Credit Facilities in Nepal*, 1997.

B. Economically Active Work Force

The accuracy of reporting on labor force participation rates in censuses and the definition of economic activity are two of the major issues that concern women's right activists internationally (Box 3). In Nepal, the problem is complicated further by varying definitions of economic activity rates among various censuses. In spite of these shortcomings, a fairly high proportion of women are reported as being economically active in Nepal (Table 3.2). Moreover, the sex composition of the economically active population shows an increasing proportion of women in the labor force.

From the gender perspective, one notable aspect is that, while male economic activity rates fell significantly between 1981 and 1991 due to definitional changes²⁵ (Appendix Table A3.1), female rates remained almost constant. This could be due to a more accurate recording of economic activity rates. It is quite possible that, in earlier censuses, all males were recorded as economically active, irrespective of working months, age or work status, while women were mostly recorded as homemakers. In 1991, the definitions may have been more accurate.

Table 3.2: Women in the Labor Force
(15-64 Age Group)
(percent)

²⁵ Badri Niraula (1994).

Country	1980	1995
High Income Countries	39	42
Low Income Countries	40	41
South Asian Countries	34	33
Bangladesh	42	42
India	34	32
Nepal	39	40
Pakistan	23	26
Sri Lanka	27	35

Source: *World Development Report*, 1997

Box 3

Lack of Data on Women's Economic Activities

The lack of systematic information on women's economic participation has been much debated. The underlying reasons are well summarized in the Platform for Action adopted during the United Nations Fourth Conference on Women (Beijing, 1995), as follows: *Women contribute to development not only through remunerated work but also through a great deal of unremunerated work. On the other hand, women participate in the production of goods and services for the market and household consumption, in agriculture, food production, or family enterprises. Though included in the United Nations system of National Accounts and, therefore, in international standards for labor statistics, this unremunerated work — particularly that related to agriculture — is often undervalued and under-recorded. On the other hand, women still also perform the great majority of unremunerated domestic work and community work, such as caring for children and older persons, preparing food for the family, protecting the environment, and providing voluntary assistance to vulnerable and disadvantaged individuals and groups. This work is often not measured in quantitative terms and is not valued in national accounts. Women's contribution to development is seriously underestimated, and thus its social recognition is limited. The full visibility of the type, extent and distribution of this unremunerated work will also contribute to a better sharing of responsibilities.*

Moreover, women's economic activity rates even by conventional definitions are estimated to be much higher than those reported in the census data. A scrutiny of regional data clearly indicates a persistent reporting bias in economic activity rates. While the overwhelming majority of mountain (73.6 percent) and hill (57.9 percent) women were reported as economically active, only about 27 percent of the Terai women were so reported. However, *The Status of Women* report series²⁶ shows that women in the Terai were equally active in the economic sphere, albeit invisibly, but that their activities were not reported as being economic. In fact, they were active in the household production system, e.g., in food processing and

²⁶ Acharya and Bennett, 1981.

cooking for farm labor; postharvesting cleaning and storing of farm products; kitchen gardening; and cooking food for village shops run by male members of the family²⁷. In addition, women performed domestic chores as unpaid labor, which is not reflected in any economic statistics.

Another point of concern is the declining economic activity rate of women in urban areas, shown to have fallen from 31.5 percent in 1981 to 20.3 percent in 1991. This decline and its association with the modernization process have also been noted in other countries. As distinction between activities outside and inside the household become clearer during the process of modernization and urbanization, women tend to be driven towards the household, being confined to reproductive and consumption activities²⁸. Such a "domestication of women" may cause a decline in women's decision-making power inside the household²⁹.

C. Sectoral and Occupational Distribution

1. Women in Agriculture and Livestock Raising

Nepalese agriculture is dominated by small-scale subsistence farming. The majority of households (66 percent) have less than one ha of land on average. More than 40 percent have less than 0.5 ha. The size of land holding is smaller in the Terai but much less productive in the hills and mountains. Hill agriculture has come to be primarily dependent on women due to male migration from the hills, leaving women to operate most of the farms. In the Terai, the majority of women, especially in smallholder agriculture, also contribute substantially to agriculture, both in terms of labor input and decision making.³⁰

Women also play a major role in the livestock raising. Overall, women contribute 70 percent of the labor and up to 26 percent of the farm level decisions³¹ in the livestock sub-sector. Care of livestock stall is primarily an activity of women, while boys and girls are engaged in herding activities on a large scale. Only in the case of the big herds in the mountain areas, which require seasonal movements for grazing, are men engaged on a large scale. Men are also involved in animal care and herding as hired labor, while mainly women are hired for fodder collection (Appendix Table A3.2). According to the *Agricultural Perspective Plan* (APP 1993), women were also found to be more knowledgeable in treating sick animals.

²⁷ Acharya, Meena, 1981.

²⁸ Easter Boserup, *Women's Role in Economic Development* (George Allen and Umwin, London, 1970).

²⁹ Shtrii Shakti, *Women, Development and Democracy: A Study of the Socio- Economic Change in the Status of Women in Nepal (1981-1993)* prepared for USAID, DANIDA and CCO, 1995.

³⁰ Acharya and Bennett, 1981; Ministry of Agriculture/HMGN, *Women's Role in Production of Main Food Crops of Nepal (1993a)*, *Women Farmers in Nepalese Agriculture: A Case Study of Selected Districts and Crops (1993b)*; *Women in Resettlement Area: A Case Study of Nawalparasi District (1994)*.

³¹ Ministry of Agriculture (MOA), *Women Farmers in Livestock Production Program: A Case Study of Selected Districts (1993c)*.

Table 3.3: Distribution and Composition of Labor Force, by Industry
(10 years of age and above)

Industry	Distribution of Work Force				Proportion of Female	
	1981		1991		1981	1991
	Male	Female	Male	Female		
I. Agriculture	88.7	95.8	74.9	90.5	36.4	45.0
II. Nonagriculture,	9.2	2.9	23.8	8.9	14.3	20.0
of which:						
Manufacturing	0.6	0.2	2.6	1.2	14.9	22.9
Elect. Gas & Water	0.1	0.0	0.3	0.0	4.9	6.4
Construction	0.0	0.0	0.7	0.1	5.9	10.9
Commerce	2.1	0.7	4.5	2.0	15.0	23.7
Transport and	0.2	0.0	1.1	0.1	4.6	3.9
Communication						
Finance & Business	0.2	0.0	0.4	0.1	10.2	13.4
Services						
Personal &	6.0	1.9	13.6	5.3	14.5	21.0
Community Services						
Others	-	-	0.6	0.1	na	6.7
Not Stated	2.1	1.4	1.2	0.6	na	23.2

Source: Acharya 1994

Table 3.4: Occupational Distribution, by Residence and Sex, 1991
(in percent)

Major Occupational Groups	Rural		Urban	
	Male	Female	Male	Female
I. Farm, Forest & Fishery	80.2	92.7	19.4	14.7
II. Non-agriculture:	19.5	7.0	80.0	61.5
of which:				
Professional and	2.3	0.4	5.1	7.4
Technical				
Administrative and	0.2	0.0	3.4	1.2
Related				
Clerical	1.0	0.1	7.5	4.4
Sales	2.5	1.2	17.6	11.6
Services	6.8	3.3	17.7	16.7
Production	4.4	1.4	19.5	14.7
Others	2.3	0.6	9.2	5.4
Not Stated	0.3	0.3	0.6	0.6
Total	100	100	100	100

Source: CBS, *Population Monograph*, 1995.

Agriculture is becoming progressively feminized. Many women engaged in family farms are still reported as economically not active as discussed above. Nonetheless, even according to census figures, the proportion of female labor force in agriculture increased from 30.4 percent in 1971 to 36.4 percent in 1981, and to 45 percent in 1991 (Table 3.3). Although the employment of women is increasing in nonagricultural occupations (Tables 3.3 and 3.4), they form the largest sectoral share only in agriculture. On the other hand, the share of agriculture in GDP is declining perceptively. This

declining relative importance of agriculture sector, together with the "feminization of agriculture" suggests that women at large are being left out of structural changes in the Nepalese economy, further contributing to women's economic marginalization.

In the nonagriculture sectors, *by industry*, personnel and community services are the leading sources of employment for both men and women (Table 3.3). The next largest group of women is in the commerce sector. Manufacturing occupies only a remote third position for employment for both men and women. *By occupation*, compared to 1981, a larger proportion of economically active women seems to have entered the group of professional and technical workers (Table 3.4). Nevertheless, compared to 1981, women comprise a smaller proportion of the total number of professional and technical workers, indicating the relatively lower access of women to education and knowledge.

Issues of women in agriculture

- "Feminization" of agriculture
- Women as unpaid family workers in subsistence agriculture
- Low level of technology and primitive farming practices
- Long work hours; carrying the double burden of work in the family and farm; their contribution to income and economic well-being of the family is not recognized

2. Employment in Organized Manufacturing

An increasing number of women are entering the workforce in the formal manufacturing sector because of acute economic necessity. According to the 1991 census, 62 percent of female manufacturing labor force were married and 27 percent literate, of which 6 percent had received secondary education (8—10 classes) and only 4 percent had finished secondary and higher education. A survey of 66 women engaged in nine industrial establishments located in the Kathmandu Valley indicated that almost 71 percent of women employees in these industries worked because of poverty³². Almost 29 percent had no other breadwinners in their household. About 52 percent of women engaged in such industries were illiterate; about 15 percent had completed school; and about 11 percent had college education. About 64 percent were married or widowed, and 29 percent were unmarried. More than 60 percent were between 20 and 34 years of age. About 12 percent were child laborers in the 10—14 age group.

Issues of employment in the manufacturing sector

- More women entering this sector due to poverty
- Concentration of women in low-skill, manual, repetitive jobs
- Lack of education, training, and mobility are major reasons for women staying in the lower hierarchy

However, women are mainly concentrated in low-skilled, menial, and repetitive jobs and in the lower echelons of the industrial hierarchy in what is virtually an extension of their household activities. Lack of education and training opportunities, employer biases, and limited mobility due to social responsibilities combine to keep them at these lower echelons.

³² Prahba Basnyet, *Status of Women Workers in Some Industries (Nepali)*. A paper presented to the Tripartite National Workshop on the role of Labor Administration in Promotion of Employment (1998); and Ministry of Labor and Social Welfare, Women Development Division (WDD) and International Labour Organisation (ILO), *Welfare of Women Workers in Nepal*, Kathmandu (1992).

In 1976/77, women constituted 11.2 percent of the total labor force in manufacturing industries. This proportion rose to 17 percent in 1988/89 and to 23 percent in 1990/91, but has declined slightly since. The decline is notable in all classified industries with a few exceptions (Appendix Table A3.3).

Based on the 1987 survey of the manufacturing sector, Rana and Shah (1987)³³ concluded that the pattern of women's employment in industries in organized manufacturing is more influenced by the firm's location, size of investment and degree of mechanization than the type of industry. More women workers were employed in manufacturing in the hill region than the Terai. Female employment was concentrated in those industries where the fixed capital investment was lowest, such as textiles. This meant that the majority of female workers received lower pay than their male counterparts: the higher the degree of mechanization, the lower the employment of women.

The majority of women in the formal sector work as semi-skilled and unskilled workers. In virtually all food, drink, tobacco and match industries, female workers are largely concentrated in packing the finished product and in related processes.³⁴ The large-scale textile factories are no exception. For example, at the Hetauda textile factory, with 50 percent of its work force women, there are very few women performing supervisory roles, and none at all at the managerial level.³⁵ The concentration of women in low-paid, unskilled jobs may be attributed to low literacy, low skill levels and also to social bias regarding the appropriateness of employing female workers in certain jobs.

3. Women in Tourism and Related Sectors

While women appear to be engaged in large numbers in tourism (e.g. hotels, airlines, restaurants and travel and trekking agencies) and other tourist related services very little information is available on the extent of their involvement. The Nepal Rastra Bank study of the tourist sector³⁶ shows that 20.6 percent of the employees in tourist and related industries were women. The carpet industry had 66.4 percent female employees (Appendix Table A3.4). With regard to the levels at which women worked, the distribution of female employees was more or less even in tourist industry but, in related industries, they were concentrated at the lower levels (Table 3.5). Relatively few women seem to have been employed in garments, probably because it was overwhelmingly dominated by immigrant labor.

³³ M. S. J. B Rana and A. J. Shah, *Role of Women in Nepal's Industrial Development: Status, Constraints, Opportunities and Prospects*; Vol. I and II. (prepared for HMG, and the United Nations Industrial Development Organization (UNIDO)/Vienna, 1987).

³⁴ N. Shrestha (1983).

³⁵ Motishova Shrestha, "Participation of Women in Industrial Development" (in Nepali), A paper presented in the *Seminar on Women and Development* organized by the Ministry of Labor and Social Welfare (1990).

³⁶ Nepal Rastra Bank, *Income and Employment Generation From Tourism in Nepal* (Kathmandu, 1989).

Table 3.5: Women in Tourism and Related Sectors, 1988
(percent)

Subsector	Overall	Level		
		Top	Middle	Basic
Tourist	10.8	10.5	11.2	10.6
Related	48.6	4.6 ^a	2.5 ^a	61.3 ^a
Total	20.6	9.6	10.8	25.2

Source: Nepal Rastra Bank (NRB) 1989

Note^a: Does not include handicrafts.

D. Self-Employment and the Informal Sector

NLSS (1996) indicated that the overwhelming majority of the employed are self-employed, but proportionately more women are self-employed than men and more women work in agriculture than men both in wage and nonwage employment. The percentage of self-employed workers, which remained more or less constant at about 86 percent between 1971 and 1981, had decreased to 75 percent in 1991 (Appendix Table A3.5). Males mainly account for this decrease. In other words, a larger proportion of women is self-employed than men. There is a slow but perceptible change taking place in the employment status of the population. The proportions of both male and female employees in the population are increasing, while those of the self-employed and unpaid family workers are decreasing. This may indicate a positive or negative trend, depending on whether those who move out of self-employment are getting better jobs or moving out simply because of impoverishment caused by competition from factory produced goods. The flood of plastic goods in the market, for example, has ruined many traditional craft workers.

Issues on self-employment and the informal sector

- The proportion of women vis-à-vis men among the self-employed is increasing

NLSS also identified that women received lower wages than men. A lesser proportion of women than men was reported to be unemployed (Table 3.6).

Table 3.6: Selected Indicators of Employment Status
(percent)

Gender	Un-employed	Wage Employment (%)		Average Wage (Rs)		Self-Employment (%)		Total
		AG	Outside AG	AG	Outside AG	AG	Outside AG	
Male	4.2	13.3	16.3	44	76	59.8	10.7	100
Female	2.8	11.1	2.7	35	57	81.6	4.6	100
Both Sexes	3.4	12.2	9.5	40	74	70.7	7.7	100

Source: NLSS, 1996

AG - Agriculture

Most male and female unpaid family workers are below 20 years of age. The proportion of men and women working as unpaid family workers decreases as age increases. In the higher age groups, the percentage of male unpaid family workers is negligible. Furthermore, with an increase in age the percentage of male employers expands. That is also true for female employers although the increase is less significant. It should be noted, however, that most women reported as self-employed were actually working as unpaid family workers. Women working in household farms or other household enterprises would not be perceived as unpaid family workers or reported as being so.

The majority of self-employed and unpaid family workers, both men and women, are in agriculture. Nevertheless, there are numerous small, unregistered production entities engaged in the production of a variety of products both for home consumption and local sales, and a significant proportion of manufacturing in Nepal takes place within the household. Also, the production of a few selected export products, such as carpets, is widely dispersed, and is generally undertaken during off-farm hours by part-time workers. The production units are widely scattered, but predominantly located in the hills and mountains, along with major clusters in urban areas. Very few women earn more than NRs2,000 per month from such activities, even from full-time employment.³⁷

E. Working Conditions

The Constitution (1990) guarantees equal pay for men and women workers for similar jobs. General working conditions are governed by the Labor Act and the Trade Union Act, both promulgated in 1992 and replaced old acts that had placed restrictions on the freedom of association. The Labor Act, which replaced a 1959 Act, incorporates provisions for job security, minimum wages, environmental health, security, welfare measures, a code of conduct and penalties, consultative and cooperative management, and labor courts for dispute settlement. The Trade Union Act is primarily geared at maintaining industrial peace while, at the same time, protecting the constitutional rights of workers to organize for collective bargaining and to redress their legitimate demands according to ILO standards. This Act has no gender-specific provisions. The Labor Act and the Labor Regulations (1993) formulated under the Act have provisions specifically relevant to women (see Box 4).

As shown in Box 4, women are *legally* entitled to equal pay for similar jobs and to enjoy a series of gender-related privileges such as pregnancy leave, feeding intervals during work hours, and crèche facilities. However, *in practice*, women are discriminated against because they are concentrated in lower-paying jobs and are hired mostly at piece rates. Even official fixed wage rates are lower for tea estate workers, where women predominate.

³⁷ UNIDO, *The Current and Prospective Contribution of Women in Nepal's Industrial Development*. (Regional and Country Studies Branch, Industrial Policy and Perspective Division, 1988).

Box 4**WOMEN WORKERS' SPECIAL RIGHTS
(Labor Act and Labor Regulations, 1993)**

- Fifty-two days of paid pregnancy leave up to two pregnancies, replaceable in case of death of either of the previous children.
- Crèche facilities equipped with necessary toys and staffed with trained caretakers for babies and children of the women workers, in cases where the factories employ more than 50 women and necessary breast-feeding time for women with breast-feeding babies.
- Separate toilet facilities for women and men in factories employing more than 50 women.
- Working hours fixed at 48 hours per week or 8 hours per day, including a half-an-hour lunch break and allowing only 5 hours of continuous work.
- Overtime work allowed for four hours per day only, paid at 1.5 times the regular daily rate.
- Women and under-aged children may not be generally employed outside 6 a.m. to 6 p.m., except in cases of special agreements between the management and the workers, and in hotel, travel, tourism, and related businesses. In such cases, women must be provided with necessary security.
- Individuals may not generally be required to carry loads larger than their own body weight, except in cases of adult male workers carrying prepackaged loads. Allowable load for girls of 16—18 years of age is 20 kg. Boys in similar age groups may carry 25 kg. Adult men and women may carry 55 kg. and 45 kg., respectively.
- Current minimum wages, including allowances, fixed by the Government on the recommendations of the Minimum Wage Board constituted under the Act, range between NRs1,400 for minor workers and NRs2,150 for highly skilled workers. For workers in the tea estates, the rates are lower.

Only scattered information is available on working conditions in industrial establishments. According to Basnet (1992), only about 55 percent of women workers had permanent jobs, about 17 percent were temporary employees, and 29 percent were casual laborers. Only 20 percent had been promoted and about 29 percent believed that they were getting as much pay as male employees. They worked under difficult physical conditions and more than one third of those interviewed said they had experienced some work-related health problems. Only about 33 percent received certain benefits additional to their wages. Only 14 percent of female laborers were trade union members, while 17 percent were aware of trade unions. Other studies³⁸ on working conditions

Issues on working conditions

- Legal entitlements are not practiced at large, and women work under poor physical working conditions, without sufficient facilities
- Women laborers are less well organized than men

³⁸ Prabha Thacker, *Technology, Women's Work and Status: The Case of the Carpet Industry in Nepal: Mountain Regeneration and Employment*. (Discussion Paper Series 21, ICIMOD, Kathmandu, 1992); H.K. Ojha, *Women's Participation in Handloom Industry at Kirtipur Village* (Dissertation, Tribhuvan University, Nepal (1984); A. Joshi, *Women's Participation in the Carpet Industry: With Special Reference to Kathmandu District (1984)*, Dissertation, Tribhuvan University, Nepal (1985).

depict situations that are no better. Even in the carpet industry, which is highly skilled, women are still treated as unskilled, and they are very much exploited by the factory owners. Additionally, as international competition in such industries is keen, wages are kept low.

According to Thacker (1992), women constitute 66 percent of the workers in the carpet industry in the Kathmandu Valley. Nearly 98 percent of these women were piece-rate workers while 14 percent of men were. The overwhelming majority of these women were young (below 22 years of age) and illiterate, and worked for reasons of poverty. Cheating by employers on payments of salary and wages was widespread. Women benefited little from mechanization, as men progressively took the mechanized jobs.

F. Status of Women Entrepreneurs

As social custom restricts women's role to the household, they are mostly involved in home-based industries, such as food processing, garments, hosiery, and crafts. However, these industries are gradually closing due to competition from imported products, or are being replaced by organized formal units. On the one hand, the displacement of traditional crafts by light industry is causing the replacement of female workers by male laborers.³⁹ On the other, women are also being converted into wage laborers in such industries as the carpet industry. However, women function as managers, supervisors, entrepreneurs, and even as skilled workers in home-based craft enterprises.

Problems faced by women entrepreneurs

- low access to credit and marketing networks
- lack of access to land and property and reduced risk-taking capacity
- lack of access to modern technology
- lack of personal security and risk of sexual harassment
- severe competition from organized units both in the domestic as well as the international markets
- low level of self-confidence
- social and cultural barriers such as exclusive responsibility for household work, restrictions on mobility, etc

As industrial activities become increasingly commercialized, both male and female workers lose control over the production process and become transformed into wage laborers. In this process, women are affected more since newly emerging organized industries not only need more capital but they lay more emphasis on educated and mobile laborers. The managerial class in these industries, which is dominated by the Indo-Aryan and western concept of gender specialization, reinforces its own biases in hiring and firing. Furthermore, the few women who remain proprietors face severe problems of access to capital, institutional credit, marketing networks, marketing information, and appropriate business training and education. Other constraints include limited access to modern management methods and technology and the high cost of production leading to less competitive pricing. They also lack

self-confidence and risk-taking capacity as they have access to very little capital and may face family problems in their enterprise.⁴⁰

G. "Feminization of Poverty"

Since the early 1990s, there has been a major concern over the "feminization of poverty" the world over, linked to a perceived rise in the incidence of female-headed households. "Feminization of poverty" is

³⁹ M. S. J. B. Rana and A. J. Shah (1987).

⁴⁰ Jyoti Tuladhar, *Factors Affecting Women Entrepreneurship in Small and Cottage Industries in Nepal: Opportunities and Constraints* (ILO and Canadian International Development Agency, 1996).

also used to indicate a hypothesis that (i) there are more poor women than men, and/or (ii) increasingly more women than men are becoming poor. In the case of Nepal, despite the many disadvantages women face in access to resources, employment, and income, recorded data do not indicate comparatively disadvantaged positions for women or female-headed households in terms of poverty status.

The NLSS 1996 does not provide much information on the sex distribution of population by per capita income. Earlier data from *the Multipurpose Household Budget Survey* conducted by NRB (1984) showed slightly more than 50 percent of women among the ultrapoor and a distribution among men and women of about 50:50 among the poor in all the ecological regions and in urban and rural areas.

Issues in feminization of poverty

- There is little evidence to indicate that there are more women than men among the poor or that female-headed households (13% of all households) are poorer than male-headed ones.
- However, female-headed households are more vulnerable to external shocks and lack adequate resources.
- In addition, in Nepal, 'feminization' must be analyzed in the context of the feminization of agriculture, concentration of women in low wage jobs, more girl child laborers than boy laborers, more workload for men than women, and women's lack of assets and resources.

The NLSS reported 13.6 percent households to be headed by women. The population census of 1991 also reported 13.2 percent of households to be female headed. The proportion of female-headed households (FHHs) is higher in the hills and mountains than in the Terai. The overwhelming majority (93 percent) of these women were married. According to *the Sample Agricultural Census* by APROSC (1991), women owned 6.4 percent of the 2.7 million farm households in Nepal. The proportion of female-owned farms was highest in the hills (9 percent) and lowest in the Terai (3.5 percent).

A recent study⁴¹ analyzed the *Agricultural Credit Survey* (1991) data, which showed a similar incidence of female-headed households as above. With respect to the incidence of poverty among female-headed farm households, the following conclusions were drawn.

- There was only a slight difference in the poverty incidence of male-headed households (MHHs) and FHHs (50.7 percent compared with 47.2 percent, as shown in Table 3.5). Yet women own only 6 percent of land.
- The difference in the income of the MHHs and FHHs was not statistically substantial in the mountains and the Terai. In the hills, however, FHHs had much lower incomes than MHHs. In terms of per capita income levels, this difference does not exist.
- FHHs are smaller than MHHs in size and there are fewer economically active members in FHHs.
- Landholdings of FHHs are consistently lower in all regions (Appendix Table A3.7), but a much greater proportion of MHHs is landless.

Thus, the relatively disadvantageous position of women in the above analysis is reflected only in the fact that, while more than 13 percent of *households* are female *headed*, only 6 percent of *farms* are *owned* by women.

Therefore, the "feminization of poverty" in Nepal should be viewed in terms of the concentration of women in low-productivity agriculture and in unskilled low-paying jobs in the nonagriculture sector, and in

⁴¹ Devendra Chhetri, *Child Issues and Poverty in Nepal*, (APROSC and IDRC, Kathmandu, 1996).

terms of the impact of poverty on women and girls. Because of social discrimination, the impact of poverty on access to food, health, nutrition, and educational facilities, as well as on workload, is more severe on women and girls in poor households. Women have less access to employment opportunities and earn lower wage rates, hence greater difficulty in escaping poverty. Proportionately more girls than boys have to work for survival.

Table 3.7: Female-Headed Households and Poverty Incidence
(percent)

	Male-Headed Households	Female-Headed Households
Mountain	63.1	56.6
Hills	62.7	52.4
Terai	32.0	31.7
Nepal	50.7	47.2

Source: APROSC, December 1996.

H. Child Labor

Issues on child labor

• There are more girl child laborers than boy child laborers, and their workload is very high. Street children are exposed to crime.

With financial problems in the household, girls are forced to begin working earlier than boys. According to the 1991 population census, there were about 532,000 economically active children aged 10—14 years.⁴² For this age group, girls were more economically active (28 percent) than boys (18.1 percent). Chhetri (1996) reclassified the economically inactive children further into those in school and those not in school, and concluded that those not in school were also economically active. This classification puts the economic activity rates of girls and boys at 49.4 and 25.5 percent, respectively. Moreover, girls in the poorer households had much heavier workloads than boys (Appendix Table A3.7).

Girl labor rates surpass those of boys in all 75 districts. For every 100 boys who work, there are 219 girls in the mountains, 217 girls in the hills, and 177 girls in the Terai who work. The gender imbalance ratio is higher in the Western Hill and mountain regions than in other parts of the country.

Children work mainly on farms, as does most of the population. Certain industries, however, employ a high proportion of child laborers, notably carpets, tea estates, brick factories, stone quarries, and the service sectors (particularly hotels, teashops and restaurants, domestic servants, and porters). The working conditions in these industries are often appalling⁴³. Young girls are also recruited into forced prostitution on a wide scale. Poverty, family disruption, parental illiteracy, and agrarian relations forcing families into bonded labor are the major causes of child labor. Legislation against child labor, although adequate, is rarely enforced. Child laborers face long hours of work in unhealthy environments, low wages, and hazardous conditions of work. This leads to various diseases among child laborers and denies them

⁴² CBS, *Population Monograph of Nepal* (Kathmandu, 1995).

⁴³ Omar Sattaur, *Child Labor in Nepal*, No. 13, Anti-Slavery International (ASI) Child Labor Series. A report by ASI and Child Workers in Nepal Concerned Centre (CWIN), Nepal, 1993; Pradhan Gauri (Editor), *Misery Behind the Looms: Child Laborers in the Carpet Factories in Nepal*, CWIN, Kathmandu, 1993.

access to educational opportunities. Moreover, employers do not devote any resources to improve the situation.⁴⁴

The main challenge is how to improve the situation of child laborers and increase their access to education and better opportunities without stopping their sources of income. Many families are too poor to support their own children, others have abandoned them. A third group of child workers are orphaned, with no relatives to bring them up.

⁴⁴ CWIN, *Voice of Child Workers*, Issue No. 25 (Kathmandu, December 1995).