

**Determining the Impact of Information
and
Communication Technology
on
Decent Work in Nepal**

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Preface and Acknowledgements

The impact of the increasing role of capital and technology on workers in today's production processes has been phenomenal. Their vulnerability to the push and pulls of the market forces is not so much evident in the boom period as it is in times of crisis. If this might have been a debatable matter for policy makers before, it became more than clear to them in the late nineties during the Asian financial crisis in that there was indeed a need to protect the workers from the market hazards. Since there appears to be no let on the pressures that workers around the world are going to have to bear, with the whole world in a recessionary swing, policy strategies need to be in place. Studies are therefore necessary to understand more about this vulnerable aspect of the economies throughout the region so that the necessary policy input is readily available to governments. The pace and extent of globalization taking place require such efforts to be trans-national and trans-regional.

The lesser economies of Asia and Pacific were not so badly hit by the Asian crisis. But this does not put them on a better footing than the ones that were. Their workers were already suffering from mass unemployment for them to be unemployed by the crisis. The little economic activities they were engaged in, e.g. tourism and preferential exports have been turned upside down by the current political and economic uncertainties ushered in by the September 11 attack on the United States. So, the problem of these economies is the need to provide employment to the masses, meaning starting the production process rather than worrying about the quality of worklife of the already employed. This lowering of the priority order for worklife improvements has in many instances meant total negligence of this facet of employment. The net result is such that, on the one hand, you have mass unemployment while, on the other, the few that are already employed suffer from the lack of basic facilities in their work-- inadequate wages, inadequate work-space, hazardous working conditions, poor living conditions, none or little medical benefits the list is endless.

Nepal finds itself in a situation squeezed by the vagaries of the ICT revolution. Being a least developed economy of South Asia, it is one of the poorest nations on the planet, hence a sufferer of the digital divide. Similarly, the small but growing ICT sector in the country is having an impact on the work culture and employment situation in the country. It is clear that there are two sides to the concern about the 'impact of ICT on workers and their work conditions'. One is the need to make people employed so that they can benefit from ICT use through improved worklife and living conditions. The other is to see that the use of ICT in their work does not lead to deteriorating employment conditions. The latter is a concern of countries that are already some way into the ICT revolution while the former is a problem of countries living on the other side of the digital divide.

This study is an attempt to find out the impact of ICT in the Nepalese workplace. It is based on data collected from a field survey and information supplied by individuals, organizations and economic units which have either been using ICT for industrial/business purposes or are in constant touch with the ICT aspect of the national

economy. The focus of the investigative impact study, however, is the decent work in Nepal represented by various indicators. The study is a NEFAS-ILO joint effort.

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Executive Summary

Nepal is a developing country with almost half its population living below the poverty line struggling with development difficulties. Any new technological breakthrough that would speed up development is therefore welcome for the country. The information and communication technology (ICT) revolution can be taken as a boon for the country in this regard. Since ICT adoption is already underway in the country it is necessary to find its impact on the various sectors of the economy and society. This sample survey is an attempt to assess the impact of ICT on decent work in Nepal. But the study was constrained by many factors, such as the existing security situation in the country, the political uncertainty and most of all the unorganized growth of a nascent technology that is hesitatingly being adopted by the industrial sector.

Some forms of ICT like the telephone was adopted in the second decade of the 20th century, but movement in the sector was not very noticeable until the eighties when the government went on an upgrading spree to make the network digital. But in spite of the early adoption of technological developments a little more than a quarter of a million telephones have been distributed to a population of 23 million. High costs have prohibited the masses from accessing the technological benefits in Nepal. Although the government has a plan to take telephones to the remotest of villages it still appears to be biased towards high cost services like mobile telephony where developments in the past year alone has been phenomenal. Access to basic telephone services for the rural poor is still a distant dream.

Computers have started to invade the Nepalese workplace ever since the early nineties promising to change the workplace irreversibly. But the pace of adoption of computers by the Nepalese workplace is slow and the impacts are not clearly visible at the moment. Several computers and internet connections are available in most industries but the impact on productivity and worklife is difficult to gauge. Besides the elementary phase of adoption can lead to unexpected results. This research by using primary data and statistical tools shows that use of ICT creates more jobs than by not using it. Most employees think that ICT creates more jobs due to expansion of existing skills to meet the IT needs. Although ICT is useful for both entrepreneurs and labourers, access to it for labourers is not easy as it is costly. Female employment has increased in industries using ICT than in those not using it. Very few workers as well as managers are aware of ICT caused health hazards and only a few are using mitigation measures. In fact no firm surveyed had any medical facilities to address work related diseases. But the local rural people appear to be benefiting a lot from decentralisation of IT related training and expansion of the use of IT by industries

Based on the findings, the study recommends a long term ICT strategy that does not compromise with the country's macro-concerns like economic growth, human development and social harmony. ICT use in all sectors needs to be encouraged to capitalize on its benefits, which appear not to be realized by those in the industrialization process. Appropriate policy would not only bring in foreign investors in the sector but lowering costs through appropriate policies would boost ICT use. It is recommended that the tariff of telephones be reduced and a practical policy be pursued to encourage the use

of ICT in all the sectors. Government should extend, maintain and build infrastructures related to ICT and take them to rural areas as well. ICT parks and ICT zones can be promoted in different regions of the country to help reduce the digital divide between regions. Scholarships to ICT colleges should be designed with the digital divide in mind. It is recommended that ICT related education start from the school level. Quality of training provided by private firms and computer training centers should be standardized. There should also be a plan to include ICT professionals in the government's manpower export policy. Computer programming should be developed in the Nepali language for labourers, who are mostly just literate and opportunity to upgrade their ICT skills provided. Minimum health hazards of ICT use must be insured and standards set with regard to the equipments used. Workers should not be forced to work under hazardous conditions. Appropriate breaks in the work schedules, sitting arrangements and protective gear should all be part of the health risk mitigation plan which should be mandated by law.

The study recommends gender sensitive programmes to include ICT in their plans as ICT use has shown direct benefits to women's employment. The study concludes by suggesting regular monitoring of the effects of ICT on employment, income, output, income distribution, etc. and that preference in filling new ICT vacancies, should go to old workers after training them, rather than hiring new ones and firing the old. The study also suggests that social dimensions of ICT adoption, like environment protection, should also be part of industrial concern.

Determining the Impact of Information and Communication Technology on Decent Work in Nepal

Chapter 1

An Account of ICT and Decent Work in Nepal

Socio-economic Background

The unique geographical diversity of Nepal and the socio-economics that has grown out of it are intriguing aspects for researchers of any subject. In terms of development however, a few things have been unearthed by scholars and laid out before everyone. The rectangular east-west spread on the Asian map, sandwiched between China to the north and India to the south, is divided into three ecological regions-the northern Himalayan belt, the middle mountains, where most of the people live, and the narrow southern strip of plain which grows most of the food crops. For administrative purposes, however, the rectangle is divided into five development regions from the east to the west. Underdevelopment in Nepal has its own unique characteristics. Economic prosperity declines as one goes northwards to the mountainous rural settings from the more urban plains. The same is observed as one travels westwards from the east in spite of the geographical similarities between development regions. Similar disparities exist sectorwise also. According to the Nepal Human Development Report 2001, the economy grew five per cent on an average every year in the aftermath of the restoration of multiparty democracy in 1990. Per capita income alone grew by almost three percent annually. But the components of the growth reveal that the sector of the economy where poverty is bred, agriculture and the rural sector, is almost untouched by this impressive performance of the economy. Nor does the impressive growth in the non-farm sector include industrial production. It is the service sector alone that grew by leaps and bounds to cover the annual rate of growth. About 80 per cent of the population still remains engaged in the farm sector which is not only technologically backward but also traditionally and virtually stagnant over the decades. Growth in agriculture has usually followed expansion in total cultivable area, not because of productivity. The population explosion, over two percent annual growth, is robbing the agriculture of that opportunity as well.

Table 1.1: Human Development Index across ecological belts, 2000.

Mountain	0.378
Hill	0.510
Tarai	0.474
Nepal	0.4.66

Source: Nepal Human Development Report, UNDP, Kathmandu, 2001

Table 1.2: Human Development Index across regions, 2000.

Eastern Region	0.484
Central Region	0.493
Western Region	0.479
Midwestern Region	0.402
Far Western Region	0.385
Nepal	0.4.66

Source: Nepal Human Development Report, UNDP, Kathmandu, 2001

Official calculations show that about 42 per cent of the population live below the poverty line. If the backward regions in the west are scrutinised, one will find that most of the poverty lies there. Almost everyone there is "hardcore poor who barely scratch out a living from the fragile and vulnerable ecosystems", to quote the Nepal Human Development Report 2001. Not that other regions are faring well, only that the western regions are worse-off than the rest. This has had grave implications on Nepalese public life. Poverty has not only been at the centre of the governance agenda in the recent years but has in fact been feeding political instability by breeding radical ideologies and pushing the country into a crisis situation. The per capita income of 219 dollars per annum is hardly an impressive figure and lately the economy has started spiraling downwards with a negative growth of minus 0.6 percent, (according to latest official publications).

The problem of stagnation in the largest sector of the economy has been coupled with mismanagement of the success areas as well. Education is a relatively success area where literacy has increased by leaps and bounds. Human resources have been produced which were unavailable in Nepal thus far. But, there still appears to be lack of efforts to exploit the new resource to suit national development aspirations. Migration of qualified people to other countries has intensified for lack of jobs at home while experts have had to be brought in from abroad to manage domestic needs. Such imbalances in human resource development and economic growth have been fueling additional political problems as unemployed people search for alternative ways according to qualifications. If these unemployed graduates could be tapped by the ICT sector through proper planning it would have been a great contribution to the national economy. Instead, the Maoist insurgency has become the employer of frustrated youth and made them to do just the opposite. Many telephone and radio towers in the rural areas that took decades to set up were demolished in the course of the seven-year insurgency depriving the rural populace of the little communication facilities they had.

The ICT Sector in Nepal

Since the service sector is one of the few success areas of the economy, there is a lot of potential for the information and communications sector to benefit from national policy. The paradox about the Nepalese telecom sector is that in spite of its long history, services have not been able to reach the majority of the people yet. It has been almost a century since the first telephone was introduced in the country, but most of its people still do not have access to it. The problem with expansion has never been a lack of a market, as long queues in telephone offices show, but bureaucratic mismanagement and absence of proper planning.

Telephone

Tele-communication services first started in Kathmandu in 1913. The establishment of the Telecommunication Department in 1959 tried to institutionalize the telecommunications sector. Telephones went digital in the mid-eighties in Nepal, but still the growth in its distribution is not impressive. Nepal Telecommunication Corporation (NTC) distributes telephone lines at present and private sector operators are setting up their services especially in mobile telephony. Radio paging has been available for some time from the private sector. NTC has provided access to telephones in all 75 districts of

the country but very few locales have a limited number of telephones available in the remoter parts of the districts. Most of the services are concentrated in few small towns of the districts. A telecom regulatory body called Nepal Telecommunications Authority (NTA) has been recently formed to regulate the services as per the guidelines of the new Telecommunication Act 1997 which filled the regulatory gap after the private sector was allowed in. Several joint venture companies have already started working in telephony. More are expected to follow.

Radio

Radio Nepal was established in April 01, 1951 to disseminate government information. Eighty to ninety percent of the population listens to Radio Nepal today. The airwaves have become competitive with the establishment of FM radio stations by the private sector, communities and NGOs. FM stations have also been established outside the Valley.

Television

Television came rather late into Nepal. It might not have been possible to run such costly services had the video revolution in the seventies not come about. Nepal Television (NTV) was started as a project in January 1985 which began broadcasting programmes from December of the same year. There are private channels like Shangrila, and Space Time. *Kantipur Television* is another terrestrial channel setting up shop at the moment. *NTV* and *Space Time's Channel Nepal* have recently started satellite transmission. The two major constraints to extend television broadcasting are lack of electricity and the hilly and mountainous terrain. Rural people can now watch Nepali TV channels provided they have electricity, a TV set, and cable connection. More than 80 cable television companies operate in the country providing hundreds of foreign channels to their viewers.

Computer, e-mail and internet

The computer was first introduced in Nepal by His Majesty's Government/Nepal for processing data in 1971. The private sector began its activities in this area in the early eighties. Mercantile Office Systems became the first Internet Service Provider (ISP) in mid-July 1994. At present, there are 11 Internet Service Providers (ISP) in Nepal out of which one is semi-government and the rest are from the private sector. Estimating the number of internet/e-mail users in Nepal is difficult, as the ISP owners do not keep the record electronically and some of them want to keep the data confidential. Less than one percent of the population have internet access. More than 100 commercial organizations provide various services on ICT and most of them are located in the Kathmandu valley. With joint initiatives taken by the Government and UNDP, twenty-five District Development Centres¹ (DDC) of Nepal have established district-based database systems. The UNDP is helping set up ICT kiosks in different villages and taken internet access to remote parts of the Kingdom. Broadband internet access has not even been contemplated right now and the only fibre-optic line used by the telecommunications sector is a line set up by the Nepal Electricity Authority for its own use between Kathmandu and Hetauda, a central Nepal town in the south of the capital. The Telecommunications Corporation has rented that line for its telephone services. The government is setting up a fibre-optic cable along the East-West Highway, with Indian assistance, that runs along the southern plains. It is expected to boost access to communication services to the Tarai towns. A plan has

also been laid out to build an ICT park in Banepa, near Kathmandu, but it is yet to get off ground.

Though Nepal's entry into the Information Technology is a recent phenomenon, adequate efforts are being made in recent years to develop this sector. The government of Nepal has realized that this sector provides the potential opportunities to overcome the geographical barriers that Nepal's development faces. The sector's fledgling status is obvious by the lack of statistics that researchers can refer to. Moreover, the country is yet to work out the macro level statistics related with the IT sector. In the course of our study we found this to be a major hurdle as reference points in the macro data were unavailable for us to verify our study's findings as the study progressed. Nonetheless, the overall picture that the scattered data provide do allow us to infer that growth in the IT sector has allowed the economy to expand employment opportunities. Our study does concur with this inference. The overriding logic, and also the findings of the study, in a country like Nepal, is that any new job opportunities, no matter in which sector, are good for the economy as the primary problem is to create new employment. And, the introduction of IT in Nepal has done that. Even a layman finds that the scores of IT institutes, engineering courses in old and new colleges and numerous internet cafes all point to one thing-- that the sector is booming with employment opportunities. Following is a list of the services that have been introduced in the country in recent years:

Table 1.3: ICT Activities in Nepal

S. N.	Service	Number
01.	Software Development	74+
02.	University	4
03.	Trading	300+
04.	ISP	22
05.	Networking	58+
06.	System Integrator	26+
07.	Training Institute	200+
08.	VSAT Service Provider	10
09.	Pager service provider	6+
10.	Mobile Service Operators	3
11.	IT Enable Service	29+
12.	Consultancies	29+
13.	Graphic Designer	40+
14.	Web Service Provider	13+
15.	Service Providers	50+
16.	Solution Provider	39+
17.	JV Company	9+
18.	Interactive Multimedia CD ROM Developers	3+
19.	IT Media	2
20.	Others	58+

Source: Compilation from different sources (especially, Policy Recommendation On Electronic Transaction & Digital Signature Acts (Draft), Other Related Acts & Regulations of Nepal, IT Professional Forum, Dec 2002).

No study has been done so far exclusively linking employment with the IT sector. But, as it is one of the fast developing sectors many youngsters are being attracted to it. The

study of available literature indicates that four Universities offer IT courses for about 1,500 students year, about 8,000 students appear in the School Leaving Examination annually who have taken computer science as their main subject, about 1,000 instituted (private) offer training courses on different IT applications. Similarly, the use of IT in different sectors of economy (Domestic Computerization) has also been on the rise. The potential of the IT industry's high capacity to generate wealth, foreign exchange and employment has already caught the imagination of Nepal's businessman, citizens, bureaucracy, media and others.

Almost 65 percent of software professionals employed in the industries were in software development and operation, 3 percent in domain expertise development, 13 percent in marketing and relationship development, 15 percent in client support and 4 percent in others activities. The number of software professionals employed has increased by about 25 percent annually. This includes software development units in user organizations.

Limited only to a few sectors like banking and tourism earlier, Information Technology is now being adopted by various government and non government agencies like hospitals, Electricity Authority (which has a large networking throughout the country), joint venture banks, finance companies, insurance companies, hotel management etc. Adoption of IT in these sectors is an indicator of job creation and extension of the employment market.

If we forget the 'right to union' (Law regarding unions demands that at least 10 employees are needed to register a union, but IT employees number far less in many instances.), most of the indicators of "decent work" can be found in the right place in this sector. Attraction of more young girls (gender friendly), relatively higher salary, less health hazards, better social benefits etc. are rather a rule than an exception in the work place. What is more, in a country where unemployment runs high, employment takes precedence over the quality of employment. And IT seems to have a positive impact on that.

The Workplace and Social Safety Nets

Agriculture is the largest employer in Nepal and has remained a subsistence vocation rather than one driven towards productivity. Plans have always visualized a situation where non-agriculture sectors take away this labour overburden from agriculture so that farming could be made growth oriented. But this has not happened to a significant extent. In fact, this traditional occupation has been overburdened with the excess labour force from not only other sectors but also considered as a sink to absorb all the failures in the development process thus stifling the farm sector even further. While the labour force itself is growing at the rate of about 300,000 persons per year, manufacturing did not employ more than 2 percent of the total labour force in 1991, and has been adding only 9,000 jobs a year (World Bank, 1990). And the fact that only about 20% of the jobs are unskilled in the manufacturing sector (World Bank, 1990:63) further constrains the prospect. According to an ILO-SAAT 1997 estimate, only 10% of the increased work force each year find work in the non-agricultural sectors (NSAC, 1998:100). Thus, much of the annual additions to the labour force are constrained to remain in the already overcrowded agricultural sector. According to the National Planning Commission the rate of unemployment stood at 14% in 1997 and the

ILO-SAAT estimate of underemployment in the rural areas was 47.5 percent in 1995/96 (NSAC, 1998:102).

The Nepalese labour market has remained confined to agricultural and artisan jobs and, here, traditional labour exchange programmes between communities or families have held sway. The nature of the job was seasonal or occasional. Artisans were required for construction work or for rendering services requiring special skills to the community. Such skilled workers came from a different class or caste of people so there was a permanent supply of these workers. Social trusts or value systems determined the welfare of the labourers and the state itself had very little input in their wellbeing except to enforce the arrangements already existing. Petty traders or the state itself appear to be the chief wage providers and they determined the wage, usually fixed as there was no inflation to take into account for the work being done. The nature of these jobs was temporary. Traders required labour to move or transport their goods and the state acquired the service of the labourers for any new project they designed. In ancient times, the state thrived on the services of community chiefs, landlords and administrators. It was only during Rana rule that a civil service started to take shape in the modern sense. But still the arrangements were feudal in nature. The civil service underwent complete overhaul periodically so there was no permanent employment, let alone retirement benefits. The large production facilities that were established by the Ranas are the genesis of Nepalese labour relations. Planned development that started in the 1950s began in earnest to visualize a modern state.

Informal sector

Government data (NLFS) of 1998/99 show that about 1.7 million people aged 15 and over are currently employed in the informal sector. The total employment is only 600,000 persons in other jobs outside the agricultural sector. In other words, 73 percent of all employment in main jobs outside the agricultural sector belongs to the informal sector. Out of that, over a million are males and about 600,000 are females. Some 82 percent of those aged 15 to 19 and as many as 94 percent of those aged 60 and over are employed in the informal sector.

Seasonal employment

In all three seasons, the rainy season, the winter season and the dry season, the number of people currently active remains at about 11.6 million. Although labour force participation rate remains fairly constant at around 86 percent throughout the year, the unemployment rate stays at about 2 percent. However, the number of agricultural workers is at a peak during the winter season (6.9 million people) which falls to 6.4 million in the dry season, before rising again to 6.7 million in the rainy season. In agriculture, there is a substantial increase in the total working hours, up from 240 million hours in the dry season to 322 million hours in the rainy season. The contribution of children also increases during the rainy season.

Work done by children

Two million children aged between 5 to 14 do a total of 44 million hours of work per week, or 22 hours a week on average for every employed child. Out of that figure, 1.7 million are engaged in subsistence agricultural activities. Over 200,000 are involved in elementary occupations-- about 80,000 fetch water, a similar number collect firewood,

and about 40,000 work as agricultural labourers. Some children work as salespersons in shops, or provide housekeeping or restaurant services: others work in crafts or related trades, and a few work as plant or machine operators. There are 36,000 children aged 5 to 14 working in the manufacturing and construction industries some of whom may be working in “at risk” situations. But virtually all the work done by children outside the agricultural sector is done in the informal sector.

Education

The NLFS survey shows that out of the total age 15 and over population of 11.2 million, 6.8 million (60 percent) have never attended school, and a further 1.1 million (10 percent) have not completed primary school. Seventy five percent of women have never attended school, as against 44 percent men. In urban areas, half of all women have never attended school. Table 4.1 also provides estimates of the number of people with higher levels of education. The survey estimates that there are about 129,000 people in the country with degree-level qualifications out of which about 106,000 of these are men, and only 23,000 are women. Forty-five percent of the population aged 15 and over are literate-- 62 percent males and 28 percent females. Younger age groups have much higher rates of literacy than older people but female literacy rates still lag behind those of males. However the situation is getting better among younger women.

Social Security in Nepal

According to government data (NLFS- 1998/99), which relies on the 1991 census, in Nepal there are altogether 9.4 million males and 9.7 million females. There are about 7.9 million children in Nepal under the age of 15. The population aged 15 and over numbers 11.2 million, of whom 5.4 million are males and 5.9 million females.

The dependency ratio in Nepal is 0.83, or 100 persons of working age (15 to 64) support 83 persons who are outside that age group. The ratio is 0.68 for urban areas and 0.86 in rural areas. Social safety nets are not institutionalized in Nepal but its tradition and value system is mainly responsible for providing support to the dependents, like old people and children. Even the Royal Nepalese Army whose services to the nation dates back to the unification days (1846) did not have an institutionalized structure looking after their wellbeing. They were usually given land grants in exchange for their services in those days. Only in 1934 an army provident fund was visualized. Then came the Civil Servants Provident Fund in 1944. Today some corporate houses have started introducing benefit schemes and pensions for the retirees but the scenario is nowhere near satisfactory. If we consider that the minimum wage law, that was passed only several years back, is yet to be practiced by many government organizations, not to mention others, the demand for social safety nets as of now will be cry in the wilderness. The economy has to grow faster and more equitably for any benefits schemes to be adopted by employers. Most importantly, labourers from the informal sector have to be brought to the formal sector, from agriculture to the modern sector, for them to be visible enough in the eyes of policy makers. Only then can safety nets be devised for them.

Existing legal arrangements provide for a forty eight hours a week and eight hours a day with a half an hour break. Workers can work upto a maximum of four hours overtime per day but need to be paid 150 percent of their regular salary. They are entitled

to a weekly holiday, 10 days public holidays, 15 days sick leave and various other paid and unpaid ones like home leave, maternity leave etc. Regarding vital injuries or death, there is provision for compensating the victim and hygiene and health are supposed to be covered under work hazards.

In the informal sector, various organizations have been trying to provide benefits and livelihood to elderly people, orphans, disabled and incapacitated etc. But there is no system of providing stipends to jobless people from any quarter, except support from family members. These include philanthropic organizations, charities and clubs. Although various types of *guthis* and trusts have been existing since ages, the first formal institution recorded is the Paropakar Sanstha that was set up in 1947. Nepal TB Eradication Association, Bal Sangathan, Nepal Red Cross Society, Lions Club, Social Welfare Council are some of the institutions providing social service to the needy at present.

IR System in Nepal

The three actors in Nepal's Industrial Relation (IR) system are the Government, Trade Unions and Employer's Organisation. In accordance with the Labour Act-1992, in an enterprise where there is no union, workers have the right to nominate their representatives to bargain collectively with the employer. The representatives however, should be supported by 51% of the total number of workers.

An enterprise level union can be formed with at least 25 percent of the workers signing for it. And the problem of multiplicity of unions (up to four unions are allowed to exist in an enterprise) is resolved by allowing an election among the different unions within an enterprise to elect the *authentic union*. It is this *authentic union* which is responsible for collective bargaining

The Federation and Confederation of unions represent the labourers in a national tripartite committee named the Central Labour Advisory Committee (CLAC). The committee is chaired by the Labour Minister and represented by the Government, Trade Unions and Employers Organisation according to a 2:1:1 ratio. Apart from providing policy inputs, it pressurizes the government as well as the employers to look into workers' concerns.

Objectives of the investigative research

The main objective of the study is to determine the impact of ICT on decent work in the country. In the process it strives:

- To give an account of the ICT sector in Nepal, the use of ICT and the public efforts being made towards ICT adoption
- To identify the various indicators of decent work and estimate some of the key indicators like employment opportunities.
- To assess the impact of ICT on decent work across firms and derive comparative pictures thereof before and after the introduction of ICT.
- To devise a policy framework in order to make ICT more friendly towards employment and decent work.

Methodology

The following methodology was used for the research:

Data

Information was collected from various primary and secondary sources at all official, private, micro and macro levels. While the primary data was obtained from the individual firm's records, discussions with both the employer and employees of firms and interviews with policy makers, trade union leaders and concerned government and non-government offices, the secondary data was derived from earlier studies, official publications and government records. Private NGOs like trade unions and their publications and websites were helpful in supplying the relevant information. Non quantifiable information has also been presented in tables and statements.

Sample size for basic study

Case studies of 6 enterprises including 3 using and 3 not using ICT of a large, medium and small scale has been conducted regarding software. An equal number was studied on the hardware side. The investigation method was used to assess decent work indicators

Additional samples for extensive research

Besides the case studies of the dozen firms /enterprises, NEFAS extended the study to additional 30 enterprises with ILO/JIL support. This should provide a more representative outcome of the Nepalese context. As employment opportunities are the key to social protection, decent work and social development, the study intended to estimate employment functions by types of skills.

Workshop cum seminar

A national level workshop cum seminar will be organized at the end of the study for a detailed discussion on the output of the study. The discussions will be represented by the stakeholders of ICT where ample opportunity will be provided to policy makers to listen to their grievances, apart from the decent work issues unearthed by the study.

The sample study is not free from limitations. The initial phase of ICT development in Nepal is quite evident from the fact the sector is not well organized. In spite of the growing activities of hardware and software there is still no definition of hardware and software in the industrial policy. This did contribute to making data collection a difficult task. There is hardly any coherent and reliable data on the sector and no study carried out to assess the status of the industry so far. The study was conducted at

a time when the country's economic and political situation was (and still is) not normal owing to a number of factors such as the absence of national and local democratic structures, a number of national strikes and the conflict among government, Maoist rebels and other political parties. There is also the paucity of statistics in the ICT sector owing to the nascent phase in its development in Nepal.

Similarly, the problem with Nepal's industrial sector as a whole is that the informal sector employs the bulk of the labour force. This means that implementation of the labour law cannot be monitored in the sector thus leading to a situation where there is no system of redressing complaints of the informal sector workers. In other words, the labour law has been enforced only in the formal sector. Therefore, the picture presented by the survey regarding the status of workers does not necessarily speak of the Nepalese workers as a whole.

It may be concluded from arguments in this chapter that a properly channeled ICT revolution has a great potential in Nepal's development as the difficult geography and a poverty afflicted population provide intractable challenges for traditional development vehicles to succeed. Among the various consequences of ICT adoption, direct impact on the labour market can not only be anticipated but also evidenced. Since the scale of ICT adoption of Nepalese production processes is still negligible, its impact on the labour market is not very conclusive. Still, it may be held that ICT in Nepal in general has not only added to the list of necessary skills of the firms, which requires additional employment, but also that it has opened up new avenues to close the gender gap as women have found this sector to be beneficial in terms of employment figures. However, the problems of the labour market, especially with regard to a decent work environment, have not been addressed by ICT adoption.

Chapter 2

Social Effect of ICT in Nepal

The increasing use of information and communication technology in the industrial sector is not only an opportunity but also a challenge for both employers and labourers. How is Nepal faring with regard to the challenges and how is it utilizing the opportunities available? More importantly, what is the impact of ICT on employment in Nepal? This chapter is an attempt to find those answers. It compares the before-and-after states of employment in Nepal regarding the use of ICT. It also attempts to analyse various indicators of decent work in the workplace.

2.1 Employment Opportunity

This section tries to assess the condition of employment in various institutions and employment generation. For the purpose, labourers involved in the manufacturing sector have been classified into four categories according to their skill of work. Similarly, workers in the services sector are also classified into four categories but in accordance with the type of post they are holding designation.

Tables 2.1 and 2.2 show in percentage the employment situation in the two conditions, i.e., after ICT use and before ICT use. Since the Nepalese economy is yet to be well organised, use of new technology has a massive potential that could usher in drastic changes. But the pace of adoption of new technology has yet to pick up and ICT has only been recently introduced in both the manufacturing as well as service sectors. This could be the reason why there is no marked increase in the change in employment for both sexes. However, it can be observed that there is a slightly increasing trend in the skilled labour category for both sexes and sectors. Even though the Tables indicate that the current employment is not significantly affected by ICT, the possibility of its affect on skilled, highly skilled and semiskilled labour in the long run is quite visible (Table 2.1 and Figure 2.1) for both the sexes. In the professional grouping, female employment appears set to rise in the technical and administrative categories (Table 2.2 and Figure 2.2).

Table 2.1: Employment in Manufacturing Sector (in Percentage of Sampled Units)

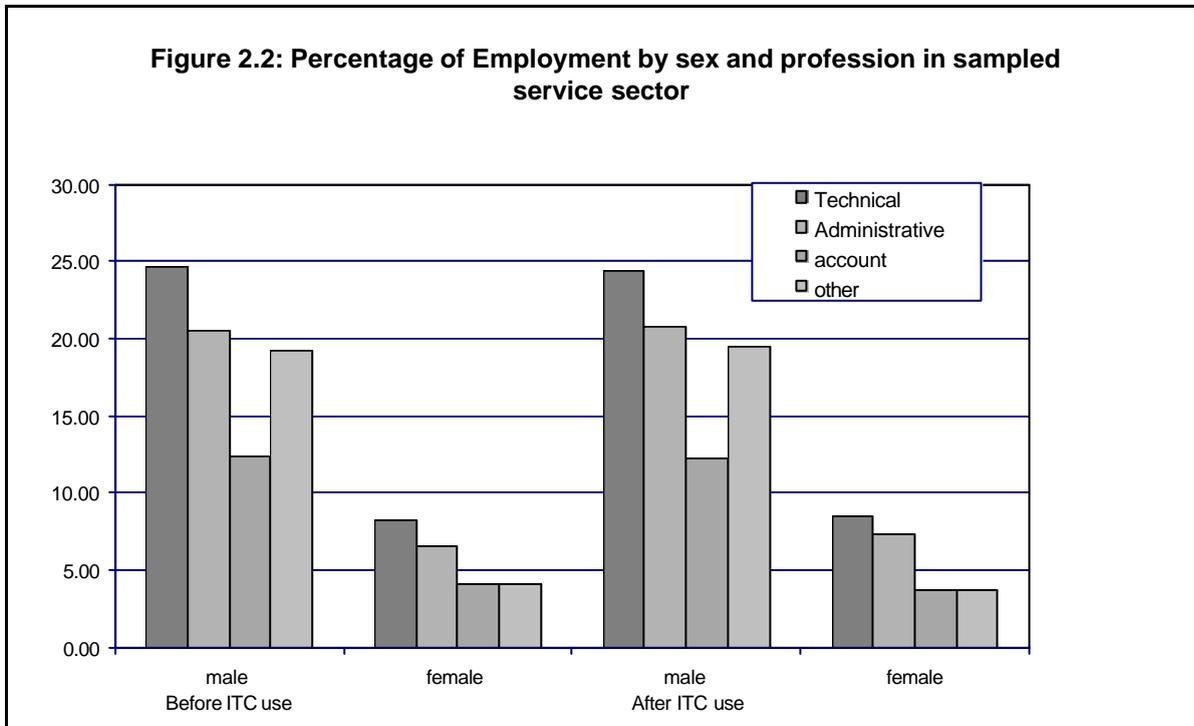
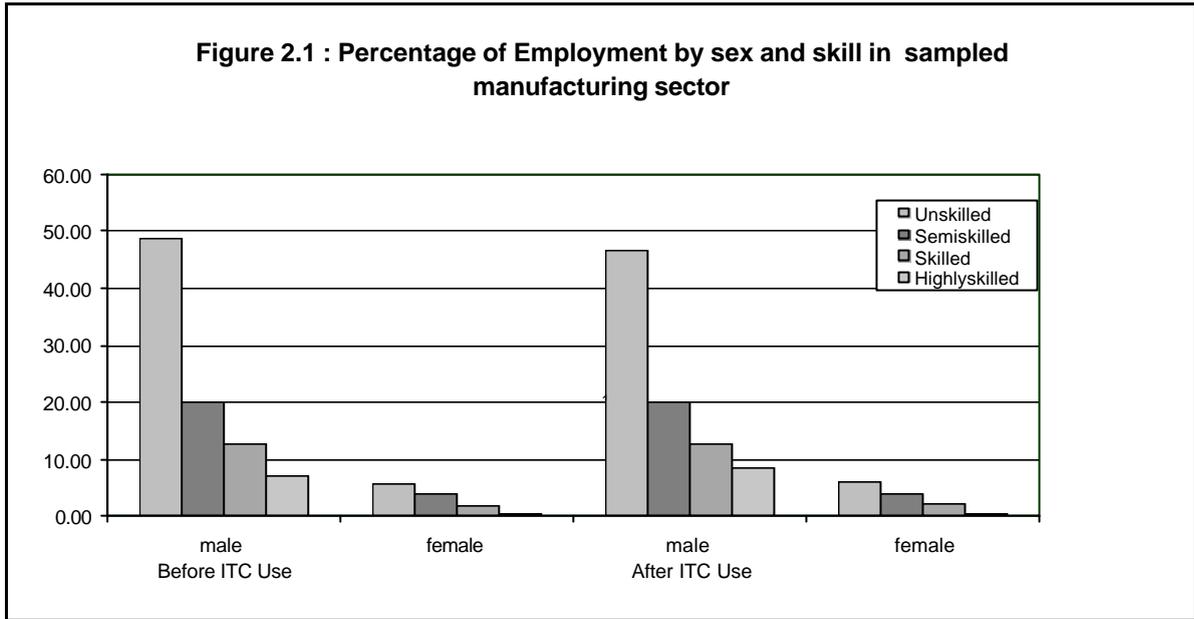
S. No.	Skill/sex	Before ITC Use (%)			After ITC Use (%)		
		Male	Female	Total	Male	Female	Total
1.	Unskilled	48.60	5.68	54.28	46.61	5.89	52.80
2.	Semiskilled	19.88	3.82	23.7	20.00	3.90	23.90
3.	Skilled	12.73	1.93	14.66	12.74	1.99	14.73
4.	Highly skilled	6.98	0.39	7.37	8.46	0.41	8.87
	Total	88.19	11.82	100.00	87.81	12.19	100.00

Note: Total number in each ICT condition is considered as 100 percent

Table 2.2: Employment in Service Sector (in Percentage of Sampled Units)

S. No.	Field/Sex	Before ITC use (%)			After ITC use (%)		
		Male	Female	Total	Male	Female	Total
1.	Technical	24.76	8.35	33.11	24.39	8.54	32.93
2.	Administrative	20.56	6.58	27.14	20.73	7.32	28.05
3.	Account	12.32	4.12	16.46	12.2	3.66	15.85
4.	Other	19.18	4.11	23.29	19.51	3.66	23.17
	Total	76.82	23.16	100.00	76.83	23.18	100.00

Note: Total number in each ICT condition is considered as 100 percent

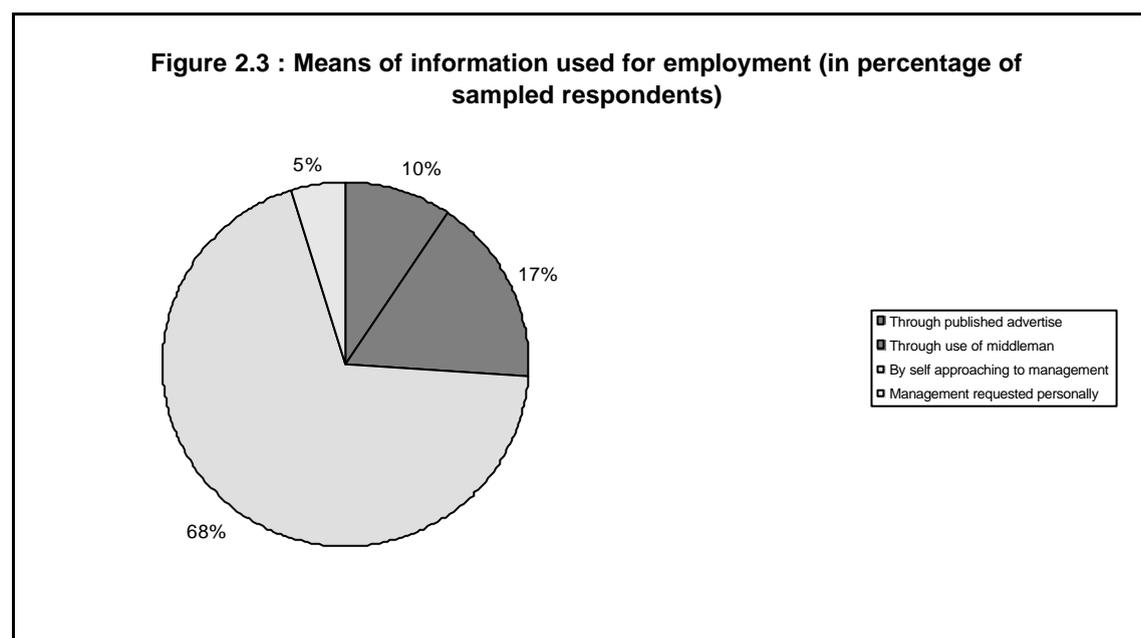


2.2 Type of Information used for employment

Table 2.3 and Figure 2.3 reveal that only a few labourers know about job opportunity from formal advertisement through media (10%). Two third of workers (68%) themselves approached directly to the management to get a job. Persons using middlemen amounted to (17%). Only 5 percent of workers, dominantly high skilled ones are fortunate to get the job by directly requesting the management. These explicitly imply that the labour market in Nepal in ICT sector is highly imperfect and non competitive. This may be either due to the absence of effective employment exchange bureau or the limited supply of skilled ICT related manpower.

Table 2.3: Means of Information used for Employment (percentage of employed sampled workers)

S. No.	Means of Information	Percentage of respondents
1.	Published advertisement	10
2.	Middleman	17
3.	Personal approach	68
4.	Management request in person	5
Total		100



2.3 Effect of ICT in employment generation

Tables 2.4 and 2.5 as well as Figures 2.4 and 2.5 demonstrate that a majority of entrepreneurs (81%) as well as labourers think that ICT increases employment opportunities. The main cause of employment generation in IT according to them is special skills (61.36%) required. Similarly, as ICT improves the quality of goods and services, skilled persons will be needed to compete for increasing the market share of the product. Only a few think it has a negative impact (9.52%) on employment generation. The same numbers of people (9.52%) think it does not have any effect on employment generation. Because ICT makes access to the market easier, they are of the view that a large number of market representatives may lose their jobs thus leading to a negative effect on employment generation.

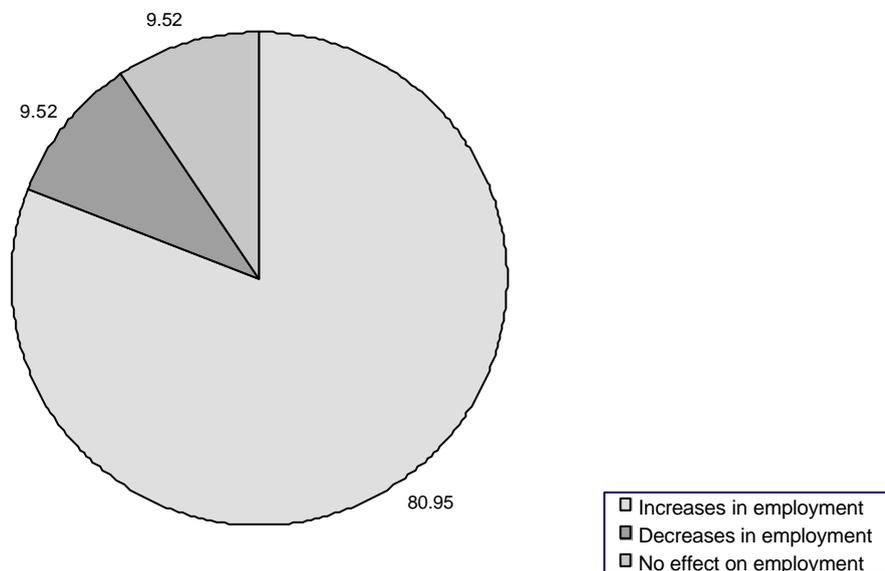
Table 2.4: Impact of ICT on Employment Generation (in Percentage change in Employment)

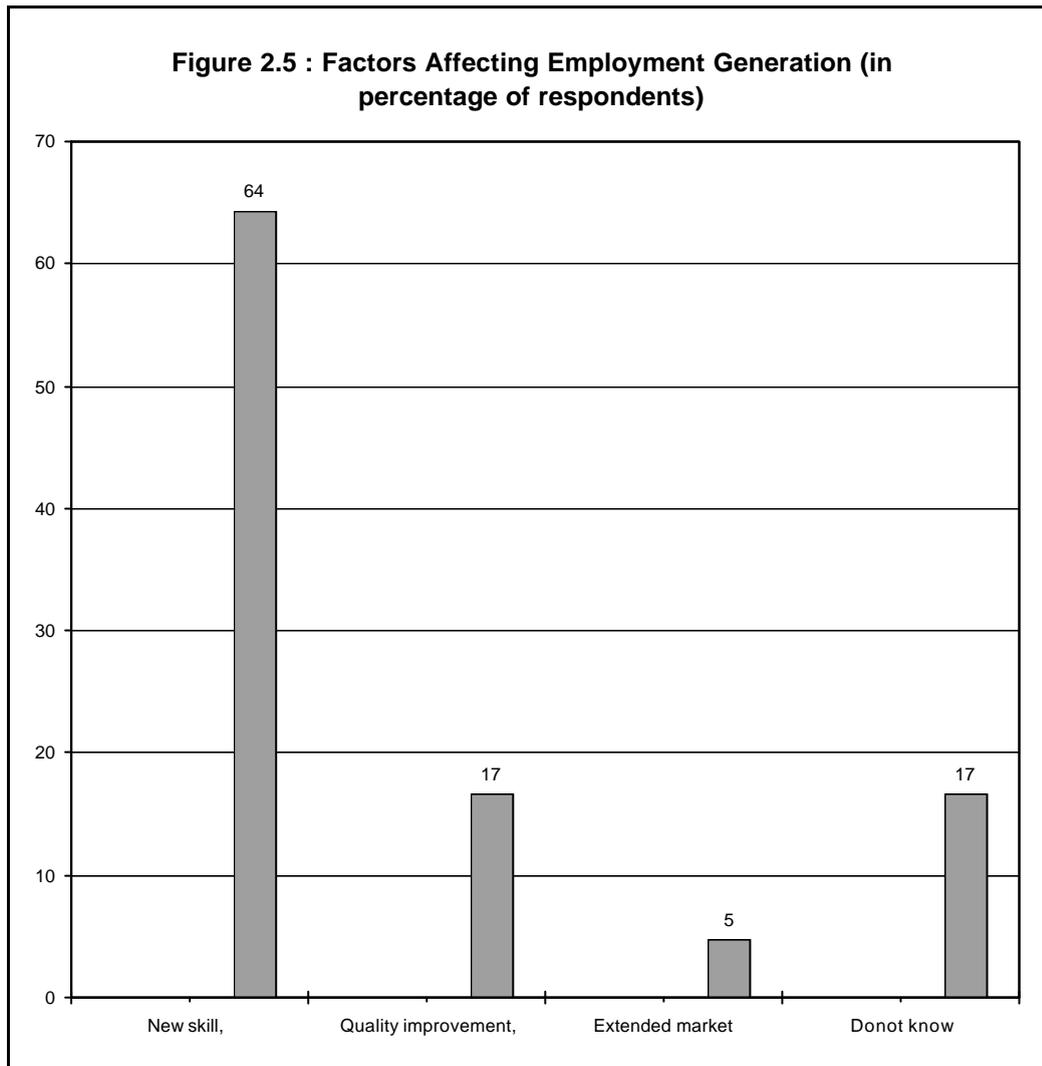
S. No.	Factors	Percentage of respondents
1.	Increases employment	80.95
2.	Decreases employment	9.52
3.	No effect on employment	9.52
Total		100.00

Table 2.5: Employment Generation due to ICT use (in terms of Various Reasons of Getting Employed in Percentage)

S. No.	Cause	Percentage of respondents
1.	Employment generation due to new skill	61.36
2.	Employment generated due to quality improvement	15.91
3.	Employment generated due to extended market	4.55
4.	Don't know	18.18
Total		100.00

Figure 2.4 : Impact of ICT on employment (in terms of various reasons of getting employed in percentage of respondents)





2.4 ICT use scenario

Almost all of the sampled industries are using telephone lines. It is therefore difficult to find industries without any ICT use. Therefore, the case study has considered industries using only telephone lines, but not the other modes of ICT, as belonging to the ICT not-using category. However, an attempt is made in this section to compare the situations before adoption of any means of ICT and after. About half the industries already had telephone lines at the stage of establishment and the rest had acquired them later. The present scenario of ICT use in manufacturing and service is presented in Table 2.6 below

Table 2.6: Type of ICT use in Manufacturing and Service Activities (in percentage of sampled units)

S. No.	Type of ICT	Manufacturing sector	Service sector
1.	Telephone	100.00	100.00
2.	Fax	89.19	80.00
3.	Email	67.57	100.00
4.	Internet	35.14	40.00

2.5 Educational background of workers in ICT using firms

Table 2.7 demonstrates that most of the labourers in manufacturing industries are just literate (38%) whereas middle level technicians (31%) are only SLC, or high school, passed. Manpower with skills above SLC is 29%. Higher qualification workers are few in number (2%). This shows that there is tremendous potential for highly skilled ICT related jobs that the firms should decide to use ICT more intensively to enhance the quality of their products or to increase their market share through effective communication and supply.

Table 2.7: Educational Background of Workers in Different Sectors

S. No.	Level of Education	Percentage of total workers in Sampled Units
1.	Just literate	38
2.	Passed SLC	31
3.	Above SLC	29
4.	Higher degree with technical background	2
	Total	100

2.6 Support provided to local people by ICT using firms

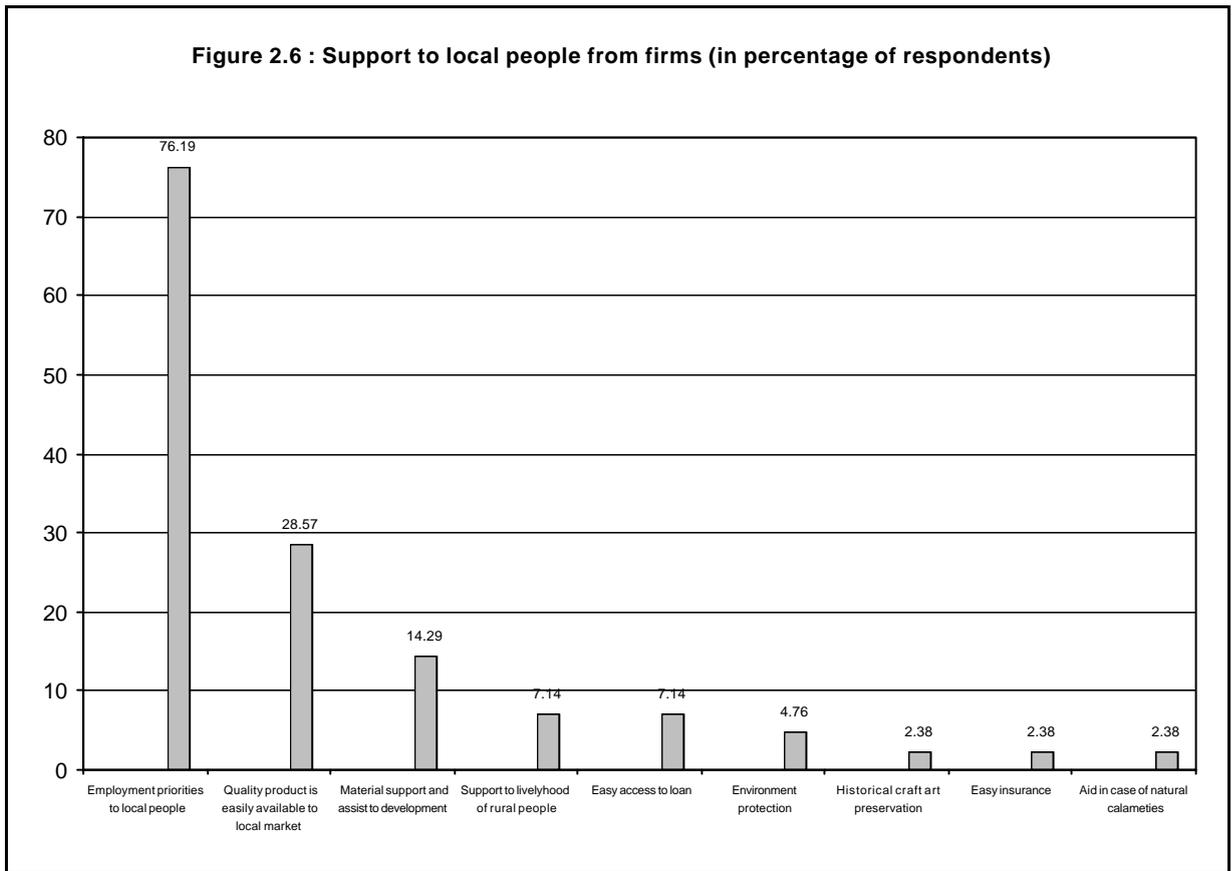
Table 2.8 and Figure 2.6 make it clear that ICT using firms are promoting social conditions to improve the life of local people through employment generation and providing them quality products. Also they are providing material support to local development through easy access to loan and support especially during natural calamities.

Table 2.8: Support to Local People by Firms

S. No.	Component of benefits to local people	Percentage distribution of Firms in sampled industries
1.	Employment priorities to local people	76.19
2.	Quality product is easily available at local market	28.57
3.	Material support and assistance for development	14.29
4.	Support the livelihood of rural people	7.14
5.	Easy access to loan	7.14
6.	Environment protection	4.76
7.	Historical craft /art preservation	2.38
8.	Easy insurance	2.38
9.	Aid in case of natural calamities	2.38

Note: Firms may provide more than one benefit at a time

Figure 2.6 : Support to local people from firms (in percentage of respondents)



The survey in this chapter reveals that the growing ICT activities in Nepal has a positive contribution to employment opportunities, better quality of life of workers and social benefits for local people. Since ICT use at present is at an elementary phase, the foreseeable future looks more promising and socially highly rewarding.

Chapter 3

Impact of ICT on decent work in Nepal

To examine and explain the effects of ICT on decent work, the main indicators considered here are work incentives and social security components like health insurance, pension, right to organize, social dialogue, access to resources, capacity building etc. Data for discussing each of them were collected from field survey, interviews and discussion as stated earlier.

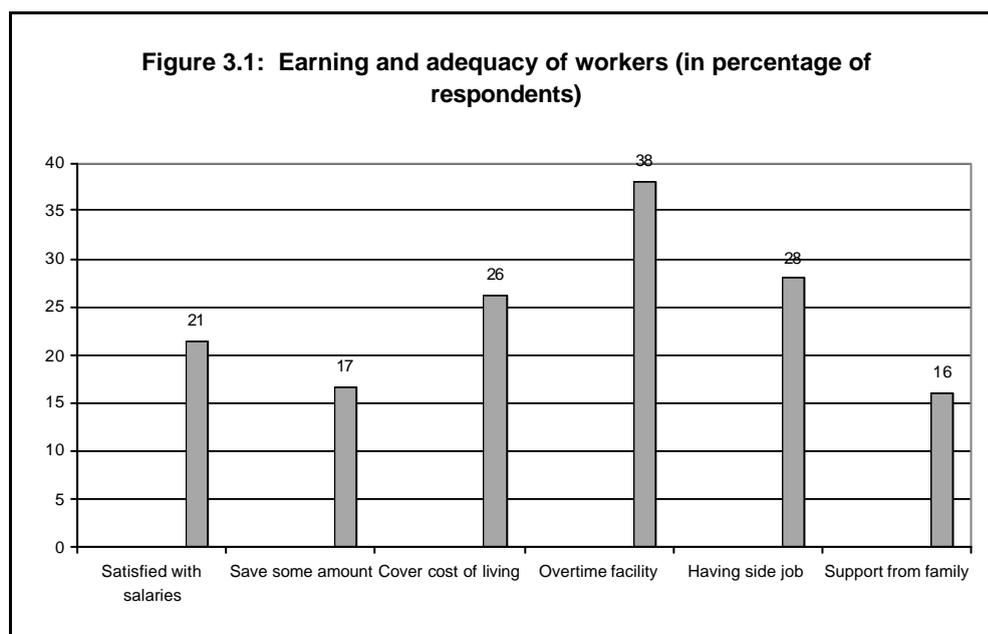
3.1 Incentives and job satisfaction

Table 3.1 and Figure 3.1 show that only 21% of workers are satisfied with their salaries among which 17 percent are saving some amount from their present salaries. Only 26% of workers are able to cover the cost of living of their families. A large number of workers have overtime working facility which enables them to cover their cost of living. Sixteen percent said other members, usually the spouse, of their family are also working to sustain family expenses. Twenty-eight percent said they have a second job--some are self employed or are working in other places. This implies that the rest are managing their family expenditure either by borrowing money or selling their fixed assets.

Table 3.1: Perception of workers on existing salary structure in percentage

S. No.	Particulars	Percent of respondents
1.	Satisfied with present salaries	21
2.	Saving some amount from present salary	17
3.	Able to cover cost of living of their families from salary	26
4.	Have a side job to cover the cost of living	28
5.	Have overtime facility in the present workplace	38
6.	Supported by family members to cover cost of living	16

Note: Each component is considered as 100 percent



3.2 Working hours

The labour law in Nepal provides for a 48 hour working week as the standard. Table 3.2 reveals, however, that even if most of the institutions have followed the law there are many cases where working hours exceed the national norm. Long working hours, reported informally, generally exists especially in factories where most of the work is done on a contract basis.

Table 3.2: Working hours (in percentage of workers)

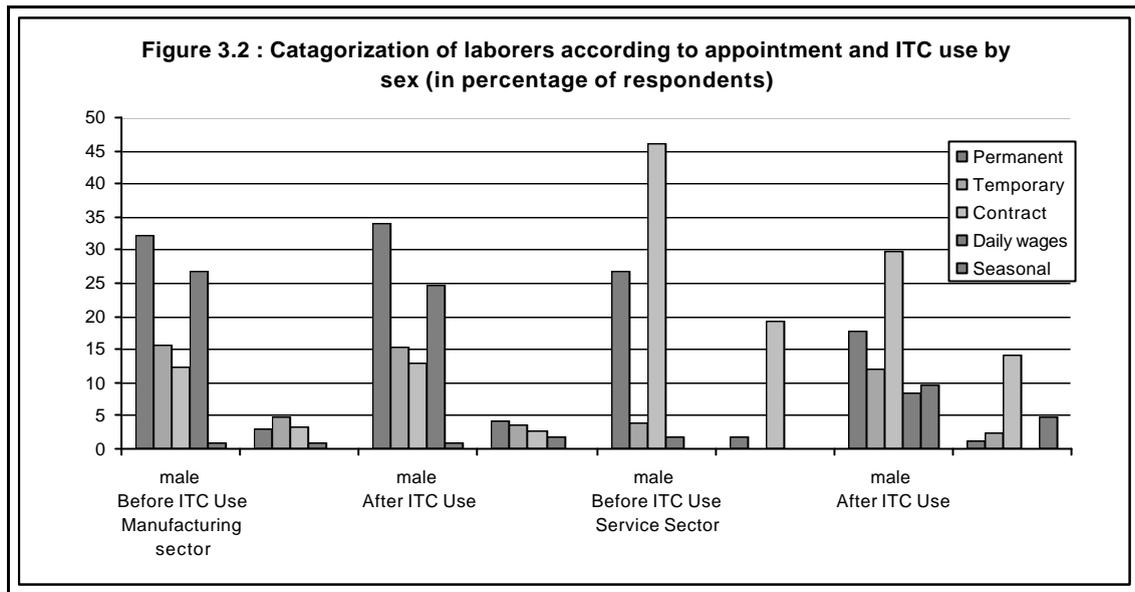
S. No.	Working hours per week	Percent of respondents
1.	44 hours	5
2.	48 hours	84
3.	56 hours	3
4.	60 hours	3
5.	70 hours	5
Total		100

3.3 Job security

Cases in general indicate that job security in Nepal largely depends on the nature of appointment and the job contract between employees and employers. Permanent workers are the most secure who can enjoy better social benefits and facilities whereas contractual daily wages and seasonal workers are deprived of such benefits. How has ICT use made an impact on this situation? The answer appears to be interesting. Table 3.3 and Figure 3.2 show the picture in general of cases before ICT use in manufacturing and service activities. Only one third of workers in manufacturing sector are permanent and majority of workers fall into daily wages and contract category. The service sector is more vulnerable than manufacturing sector in which a large fraction of workers fall in the contract system. The figure of permanent workers in manufacturing after ICT uses, however, improves nominally. This could be because of addition to the payroll that results from addition of ICT equipment. The situation in the service sector, nonetheless, becomes further vulnerable. It is clear that formal sector workers, i.e. permanent ones, have been declining with ICT use in the service sector. Seasonal or temporary demand for services however, seems to be on the increase with ICT use. The reason for this situation could be the aggressive pursuit of economic liberalisation after 1990 which has resulted in less government intervention on all fronts and the market imperfections that still exist.

Table 3.3: Employment by type of appointment in percentage in Sampled Units

S. No.	Type of Employment and ITC use condition	Manufacturing sector						Service Sector					
		Before ITC Use			After ITC Use			Before ITC Use			After ITC Use		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
1.	Permanent	32.18	3.14	35.32	34.18	4.14	38.32	26.92	1.92	28.85	17.86	1.19	19.05
2.	Temporary	15.73	4.74	20.47	15.27	3.47	18.74	3.85	0.00	3.85	11.90	2.38	14.29
3.	Contract	12.38	3.17	15.55	12.86	2.84	15.70	46.15	19.23	65.38	29.76	14.29	44.05
4.	Daily wages	26.74	1.05	27.79	24.72	1.67	26.39	1.92	0.00	1.92	8.33	0.00	8.33
5.	Seasonal	0.87	0.00	0.87	0.84	0.00	0.84	0.00	0.00	0.00	9.52	4.76	14.29
Total		87.90	12.10	100.00	87.87	12.13	100.00	78.85	21.15	100.00	77.38	22.62	100.00



3.4 Fair treatment

Questions regarding discriminatory practices were answered in the negative by respondents. No one reported that there were wage differentials in the same type of work on any ground. Neither were cases of sexual harassment reported. Similarly, no industries have employed child labourers below 18 years of age.

3.5 Safe Work

Informal discussions concluded that workers were not very aware about ICT caused health hazards. Only 2 percent reported that they were aware of it. The majority do not have any idea about health hazards arising from ICT use. Understandably, the awareness level of managers was found to be more than that of factory floor workers; but remarkably the difference is not significant. Only 10% of managers were found aware of ICT borne diseases. This naturally leads to very few industries using any means of mitigation of the health hazards. ICT using workers were not found to be adopting any mitigation measures in the factories visited.

Even among ICT related firms, inspections showed that there was no health-hazard mitigation plan, except for a glass screen to keep out the brightness of computer monitors and back-supported chairs. There were no breaks devised in the work schedules as warranted for computer users to relieve their eyes or exercise their backs, arms and wrists.

Regarding general health hazards in the workplace, Table 3.4 shows the mitigation measures adopted by some utilities. The responses came from the managers. The figure is in percentage out of which each component has a separate 100 percent weight, or in other words, the utility could be adopting more than one measure.

Table 3.4: Consciousness in Health Hazards in Percentage

S. No.	Component	Percentage of Managers
1.	Use of eye glass	4.76
2.	Use of safety dress	4.76
3.	Healthy working place	9.52
4.	Wearing mask	2.38

3.6 Social security

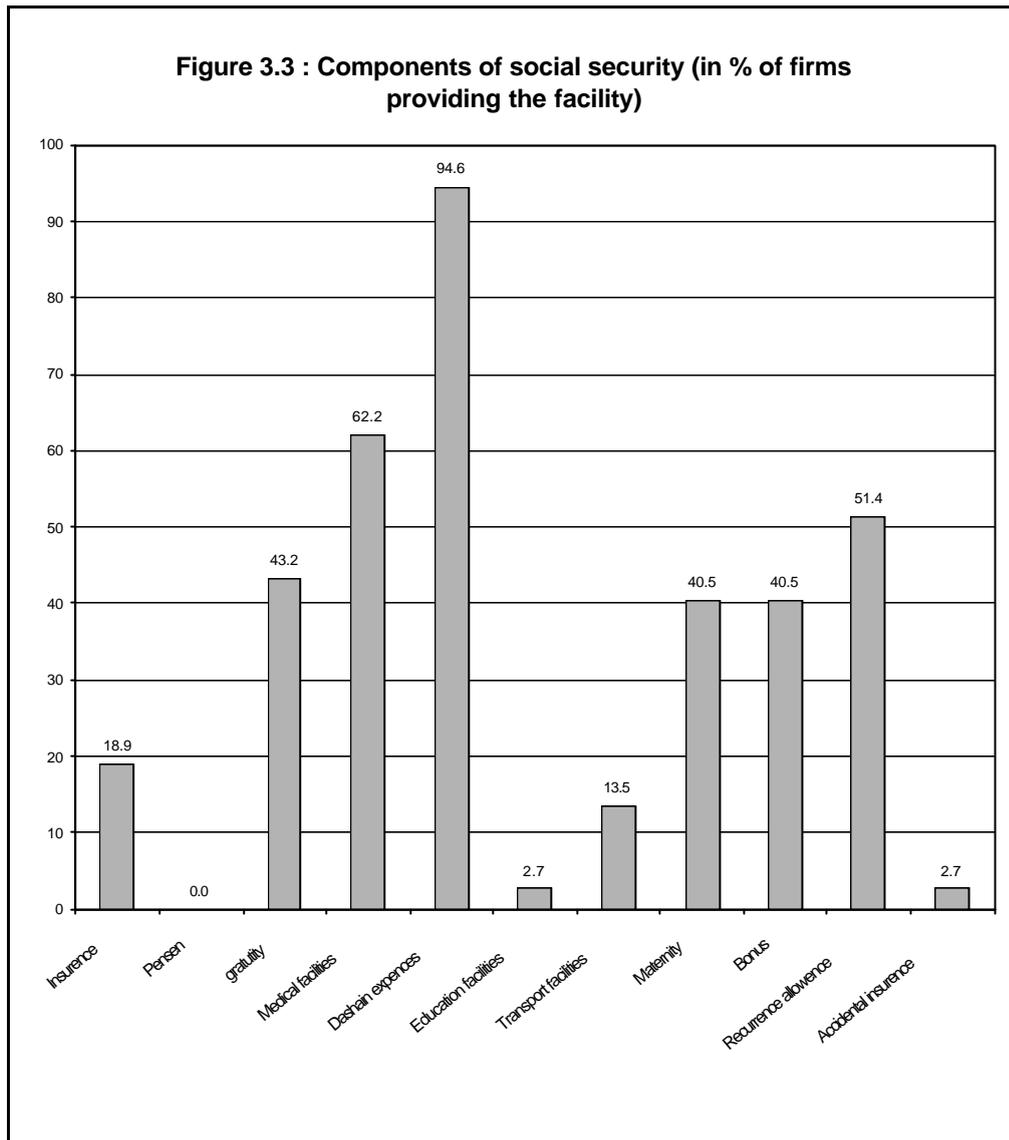
As already mentioned, social security in the organised or formal sector in Nepal depends on the nature of employment contract and the type of ownership of enterprises. By virtue of the legal arrangements, government owned industries provide greater amount of security, whereas it is less so in the case of private industries. There are almost no noted private sector employees' social security schemes, especially pension funds, in Nepal. This could be because of absence of laws to guarantee pensions. Even government owned corporations do not have pension schemes. However, other social security benefits have been devised for the workers' welfare. The lackluster benefits scenario could be because of absence of pressure in a job market where jobs and a regular pay packet are more important than anything else in Nepal because of the high unemployment rate. Low present salaries appear to be a bigger problem than future benefits. Even the recently revised minimum wage does not reach the one dollar a day mark.

Table 3.5 and Figure 3.3 show existing social security provisions. They show that most of the preferred schemes have to do with insurance and medical facilities. Only 19 percent of labourers are insured. Not a single institution has been providing pension to the workers; but nearly half (43.24) of the industries are providing gratuity after retirement or termination of the contract. This is a lump sum given to the worker in place of regular a pension. A large number of industries in the sample (62.96%) reported providing medical facilities, but these are limited only to cases of serious injury. This facility does not include paid sick leaves or minor injury or sick benefits. Similarly, a 45 days maternity leave is provided by almost all the enterprises to women. But male spouses do not get leave if their wives have given birth to a child so as to take care of them. Paid maternity leave is provided twice in a lifetime only to permanent female workers. More than 90 percent of enterprises provide Dashain expenses equivalent to one month salary during the Dashain, the national festival, every year. It was informed that there has been no review of the salary for the last three years. More than 50% of firms allocate for recurrence allowance, generally every year. The study finds that 40% of enterprises provide a bonus to their employees and only thirteen percent of the industries, mainly large units, provide transport facilities.

Table 3.5: Social Security Provisions

S. No.	Type of Benefits and Securities	Percent of total Sampled Industries Providing Social Benefits and Securities
1.	Insurance	18.92
2.	Pension	0.00
3.	Gratuity	43.24
4.	Medical facilities	62.16
5.	Dashain expenses	94.59
6.	Education facilities	2.70
7.	Transport facilities	13.51
8.	Maternity	40.54
9.	Bonus	40.54
10.	Recurrence allowance	51.35
11.	Accidental insurance	2.70

Note: Each category has independent and all have 100 percent weight on their own



3.7 Social dialogue and workplace relations

Tables 3.6, 3.7 and 3.8 and Figures 3.4 and 3.5 are presented for examining these issues. Only 24 percent of industries have trade unions (TU) and 19 percent of labourers (see Table 3.6) are members of at least one trade union. It is seen in the same table that only 17 percent entrepreneurs are positive towards TU. A 43 percent of labourers said that they have the right to strike for genuine demands. As both the industry and service sectors are organised sectors; majority of labourers (79%) are given appointment letters. The appointment letter is an important step in the Nepalese job market as it formalizes the employment status of the labourer putting him/her under the labour law umbrella so that redress is available in case mistreatment by the management occurs. A common complaint heard from workers in Nepalese factories is that they do not have an appointment letter as proof that they work there. Only 12 percent of institutions have canteen facilities whereas nearly all have toilet (98%) and drinking water (100%) facilities (see Table 3.6 and Figure 3.4). It was informed during discussions that labourers working in 75 percent of industries use tap water and only 12 percent have a water filter installed. But no industry has a health clinic and very few are equipped with primary health care kits. Only 18 percent of the firms have provided a separate telephone line to

the trade union office in the industry and 65 percent of workers have access to telephone lines during office hours. Only 17 percent of labourers have access to computers and email/ Internet.

Table 3.6: Institutional Service and Facilities

S. No.	Particular	Percent
1.	Industries having TU	24
2.	Labourers with TU membership	19
3.	Managements positive consideration to TU	17
4.	Right to strike	43
5.	Having appointment letter	79
6.	Having Canteen facility	12
7.	Having toilet facility	98
8.	Having drinking water facility	100
9.	Having Health clinic facility	0
10.	Access to ITC	65

Note: Each category has independent and all have 100 percent weight on their own

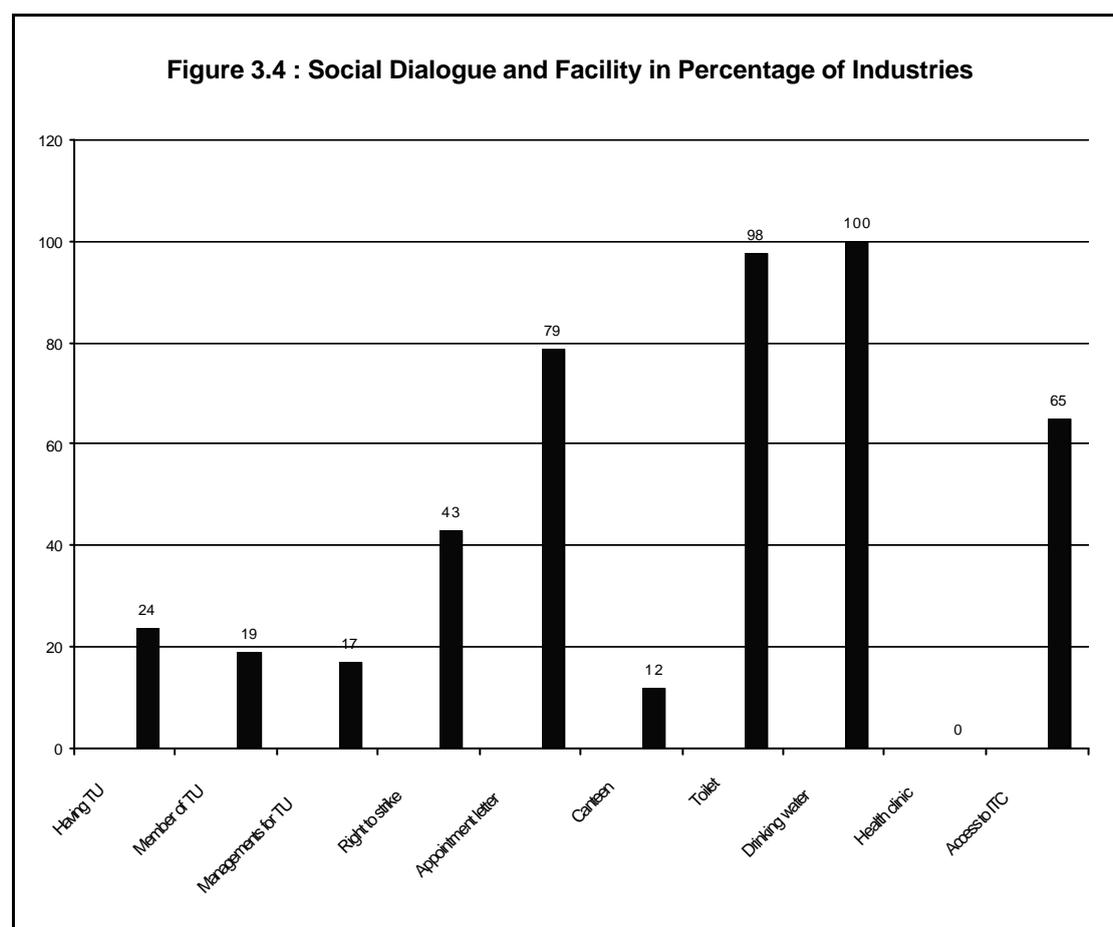


Table 3.7 shows that most of the labourers do not join unions fearing negative treatment from the management. In the course of the study team's visit to the factories it was found that workers were generally discouraged by the management to form unions. The managers themselves were not aware of existing provisions in the labour act with regard to trade unions. In spite of this, there is a general positive sign with regard to

workers becoming organised and assertive. More workers are becoming aware of their right to organise. Their dialogue with the management is gradually picking up (See Tables 3.7 and 3.8). Cases of negotiations, dispute settlement, improvement in working environment, collective bargaining etc., are witnessed.

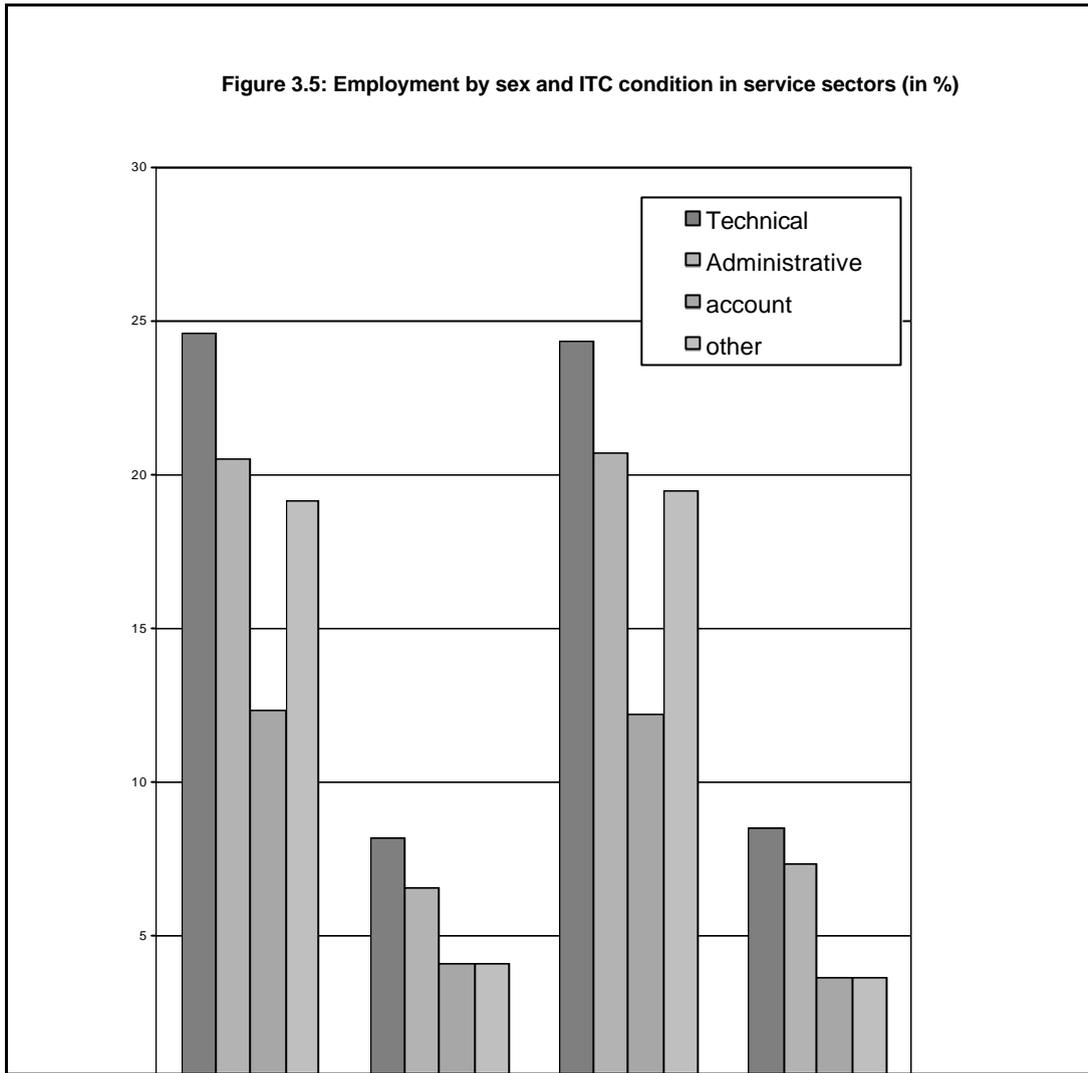
Table 3.7: Social Dialogue: Workers' perception about Trade Unions

S. No.	Response of workers	Percentage of workers
1.	Management not positive	47
2.	Too few workers form unions	20
3.	Lack of knowledge about labour unions	9
4.	Workers do not have the right to organize	9
5.	Industry is newly established	6
6.	Consensus between labour and management	6
7.	Don't like politics	3
	Total	100

Even though union membership is not promising, unions do exist in a number of factories. According to the study, some unions have done an excellent job for the benefit of workers in connection with the implementation of labour laws-- increase in social benefits, settlements of disputes etc. Table 3.8 and Figure 3.5 are evidences of union activities.

Table 3.8: Social Dialogue: Activities of Trade Unions (in Percentage)

S. No.	Details of union activities	Percentage of Respondents
1.	Organisation/ Unionisation efforts	13
2.	Labour welfare and collective bargaining with management	25
3.	Facilitation in the implementation of labour law	19
4.	Negotiation for salary and allowance increment	19
5.	Demanded and got worker insurance system	6
6.	Demanded and got medical facility for worker's family	6
7.	Dispute settlement	6
8.	Demanded and reduced the number of contract workers and increased temporary appointment	6
	Total	100



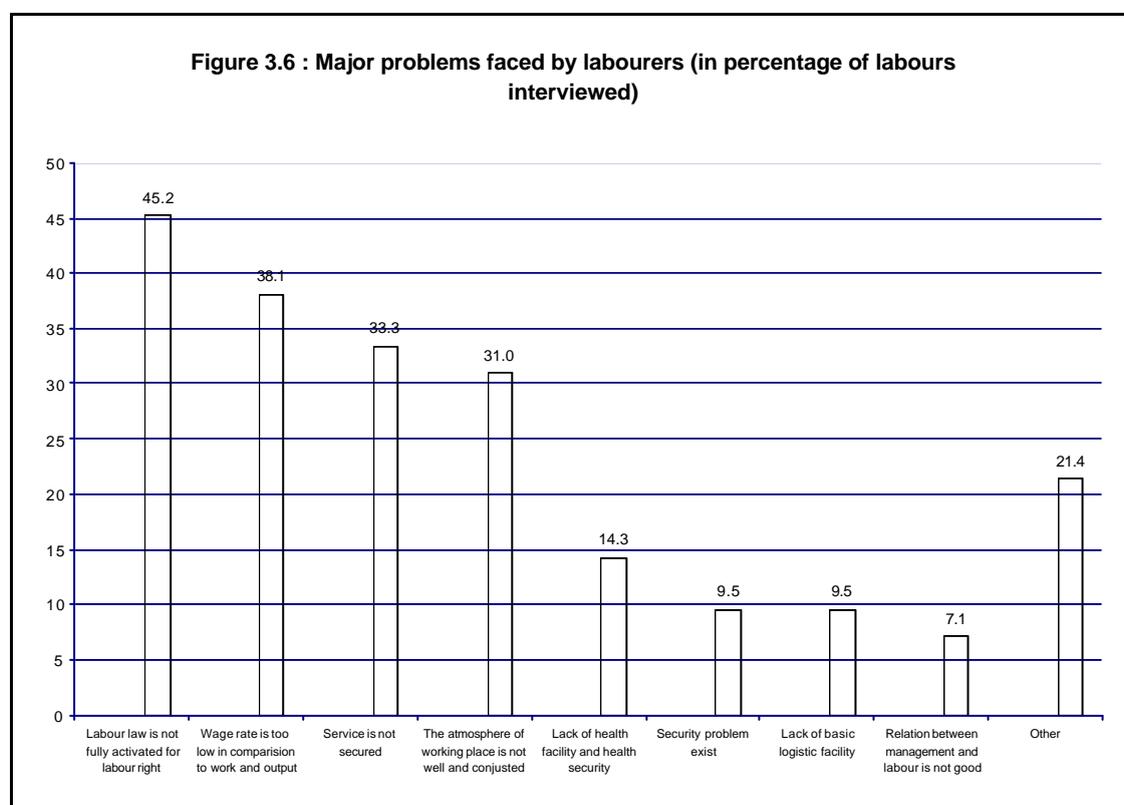
3.8 Problems faced by labourers: The workers perspective

Even if the provisions guaranteed by the labour law in Nepal are favourable to workers, the implementation side was reported as very poor during the survey. A majority of labourers just wanted effective implementation of existing labour laws for them to be able to enjoy more worker rights. Similarly, poor wage rate, poor job security, substandard workplace environment etc are the major problems faced by them. Table 3.9 and Figure 3.6 describe those problems.

Table 3.9: Problems faced by labourers in the workplace in percentage of labourers interviewed

S. No.	Major problems perceived by labourers	Percentage
1.	Labour law is not fully operational to enjoy labour rights	45.2
2.	Wage rate is too low in comparison to work and output	38.1
3.	Job is not secure	33.3
4.	The atmosphere of working place is not good and is congested	31.0
5.	Lack of health facility and health security	14.3
6.	Security problem exists	9.5
7.	Lack of basic logistics	9.5
8.	Relation between management and labourers is not good	7.1
9.	Canteen is needed	2.4
10.	Contract worker are deprived of facilities enjoyed by formal workers	2.4
11.	Do not have the right atmosphere to advocate labour rights	2.4
12.	Do not have insurance facility	2.4
13.	Products facing market problems	2.4
14.	Payment delays	2.4
15.	Living condition of worker is poor	2.4
16.	Unsecured loan investments made	2.4
17.	Management is self-centered	2.4

Note: Each problem is independent and has been given a 100 percent weight, meaning a labourer may be facing more than one problem



3.8 Activities to build workers' capacity

3.8.1 Training

Usually industries conduct general training for improving quality of their products. Survey data shows that industries are equally showing interest towards ICT related trainings after adopting ICT. There were 21 training programmes related to production and 10 related solely to ICT, per hundred industries, that were conducted in the past. On average, 22 and 10 workers were trained respectively by each industry out of 100 industries. Average per worker investment on human resources is only NRs.54 and 124 in the sample firms. Obviously the cost per actual trainee is much higher. The amount invested in human resource development is only 2 percent of the total budget (Table 3.10).

Table 3.10: Training Related to ICT

S. No.	Details	Unit	ICT training	Other training
1.	Number of trainings per 100 Industry	No	10	21
2.	Total number of trainees per 100 industries	Person	14	22
3.	Percentage of trained workers out of total workers	Percent	1.86	2.22
4.	Average training period per training	Days	105.00	9.00
5.	Average training cost per training	NRs	41225	42012
6.	Average amount of investment per trainee	NRs	2893	5560
7.	Average amount of investment per worker in relation to total workers	NRs	54	124
8.	Investment in HRD as percentage of total budget	Percent	2.00	

Note: Exchange rate is NRs 75 per US dollar

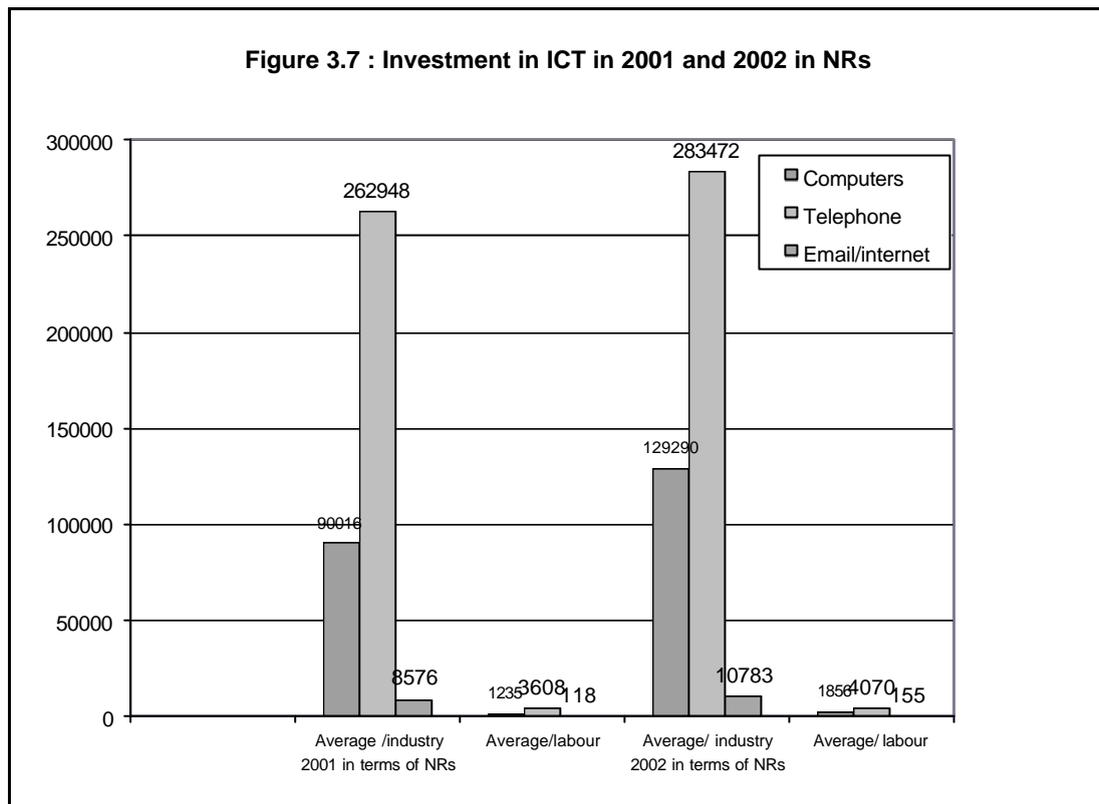
3.8.2 Investment in ICT

There is an increasing trend of investment in ICT, both in terms of amount and industries. The following table and figure (Table 3.11 and Figure 3.7) give the average investment per industry. While in 2001, investment in computers was Rs. 90,016, it grew to Rs. 129,290 in 2002. Investment per worker too grew from 1,235 rupees to 1,856. Similar trend is also observed in telephones, email/internet and fax. (see Table 3.11 and Fig. 3.7)

But if we break down the investments on different items, we find that the highest amount has gone to telephones. Computers, the main vehicle of communications today, has not been able to attract enough investment to change the work culture. The average amount invested is just enough for one or two computers per industry. In other words, these machines may have been brought to enhance the communications facility of the firm or enhance its accounting system. It is clear that there is room for radical change in the way the firms are run if they are willing to invest more on ICT.

Table 3.11: Investment in ICT

S. No.	Components	2001(in NRs)		2002 (in NRs)	
		Average per industry	Average per labour	Average per industry	Average per labour
1.	Computers	90016	1235	129290	1856
2.	Telephone	262948	3608	283472	4070
3.	Email and internet	8576	118	10783	155



3.8.3 ICT's attraction

Table 3.12 describes how workers are attracted towards the use of ICT at their workplace. Expansion of knowledge, easy access to information, saving time, useful in quality improvement, are some of the major reasons for attraction as identified by workers.

Table 3.12: Reasons behind Attraction for labourers in ICT use (in percentage of interviewees)

S. No.	Factors Causing labour interest for ICT use	Percentage of interviewees
1.	Provides knowledge of new production technology	61.90
2.	Provides easy information access and saves time	52.38
3.	Useful in quality improvement and market extension	47.62
4.	Makes it easier to work	21.43
5.	Output of labour increases	14.29
6.	Raises awareness about rights and duties of worker	14.29
7.	Distribution of products becomes easier	14.29
8.	Quick response to demand by supply	4.76
9.	Reduces physical inputs	4.76
10.	Reduces inventory costs	2.38
11.	Extra work generated and part time jobs created	2.38
12.	Time-saving culture introduced	2.38

Note: Interviewees may have provided more than one answer

3.8.4 Changes in industries through ICT

ICT has brought dramatic changes in the production, marketing and distribution of goods and services. It has changed from a costly, low quality, unplanned, difficult and slow production system to a speedy, better quality and organised production system. Similarly, it has helped industries increase their market shares or create new markets which was not possible without the adoption of ICT. This has resulted in a more competitive market with the reduction of monopoly practices in the absence of competition. Finally, distribution is more systematic with ICT use.

Table 3.13: Changes due to ICT use in Production, Marketing and Distribution (in percentage of respondents)

S. No	Production before ICT use	Percent	Production after ICT use	Percent
1.	Difficult and slow	38.10	Easy and speedy	35.71
2.	Supply unconnected to actual demand	26.19	Supply balanced with demand and organized	14.29
3.	Low quality and costly	23.81	Improved quality	50.00
4.	Limited market	60.00	Extended market	65.00
5.	Monopoly	11.00	Competitive	30.00
6.	Lack of knowledge	6.00		
7.	Difficult in distribution	100.00	Easy in distribution	100.00

The indicators presented in Tables 3.1 through 3.12 and Fig. 3.1 through 3.7 also depict the impact of ICT on various social aspects. In other words, ICT in Nepal has been gradually exerting its impact on decent work which appears to be mostly positive at the moment.

3.9 Additional Case studies

3.9.1 Use of ICT

Three categories of industries, i.e. small, medium and large scale units, were considered for the case studies. According to the sample survey, almost all the industries are using telephone lines. In that sense, it is difficult to find industries without any ICT use. Therefore, the study has assumed that industries having only telephone lines to be in the ICT not-using category. Industries both from Kathmandu valley and outside the valley were selected for the purpose of the case study. Following are the findings of the case studies regarding employment, investment, social security, capacity building, earning and issues of social dialogue.

Employment:

The prospect of job creation appears to be better in ICT using institutions. According to the case study, the number of personnel employed in the ICT using institutions is higher than the ones not using it. It is also obvious from the table that prospect for females to get jobs in ICT using institution is greater (Table 3.13).

Table: 3.14: Number of Employees in case study firms

S. No.	Size of firm	Number of employees in ICT using firms		Number of employees in ICT not using firm	
		Male	Female	Male	Female
1.	Large	55	5	16	0
2.	Medium	41	13	16	0
3.	Small	6	1	3	1

Table: 3.15: Number of persons employed in ICT Using Case Study firms

S. No.	Scale of Institution	Male	Female	Total
1.	Large	1	2	3
2.	Medium	0	1	1
3.	Small	5	1	6

Investment and capacity building:

Investments in ICT in the ICT using category of industries were studied for two subsequent years i.e. 2001 and 2002. Table 3.16 shows that investment in this category has been increasing in all the industries.

Table: 3.16: Yearly investment in ICT by ICT using firms in NRs. by size of firm in Sampled Units

S. No.	Scale of institution	Investment in 2001				Investment in 2002				Growth percentage in total investment
		Computer	Telephone	Email/Internet	Total	Computer	Telephone	Email/Internet	Total	
1.	Large	59500	962655	25000	1047155	114300	1156993	20000	1291293	23
2.	Medium	121010	54362	5735	181107	140000	63070	4226	207296	14
3.	Small	113470	15400	3670	132540	110000	17123	3991	131114	-1
Total		293980	1032417	34405	1360802	364300	1237186	28217	1629703	

Table 3.17 shows investment by different size industries in training. ICT using industries have so far conducted 5 training programs exclusively on ICT, while ICT not-using industries have not conducted any programmes on ICT, naturally, but have conducted 3 other trainings.

Table: 3.17: Training and Investment by Size of firms in Sampled Units

S. No.	Scale of Institution	ICT using			ICT not using		
		ICT trainings in number	Other trainings in number	Amount invested in NRs.	ICT trainings in number	Other trainings in number	Amount invested in NRs.
1.	Large	2	0	61500	0	3	24000
2.	Medium	0	0	0	0	0	0
3.	Small	3	0	27000	0	0	0
Total		5	0	88500	0	3	24000

It (Table 3.18) shows the modes of ICT used by institutions of different scale, according to which small institutions outstrip medium and large institutions in the use of ICT. The reason behind this is that this small institution was an ICT producing one.

Table: 3.18: ICT equipment in number by Size of firms in Sampled Units

S. No.	Scale of Institution	ICT Equipments in number				
		Telephone	Fax	Computer	Other	Total
1.	Large	7	1	4	2	14
2.	Medium	3	1	2	2	8
3.	Small	5	1	19	2	27

Working Hours

Most of the industries follow the standard working hour norm i.e. 48 hours a week except one medium ICT using industry (Bakery), where weekly working hours is 70. Table 3.19 is evidence of it.

Table: 3.19: Working Hours in two ICT conditions by Size of firms in Sampled Units

S. No.	Scale of Institution	Working hours per week	
		ICT Using	ICT not-using
1.	Large	48	48
2.	Medium	70	48
3.	Small	48	48

Production and distribution

The following table compares the production, market and distribution of ICT using and not using institutions. Table 3.20 shows that ICT has helped to maintain quality of the products, expand market and made distribution system easy, whereas the opposite has been seen in ICT not using industries.

Table: 3.20: Production, Market and Distribution of ICT using and not using Institutions by Size of firms in Sampled Units

S. No.	Scale of Institution	Using ICT			Not using ICT		
		Production	Market	Distribution	Production	Market	Distribution
1.	Large	Qualitative	Organized	Easy	Expensive	Unorganised	Difficult
2.	Medium	Accelerated	Extended	Easy	Slow	Limited	Difficult
3.	Small	Qualitative	Extended	Easy	Slow	Limited	Difficult

Social security

As a practice in Nepal, access to better social security depends on the nature of contract (agreement) between employers and employees. Labour law of Nepal also discriminates between workers according to their nature of employment. Also, it is difficult to pursue the case of informal sector workers. It could be because of this that employers are found to be reluctant to give workers a formal status with an appointment letter. Permanent workers therefore enjoy more facilities whereas contractual and daily-wage workers get less of it regardless of their ICT status. However, some facilities are common. As Table 3.21 shows, every employee is entitled to a Dashain allowance. Not even a single institution has any provision regarding pension. Some industries in both ICT using and not using categories have the provision for gratuity. What we can conclude from this table is that labour law has not been implemented effectively in Nepal.

Table: 3.21: Social security provided by firms in ICT using and not using conditions by Size of firms in Sampled Units

S. No.	Social securities	ICT using institution			ICT Not using institution		
		Large	Medium	Small	Large	Medium	Small
1.	Insurance	No	No	Yes	No	No	No
2.	Pension	No	No	No	No	No	No
3.	Gratuity	No	No	Yes	Yes	No	No
4.	Medical facility	Yes	No	Yes	Yes	No	Yes
5.	Dashain expenses	Yes	Yes	Yes	Yes	Yes	Yes
6.	Education facility	No	No	Yes	No	No	No
7.	Transport facility	No	No	No	Yes	No	No
8.	Maternity leave	Yes	No	Yes	Yes	No	Yes
9.	Bonus	Yes	No	Yes	Yes	No	No
10.	Recurrence allowance	Yes	Yes	Yes	Yes	Yes	No

Earning and its adequacy

Table 3.22 shows that employees of only small scale ICT not using category of firms are satisfied with their present salary and they do not have to seek other sources of income in order to sustain life. The rest are not satisfied from their earnings and are compelled to find other sources of income. ICT using medium scale firms as well as ICT not-using large and small scale ones are providing overtime facility whereas rest of the industries do not have this facility.

Table: 3.22: Earning and Its Adequacy by Size of firms in Sampled Units

S. No.	Component	ICT using			ICT not using		
		Large	Medium	Small	Large	Medium	Small
1.	Satisfied with salaries	No	No	No	No	No	Yes
2.	Sufficient to sustain life	No	No	Yes	No	No	Yes
3.	Save some amount	No	No	No	No	No	Yes
4.	Using other source of income	Yes	Yes	No	Yes	Yes	No
5.	Have OT facility	No	Yes	No	Yes	No	Yes

Social dialogue

Only one large industry using ICT has a trade union. Table 3.23 is presented to describe social dialogue. It shows that only one manager of a small-scale institution using ICT has a positive attitude towards unions. The medium industry using ICT provides appointment letters to employees while the rest of them do not have any written contract papers to formalize the status of their workers. Workers of large scale ICT using and small scale ICT not using industries have the right to strike. None of the industries reported employing child labour and wage difference by sex. Similarly no one has reported of sexual harassment and unsafe work.

Table: 3.23: Social Dialogue by Size of firms in Sampled Units

S. No.	Component	ICT using			ICT not using		
		Large	Medium	Small	Large	Medium	Small
1	Trade Union formed	Yes	No	No	No	No	No
2	Presence of TU members	Yes	No	No	No	No	No
3	Attitude of manager towards TU	Neutral	Negative	Positive	Negative	Negative	Negative
4	Right to strike	Yes	No	No	No	No	Yes
5	System of appointment letters	No	Yes	No	No	No	No
6	Whether wage difference by sex	No	No	No	No	No	No
7	Whether child labour exists	No	No	No	No	No	No

3.10 Case study on ICT producing industries

None of the industries reported that they are producing ICT hardware. Those involved in hardware are not usually big in size. Usually they are a backroom single-person enterprise that assemble computer parts by importing them from abroad. Recently, an ICT firm has been reported to have started assembling them in a bigger scale with its own brand name, but access to the firm was denied to the study team. The problem of studying hardware ICT firms is likely to remain in the foreseeable future as the market for ICT is still too limited for them to sustain themselves. And, there has been no visible

policy shift that is likely to see establishment of ICT industries for the purpose of export. Other problems also exist like, absence of competent manpower, investment climate and the security situation in the country.

In the software category, the environment is slightly better as they do not need to depend on the domestic market for their products which are easily contracted out by foreign firms to those based in Nepal. Attempts were on from the government's side to capitalize on this aspect by training people through a private firm on software, but that effort too has fallen flat with the government and the firm in question quarrelling over financial matters.

3.11 Statistical Test and Projection

3.11.1 Paired Samples Statistical Test

Test of significance of mean number of employees in two ICT conditions is presented below:

Null Hypothesis H_0 :

There is no significant difference in employment between ICT using and ICT not using firms, or $x_1 = x_2$

Where

x_1 = Mean number of employees at ICT not using condition, and

x_2 = Mean number of employees at ICT using condition

Variables	Mean Number of Employee	Sample Size	Std. Deviation	Std. Error of Mean	Calculated Z value	Tabulated Z value at 0.5% level of Significance
ICT not using	69.6429	42	125.1555	19.3119	0.117	1.96
ICT using	72.8810	42	127.8412	19.7263		

The calculated value is much smaller than the tabulated value, so the null hypothesis is accepted. Statistically, it does not show any significant difference in the employment in ICT using and not-using conditions.

Line of Regression

Employment can be measured as working hours and number of workers in different ICT conditions. The proposition is that employment is the function of the technology used, i.e. different conditions of ICT use. The following regression line has been estimated on the basis of data on using ICT and not using ICT. The fitted equation is:

Working hours = Intercept + slope * workers in ICT not-using situation + slope * workers in ICT using condition.

Mathematically,

$$Y = a + bX_1 + c X_2$$

Where,

Y= Working hours

a = Intercept

X₁ = Number of employee in ICT not using condition

X₂ = Number of employee in ICT using condition

b = Slope of variable X₁

c = Slope of variable X₂

The estimate of the above equation gives:

$$a= 49.833$$

$$b= - 0.0802$$

$$c= 0.0768$$

The line of regression, accordingly, is:

$$Y = 49.833 + (- 0.0802) X_1 + 0.0768 X_2$$

The calculated F ratio is 0.762, which is much less than the tabulated value 3.23.

Statistically, the result does not support that there is a significant impact of ICT in employment. The regression line however gives some indication of positive impact on employment with ICT use as the coefficient of X₂ is positive. The slope in the ICT not using condition has a negative effect implying again that use of ICT is essential for more employment. This regression equation can be used for the extrapolation of the employment effect of increased ICT use for future employment plans in Nepal.

A different equation was tested to find the parameters for modelling in extent to variables like

$$\text{Log } Y = a + bx_2$$

The line of regression, accordingly, is

$$\text{Log } Y = 1.694 + 0.00004 x_2$$

Similarly,

$$Y = a + b \text{Log } x_2$$

The line of regression, accordingly, is

$$Y = 50.605 + 0.086 \text{Log } x_2$$

Both the estimates give a positive sign for relations in semi-log form between Y and X₂. However, as these estimated equations seem to have a poor fit, extrapolation of Y values on the basis of values of X₂ may not be suggested.

Chapter 4

Conclusions and policy recommendations

4.1 Conclusions of the study

Broadly, the ICT sector in Nepal is at such an infant stage that its impact is yet to be felt by all sectors significantly for them to make radical decisions about ICT use. The changes that were seen after ICT was adopted by firms are quite contrary to expectations, e.g. ICT is said to reduce number of jobs as productivity increases with ICT use, but the fact is that in Nepal the technology is just getting introduced and that new workers are needed to run the new equipment. It is yet to produce the productivity results that would go against the employment statistics. For that to happen ICT should actually be used as a means to enhance productivity rather than just an extension of the communication facilities like the telephone. Nonetheless, the study has derived the following conclusions:

1. Use of ICT creates more jobs than in ones not using it. Most employees think that ICT creates more jobs due to expansion of existing skills to meet IT needs.
2. ICT is useful in market expansion through improved quality and accelerated production of goods and services. Both entrepreneurs and labours prefer the use of ICT. Access to means of ICT to the labour is not easy.
3. Investment on ICT hardware shows an increasing trend but investment on human resource development by firms is marginal.
4. Means of ICT is expensive to users.
5. Working condition is more favourable for women in ICT using industries. No wage difference by sex.
6. No child labour is employed in firms.
7. Few cases were noted where normal working hours of 48 hours a week is violated.
8. Implementation of labour law is poor. Very few workers are permanent and majority of workers in manufacturing sector are appointed on contract basis.
9. Provisions of social security provided to the labours are not enough.
10. Most of the workers are not satisfied with their present salaries. Low wage rate, unhealthy atmosphere of working place, insecurity of job and lack of basic physical facilities are the main problems faced by labourers.
11. Trade Unions are effective for labour rights and collective bargaining. Very few labourers are members of Trade Unions. It is a clear indication of the limit to the right to organize, or it is a violation of existing labour laws.
12. No firms run medical clinics.
13. Very few workers as well as managers are aware of ICT-caused health hazards and only a few are using mitigation measures.
14. Local rural people are benefiting a lot from decentralisation of IT related training and expansion of the use of IT in other industries.

The finding of the study, that IT helps employment, appears not only to be in tandem with the rise of a budding sector in a country where unemployment is rampant, but also with the mind-set of both the workers and the businessmen, not to mention the government itself. Interviews with trade unions, firms and the government, not to mention ILO officials, have revealed that the priority is placed by all on expanding the ICT sector in Nepal. The concerns about its impact on decent work is yet to make it to the mindset of all the concerned before even making it to the policy realm.

The General Federation of Nepalese Trade Unions, or GEFONT, has initiated several programmes to enable workers to benefit from the use of ICT. They have tried to generate awareness among the union workers in different districts of the country about the benefits of IT and conduct training programmes for those involved in IT issues within the unions. But they are more concentrated in orienting the unions rather than actually giving the workers a hands-on feel of the basic IT equipments like computers, faxes and printers. The stress is still on the IT capability of the union itself. This has a positive impact about the union on external relations with other organizations, researchers seeking information on the situation of labour and the people in general. For example, GEFONT's well kept websites provide a lot of information on the situation of labour in Nepal. Although direct IT benefits to the workers from such activities may be doubtful, a lot of benefit does accrue from the awareness it generates about labour issues among other socio-economic and political actors. However, even a knowledge empowered union is better than one without it. If IT helps networking with foreign unions on the one hand, on the other, GEFONT itself feels that there is a perceived increase in the bargaining power of the unions from the use of IT as it updates them on contemporary issues as required. So there is some percolation or trickle-down of the IT benefits to the workers, which can be translated as decent work environment, in the long run from GEFONT's IT activities.

Secondly, the management of firms have not faced any real ICT issues affecting the workplace and therefore mitigation measures are virtually absent. The Federation of Nepalese Chambers and Industry has seen the need to train workers in the IT field as the overriding need of the day. In a way, the objective of both the unions (in this case GEFONT) and the management (FNCCI) have coincided to empowering the worker with ICT skills. At the moment, both appear to be oblivious about its actual impact on the workers' right to decent work. This is understandable especially at a time when IT is an expanding sector and there is a great need for resources to meet the expansion needs, whether financial or human. This must be the reason why FNCCI seems rather pre-occupied with the need to promote the use of IT in business, for example increasing productivity through the use of ICT, than its prospective outcome on issues related with labour. For firms to heed to such concerns, enough grievances must accumulate so that the voices get louder. For that to happen soon, unions need to be equally aware of decent work issues as they appear in the promotion of ICT use.

Even the government and the ILO appear to be heading towards the same direction that GEFONT and FNCCI is heading, i.e. training workers on the use of ICT. The government has in fact come out with several policies in the past ten years to meet with the growing pressure of fast paced technological development of the IT sector. But similar efforts are lacking in tackling decent work issues. In fact, the labour laws and policies show that there is rather a lackluster attention to the need of workers for basic social security. Decent work issues, therefore, must be rather low in the priority list. ILO's involvement in policy matters has helped the government to some extent. Both the government and the

ILO have come together not only for training purposes but also in formulating policy on ICT so that work standards are harmonized among ICT workers. This appears to be the most notable impact ICT has had (conducted by the two agencies) on decent work in Nepal.

ILO, like the Unions, has also been assisting in creating awareness among workers regarding the benefits that ICT generates. Such programmes are being carried out in cooperation with both the unions and the government. The unions and the government therefore appear to be benefiting from ILO activities in Nepal, especially with regard to ICT diffusion. The frequent updates in government policy on ICT matters prove that there is an effort being made to move with the technology of the times. Obviously, a lot can be achieved by such policies in strengthening the employment sector. But in the case of Nepal, the constraining factor is not policy, but resources. Since the findings of this study itself shows that ICT has a positive environment on employment, it would do well for firms to adopt ICT more readily. But this, however, is limited by the size of the firm's budgets. This means that the government needs to subsidize the growth of ICT. In a developing country like Nepal, this too is not possible given the pressure that poverty and other forms of economic deprivation creates. But policies, such as those on import duties and customs, can still help to some extent by making ICT adoption less expensive (by lowering taxation on ICT import and use). And, here, the country is trying to harmonize its taxation with the World Trade Organisation requirements. In other words, the government does appear to be doing its best for the diffusion of ICT. It is only resources that have been the constraining factor.

4.2 Policy Suggestions:

Based on conclusions, the study makes the following recommendations.

1. A long term ICT strategy needs to be in place, that does not compromise with the country's macro-concerns like economic growth, human development and social harmony. ICT use in all sectors needs to be encouraged to capitalize on its benefits, which appear not to be realized by those in the industrialization process. Appropriate policy would not only bring in foreign investors in the sector but lowering costs through appropriate policies would boost ICT use. It is recommended that the tariff of telephones be reduced and a practical policy be pursued to encourage the use of ICT in all the sectors. Government should extend, maintain and build infrastructure related to ICT and take them to rural parts as well.
2. From the government's side, ICT parks and ICT zones can be promoted in the different regions of the country to help reduce the digital divide between regions. Scholarship to ICT colleges should be designed with the digital divide in mind.
3. ICT related education should start from the school level. Quality of training provided by private firms and computer training centers should be standardized. There should also be a plan to include ICT professionals in the government's manpower export policy.
4. Computer programming should be developed in Nepali language for the labourers, who are mostly just literate, so that they can also access them. Workers should also

have the opportunity to upgrade their ICT skills through regular trainings to meet the needs of the day.

5. Minimum health hazards of ICT use must be insured and standards set with regard to the equipment used. Workers should not be forced to work under hazardous conditions. Appropriate breaks in the work schedules, sitting arrangements and protective gear should all be part of the health risk mitigation plan which should be mandated by law.
6. Gender sensitive programmes would do well to include ICT in their plans. This is imperative in the sense that ICT use has shown direct benefits to women's employment especially in firms that give priority to women candidates seeking employment.
7. There should be regular monitoring on the effects of ICT in employment in the sense that the ICT can help reap positive benefits in income, output, employment, income distribution, etc. Preference in filling new ICT vacancies should go to old workers after training them, rather than hiring new ones and firing the old.
8. Labourers should be paid on the basis of output.
9. Effective monitoring system should be established to monitor implementation of labour laws. Labourers should be provided with formal appointment letters. Jobs should be secured and basic facilities must be made available.
10. Social security like insurance, gratuity education facility, health benefits, etc. must be enhanced and made regular. Pension schemes in the private sector and the government owned corporate sector should be introduced.
11. The social dimensions of ICT adoption, like environment protection, should also be part of industrial concern.
12. Rural people should be given priority in employment by local industries.

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Tables

Socio economy

The following tables have been taken from publications, census data, Nepal Telecom Authority, Computer Association of Nepal, Labour Unions and Universities. Some were unearthed from interviews with the relevant individuals.

TABLE 19 : POPULATION BY MOTHER TONGUE AND SEX						
S.NO.	MOTHER TOUNGE	TOTAL			MALE	FEMALE
		NUMBER	%	CUMULATIVE %		
	Nepal	22736934	100.00	100.00	11359378	11377556
1	NEPALI	11053255	48.61	48.61	5422233	5631022
2	MAITHILI	2797582	12.30	60.92	1458556	1339026
3	BHOJPURI	1712536	7.53	68.45	893813	818723
4	THARU (DAGAURA/RANA)	1331546	5.86	74.31	671252	660294
5	TAMANG	1179145	5.19	79.49	588409	590736
6	NEWAR	825458	3.63	83.12	410481	414977
7	MAGAR	770116	3.39	86.51	372568	397548
8	AWADHI	560744	2.47	88.98	293201	267543
9	BANTAWA	371056	1.63	90.61	182162	188894
10	GURUNG	338925	1.49	92.10	159369	179556
11	LIMBU	333633	1.47	93.57	161634	171999
12	BAJJIKA	237947	1.05	94.61	124088	113859
13	URDU	174840	0.77	95.38	90223	84617
14	RAJBANSI	129829	0.57	95.95	65053	64776
15	SHERPA	129771	0.57	96.52	64102	65669
16	HINDI	105765	0.47	96.99	61624	44141
17	CHAMLING	44093	0.19	97.18	21106	22987
18	SANTHALI	40260	0.18	97.36	20278	19982
19	CHEPANG	36807	0.16	97.52	18652	18155
20	DANUWAR	31849	0.14	97.66	15745	16104
21	JHANGAR/ DHANGAR	28615	0.13	97.79	14158	14457
22	SUNUWAR	26611	0.12	97.90	12967	13644
23	BANGLA	23602	0.10	98.01	12881	10721
24	MARWARI (RAJSTHANI)	22637	0.10	98.11	12019	10618
25	MANJHI	21841	0.10	98.20	10827	11014
26	THAMI	18991	0.08	98.29	9383	9608
27	KULUNG	18686	0.08	98.37	9325	9361
28	DHIMAL	17308	0.08	98.45	8509	8799
29	ANGIKA	15892	0.07	98.52	8127	7765
30	YAKKHA	14648	0.06	98.58	7009	7639
31	THULUNG	14034	0.06	98.64	6918	7116
32	SANGPANG	10810	0.05	98.69	5199	5611
33	BHUJEL/ KHAWAS	10733	0.05	98.74	5301	5432
34	DARAI	10210	0.04	98.78	4920	5290
35	KHALING	9288	0.04	98.82	4648	4640
36	KUMAL	6533	0.03	98.85	3147	3386
37	THAKALI	6441	0.03	98.88	3063	3378
38	CHHANTYAL/ CHHANTEL	5912	0.03	98.90	2733	3179
39	NEPALI SIGN LANGUAGE	5743	0.03	98.93	2946	2797
40	TIBBETAN	5277	0.02	98.95	2813	2464

41	DUMI	5271	0.02	98.98	2589	2682
42	JIREL	4919	0.02	99.00	2409	2510
43	WAMBULE/ UMBULE	4471	0.02	99.02	2233	2238
44	PUMA	4310	0.02	99.04	2115	2195
45	YHOLMO	3986	0.02	99.05	1980	2006
46	NACHHIRING	3553	0.02	99.07	1758	1795
47	DURA	3397	0.01	99.08	1542	1855
48	MECHE	3301	0.01	99.10	1574	1727
49	PAHARI	2995	0.01	99.11	1554	1441
50	LEPCHA/ LAPCHE	2826	0.01	99.13	1497	1329
51	BOTE	2823	0.01	99.14	1440	1383
52	BAHING	2765	0.01	99.15	1327	1438
53	KOI/ KOYU	2641	0.01	99.16	1349	1292
54	RAJI	2413	0.01	99.17	1189	1224
55	HAYU	1743	0.01	99.18	847	896
56	BYANGSHI	1734	0.01	99.19	874	860
57	YAMPHU/ YAMPHE	1722	0.01	99.19	836	886
58	GHALE	1649	0.01	99.20	801	848
59	KHARIYA	1575	0.01	99.21	788	787
60	CHHILING	1314	0.01	99.21	657	657
61	LOHORUNG	1207	0.01	99.22	570	637
62	PUNJABI	1165	0.01	99.23	649	516
63	CHINESE	1101	0.00	99.23	556	545
64	ENGLISH	1037	0.00	99.23	588	449
65	MEWAHANG	904	0.00	99.24	435	469
66	SANSKRIT	823	0.00	99.24	471	352
67	KAIKE	794	0.00	99.25	383	411
68	RAUTE	518	0.00	99.25	275	243
69	KISAN	489	0.00	99.25	239	250
70	CHURAUTI	408	0.00	99.25	211	197
71	BARAM/ MARAMU	342	0.00	99.25	149	193
72	TILUNG	310	0.00	99.25	147	163
73	JERO/ JERUNG	271	0.00	99.26	125	146
74	DUNGALI	221	0.00	99.26	100	121
75	ORIYA	159	0.00	99.26	93	66
76	LINGKHEM	97	0.00	99.26	53	44
77	KUSUNDA	87	0.00	99.26	37	50
78	SINDHI	72	0.00	99.26	38	34
79	KOCHE	54	0.00	99.26	23	31
80	HARIYANWI	33	0.00	99.26	11	22
81	MAGAHI	30	0.00	99.26	16	14
82	SAM	23	0.00	99.26	10	13
83	KURMALI	13	0.00	99.26	6	7
84	KAGATE	10	0.00	99.26	6	4
85	DZONKHA	9	0.00	99.26	4	5
86	KUKI	9	0.00	99.26	4	5
87	CHHINTANG	8	0.00	99.26	3	5
88	MIZO	8	0.00	99.26	6	2
89	NAGAMESE	6	0.00	99.26	3	3
90	LHOMI	4	0.00	99.26	3	1
91	ASSAMISE	3	0.00	99.26	2	1
92	SADHANI	2	0.00	99.26	1	1
93	UNKNOWN LANGUAGE	168340	0.74	100.00	83360	84980

Source: Census 2001 (CBS)

HDI by Eco-development region, 2000

Eastern Hills	0.513
Central Hills	0.510
Eastern Tarai	0.488
Western Hills	0.487
Central Tarai	0.462
Midwestern Tarai	0.458
Central Mountains	0.437
Western Tarai	0.435
Midwestern Hills	0.433
Far-western Tarai	0.425
Eastern Mountains	0.424
Western Mountains	0.414
Far western Hills	0.393
Mid western Mountains	0.322
Farwestern Mountains	0.286
Nepal	0.466

Source: Nepal Human Development Report 2001

IT Situation in Nepal

ICT Services	Date of first establishment in B.S.	Number at that time	till 2060 Baisakh
Fixed Line telephone	1992, place, Kathmandu	25	362353
Mobile telephone	1992, place, Kathmandu	10000	33719
F. H.Telephone	2019 for India & Pakistan		6
Nepal Radio stations	2008, Kathmandu		6 including Ktm.
FM stations	2052, Kathmandu	in Kathmandu 10	Outside Kathmandu 15 total FM=25
T V channels	052	in valley 18	Out of valley 122 Total channels=140
Marts telephone	049		2958
VHF telephone			1120
V -SAT telephone	2053	Jomsom 21	71
In Marts telephone			20
Paycard telephone			259
WLL telephone			123
Internet	056 Subscribes by NTC		2387
E-mail	056		1153
Packet switch	057		15
Telex Service	028		158
Leased Circuit			52
Radio Paging	056	Service provided by 5 communication Organization	Total customers 95,600, thousand

Sources : Management Information System, issue 178, year 15, 2003, NTC, Kathmandu.

ISPs IN NEPAL

S N	Name	Established Date	Subscribers (internet) (app)	Subscribers (e-mail) (app)	Websites	Technical branches outside KTM valley
1.	Nepal Telecommunications Corporation	May 2000	1853	1350	http://www.ntc.net.np	X 14 districts
2.	Mercantile Communications Pvt Ltd	1994	4360	1478	http://www.mos.com.np	12 districts
3.	WorldLink Communications Pvt Ltd. Lalitpur	September 1995	6400	4000	http://www.wlnk.com.np	9 districts
4.	Himalayan Online service Pvt Ltd Bag bazar	September 1999	2,500	(e-mail services only not available)	http://hons.com.np	X
5.	Infocom Pvt Ltd Hattisar, Ktm.	September 9th, 1999	5008	1725	http://info.com.np	3 districts
6.	Capital Online Pvt. Ltd. Katmmandu Plaza.				Email: reke@mos.com.np	
7.	Computerland Communications System Ltd. Ram shah Path, Ktm	1995	1100	600	http://ccsl.com.np	x
8.	HTP Communication Pvt. Ltd. Bag Bazar,	197	325	235	Email: info@htp.com.np	
9.	Global Internet Service Pvt. Ltd Bakhundol, Lalitpur	2001 July	380	60	http://gi.com.np	
10.	Everest Net Pvt. Ltd. Jawalakhel	Falgun 14, 055	6000	580	http://enet.com.np	
11.	Unlimited Numedia Pvt. Ltd. Khichapokhari	2001		275		x
12.	Network Technologies Pvt. Ltd. Hattisar, Ktm.	Not in operation now			Email: nitech@nepalinformation.com	
13.	Square Network Pvt. Ltd. Sanepa, Lalitpur	1999	18	18(e-mail services only not available)	http://kai.snet.com.np	
14.	Via Net Pvt. Ltd. Siddhi Bhawan, Kathmandu	1999	1900	300	http://via.net.com.np	7 districts
15.	Nepal Gateway Communication Pvt. Ltd. hattisar	Not in operation now			Email: highmtn@wlink.com.np	
16.	Sailung Dot Com Pvt. Ltd. Bhanuchowk, Dharan	2001	325	(e-mail services only not available)	E-mail: mail@sailung.com	
17.	Bazara Net Pvt. Ltd. Panipokhari	2001	300	125	E-mail: bajranet@parichaya.com	
18.	Cyber Space Pvt. Ltd Adarsha Nagar Birgunj	2001	275	125		
19.	Netlink Communication Pvt. Ltd. Naxal Ktm.	Not started service yet.				
20.	Fewa Net Pvt. Ltd. Pokhra Municipality Mahendrapool		250	125		

- Established Computers: 79,000
- Growth: 18,000 per annum.
- Utilities --- Electricity, Telephone billing computerized.
- Customs Department & National Pensions and Provident Fund computerized
- Banks --- Any branch banking, tele-banking.
- Customs Duty total of 28% on computers.
- IT Park currently being established.
- Computer Association of Nepal-- overall body of IT in Nepal.
- Nepal is the only country that allows private companies to have their own V-SATs to act as gateways into the rest of the world.
- A special thrust has been given by National Planning Commission, Ministry of Science & Technology, Department of Telecommunications, for reduction in prices of High Speed Datacom lease circuits
- Nepal has the lowest Internet rates in South Asia with a high quality of service, but there is no broadband connection and the phone call rates are high.
- Private sector are setting up state-of-the-art connectivity infrastructure for IT enabled services including IT Habitats.

Nepalese Workplace

No. of Enterprises and Workers in Nepal

Year	Total No. of Enterprises	No. of Workers
1992	2,575	347,164
1993	2,598	346,659
1994	3,113	355,058
1995	3,582	370,316
1996	4,014	374,860
1997	4,195	382,845
1998	4,292	385,960
1999	4,282	387,200
2000	4,274	392,421
2001	4,296	394,541
2002	3,691	359,323

Source: Nepal: Trade Unions in Critical Situation

Employment Scenario in some Major Organized Sectors

Year	Civil Service ¹		Public Enterprises ²		Manufacturing Establishments ³		Cottage and Small Scale Industries ⁴	
	Total	% Change	Total	% Change	Total	% Change	Total	% Change
1991/92	101,787		59,550		347,164			
1992/93	104,443	+2.60	N.A.		346,659	-0.15		
1993/94	N.A.		N.A.		355,058	+2.42	153,000	

1994/95	92,050	-11.09	N.A.		370,316	+4.29	75,051	-50.92
1995/96	94,105	+1.35	47,548	-20.15	374,860	+1.23	92,586	-23.30
1996/97	99,530	+5.76	44,721	-5.95	382,845	+2.13	85,540	-7.61
1997/98	98,699*	-0.83	N.A.	N.A.	N.A.	N.A.	92,903	+8.61

Note:

* Excluding Village Health Workers

-
- Civil Service Records Office
- Ministry of Finance
- Department of Labor
- Department of Small Scale and Cottage Industries

Education and Training

Table 4.2 Literacy rates of population aged 15 and over, by sex, age group and locality

	Percentages								
	Total	Total		Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
All ages	44.5	62.3	28.2	67.8	82.4	53.4	41.1	59.3	24.7
15 - 19	74.5	87.0	62.7	88.5	93.4	83.6	72.5	86.1	59.8
20 - 24	60.9	80.0	45.7	82.9	92.6	74.0	57.2	77.7	41.4
25 - 29	49.5	71.3	31.3	76.3	89.0	65.0	45.2	68.4	26.0
30 - 34	43.7	66.6	23.8	68.2	84.3	53.0	39.5	63.4	19.0
35 - 39	36.7	56.9	18.8	64.5	82.9	45.7	32.4	52.5	14.9
40 - 44	34.5	56.8	13.6	60.4	80.1	38.6	30.9	53.3	10.5
45 - 49	29.8	50.3	10.2	56.3	78.7	32.2	26.3	46.2	7.5
50 - 54	25.6	44.2	7.3	47.8	71.5	26.3	22.8	41.0	4.9
55 - 59	24.9	41.9	4.5	48.5	68.2	20.6	22.0	38.4	2.8
60 - 64	18.5	33.7	3.6	34.7	56.3	13.6	16.7	31.3	2.5
65 & over	15.3	28.0	2.2	29.0	50.6	8.6	13.6	25.4	1.3

NLFS 1998/99

Table 4.1 Population aged 15 and over by sex, locality and level of completed education

	Population (in thousands)								
	Total	Total		Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Completed education level									
Total	11232	5361	5871	1429	709	720	9803	4652	5151
Never attended	6771	2344	4427	517	156	362	6253	2188	4065
Less than primary	1088	721	367	128	72	56	960	649	311
Primary	1328	863	465	192	112	80	1136	751	385
Lower secondary	1045	702	343	214	122	92	831	579	251
Secondary	633	447	186	196	119	77	436	328	108
Higher secondary	213	164	49	99	66	33	115	98	16
Degree level	129	106	23	80	61	19	49	45	4

Others	22	12	10	2	1	1	20	11	9
Not stated	3	3	1	0	0	0	3	3	1
								Percentages	
Total	100.0	100.0							
Never attended	60.3	43.7	75.4	36.2	22.0	50.2	63.8	47.0	78.9
Less than primary	9.7	13.5	6.3	9.0	10.2	7.8	9.8	14.0	6.0
Primary	11.8	16.1	7.9	13.4	15.8	11.1	11.6	16.1	7.5
Lower secondary	9.3	13.1	5.8	15.0	17.3	12.7	8.5	12.5	4.9
Secondary	5.6	8.3	3.2	13.7	16.8	10.7	4.5	7.1	2.1
Higher secondary	1.9	3.1	0.8	6.9	9.3	4.6	1.2	2.1	0.3
Degree level	1.1	2.0	0.4	5.6	8.6	2.7	0.5	1.0	0.1
Others	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2
Not stated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
								NLFS 1998/99	

Box 4.1 Vocational and professional training

403,000 people have received vocational or professional training.

Main subjects studied are:

	Total	Women's share
Dressmaking/tailoring	93,000	88,000
Health-related	53,000	29,000
Agriculture, animal husbandry	40,000	5,000
Computers	29,000	9,000
Teacher training	26,000	6,000
Driving skills		
Typing/secretarial	15,000	8,000
Electrical	14,000	-

Source: NLFS 1998/99

UNIVERSITY COURSES ON ICT

1. Purbanchal University

Total students 69 on BCA (since 1999 to 2002)

2. Purbanchal University (since 1999 to 2003)

BE Com	
NFC	28
B-Elect. & Communication	
NEC	30

3. Tribhuvan University

Total (ICT Related) Students 455 (1999 to 2002)

Including BIT, BEA, BE and BSc Computer

No. of Enterprises and Workers in Nepal

Year	Total No. of Enterprises	No. of Workers
1992	2,575	347,164
1993	2,598	346,659
1994	3,113	355,058
1995	3,582	370,316
1996	4,014	374,860
1997	4,195	382,845
1998	4,292	385,960
1999	4,282	387,200
2000	4,274	392,421
2001	4,296	394,541
2002	3,691	359,323

Source: Nepal: Trade Unions in Critical Situation

Table 5: Adjusted current activity status of population aged 10 and over, by sex and locality

(In thousands)

Age 10+	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	13656	6609	7047	1707	854	854	11948	5755	6193
Currently Active	10957	5473	5484	1098	622	476	9858	4849	5009
<i>Currently Employed</i>	<i>10389</i>	<i>5251</i>	<i>5138</i>	<i>941</i>	<i>559</i>	<i>382</i>	<i>9448</i>	<i>4690</i>	<i>4758</i>
<i>Currently Unemployed</i>	<i>568</i>	<i>222</i>	<i>346</i>	<i>157</i>	<i>63</i>	<i>94</i>	<i>410</i>	<i>159</i>	<i>251</i>
Currently Inactive	2699	1136	1563	609	231	378	2090	906	1184
<i>Currently unemployment rate</i>	<i>5.2</i>	<i>4.1</i>	<i>6.3</i>	<i>14.2</i>	<i>10.1</i>	<i>19.7</i>	<i>4.2</i>	<i>3.3</i>	<i>5.0</i>

NLFS 1998-99

Table 6: Currently employed population age 10 years & over by number of Hours worked, sex and locality.

Characteristics	Total	< 20 hrs	20 - 39 hrs	40 + hrs
	Total	Percent	Percent	Percent
Nepal	(10,389,442) 100.00	12.77	19.45	67.78
Sex				
Male	100.00	12.56	16.02	71.42
Female	100.00	12.98	22.94	64.07
Urban/Rural				
Urban	100.00	13.51	15.74	70.75
Rural	100.00	12.70	19.81	67.49

NLFS – 1998/99

Table 11.4 Informal sector workers, by sex, locality, employment status and number of regular paid employees working in establishment where person works

(in thousands)

	Total	Urban	Rural
Sex/ Employment status and number of regular paid employees			
Total	1657	375	1282
Own business with no employees	759	172	587
Other informal sector workers: no regular paid employees	751	144	607
" " " " : 1-4 regular paid employees	121	50	71
" " " " : 5-9 regular paid employees	26	10	17
Male	1052	241	811
Own business with no employees	544	127	418
Other informal sector workers: no regular paid employees	378	66	312
" " " " : 1-4 regular paid employees	106	40	65
" " " " : 5-9 regular paid employees	23	8	15
Female	605	134	471
Own business with no employees	215	45	169
Other informal sector workers: no regular paid employees	372	78	295
" " " " : 1-4 regular paid employees	15	9	6
" " " " : 5-9 regular paid employees	3	2	1

NLFS 1998/99

Social security

ILO Conventions Ratified by Nepal

No.	Convention	Date of Ratification
14	Right to weekly rest	Oct. 4, 1986
98	Right to organize and collective bargaining	Oct. 4, 1996
100	Right to equal pay	Oct. 19, 1976
111	Equality at work	Sept. 19, 1974
131	Minimum wage	Sept. 19, 1974
138	Minimum working age	Oct. 4, 1996
144	Tripartite consultations regarding enforcement of international standards	March 21, 1995

Source: Majdoorharuko Maulik Adhikar, GEFONT, 2057

Major Institutional Initiatives for informal social protection and welfare system

Year of inception	Name of organization
1947	Paropakar
1954	Marwari Sewa Samiti
1954	Nepal TB Eradication Association
1961	Nepal Bal Sangathan
1962	Nepal Red Cross Society

1962	Nepal Jaycees
1962	Rotary Club
1962	Lions Club
1965	Jana Kalyan Sanstha
1968	Nepal Andha Apanga Sangh
1969	SOS Balgram
1970	Nepal Leprocy Eradication Sangh
1977	Social Service National Co-ordination Council

Source: Umesh Upadhya

Evolution of Social protection Schemes in the Formal Sector	
<i>Institutions</i>	<i>Acts and Regulations</i>
Army Provident Fund, (Sainik Drabya Kosh) 1934	Civil Service Act 1956
Nijamati Provident Fund Department, 1944	Factory and Factory Workers Act, 1959
Employees Provident Fund Dept., 1959	EPF Act 1962
Transport Workers Welfare Fund, 1972	Bonus Act 1974
Citizen Investment Fund, 1990	Retirement Fund Act 1985 (never implemented)
Rastriya Beems Sansthan, 1967	Labour Act 1992
	Civil Service Act, 1993
	Social Welfare Council Act, 1993
	Civil Service Regulations, 1994
	Labour Regulations, 1994
	Labour Regulations for Tea Estates 1994
	Service Regulations for Various Public Enterprises and Tribhuvan University (different years)
	Regulations Related to Health, Education etc. after 1990
	Health Service Act, 1997

Source: Umesh Upadhya

Social Security Provisions Made in the Labor Act and Labor Regulations

Major Social Security Items	Provisions
Working hours and overtime compensations	Not more than 48 hours per week or eight hours per day with an half an hour of tea break after five hours of work in industries where production can be run on an interrupted basis. An employee is entitled for 150 percent overtime payment on the applicable rate with a maximum overtime of four hours per day or 20 hours per week.
Leaves	In addition to weekly holiday, employees are entitled to have public holidays (13 days), sick leaves (15 days), home leaves (one day for every 20 working days with a maximum of 60 days of accumulation), maternity leaves (52 days for females only), obsequies leaves (13 days), special leaves (30 days) and any other specified paid and non paid leaves.
Work injury compensation	Work injury compensation for wounds, damages to the vital organs and death in the course of work.
Welfare facilities	Establishment of welfare fund, gratuity, PF, medical expenses and leaves, accommodation facilities, child care Centers, rest rooms and canteens.
Health and safety measures	Occupational hygiene, protection of eyes, from chemical materials, fire and safety from dangerous machines, upper limits on lifting weights, provisions for the operation of pressure plants and monitoring of safety measures by the labor office.

Note: Some special provisions have been made for the workers engaged in tea plantation, construction business, transportation and tourism industry.

Source: Narayan Manandhar

Contingency and Structure of Benefits Applicable in Government and Private Sector

Contingency	Government Sector	Private Sector	Remarks
1. Old Age	<p><u>a. Provident Fund:</u> 20 % of the monthly salary of the employees equally shared by the employee and the employer. The fund is deposited with EPF, interests and profits are to be accrued in lump sum when the employee dies or is separated from the service.</p> <p><u>b. Pension:</u> From 50 to 100% of the basic salary. The formula used for calculating pension: $(\text{Monthly pay} \times \text{Service years})/50$</p>	<p><u>a. Provident Fund:</u> 20 % of the monthly salary of the employees equally shared by the employee and the employer to be deposited in a separate account called Provident Fund. The accrued lump sum is paid when the employee dies or is separated from the service.</p> <p><u>b. Pension:</u> N.A.</p>	For permanent workers in the tea estates the applicable PF rate is 10 percent equally shared by the employer and the employee
2. Sickness	<p><u>Leave</u> Paid leave for 12 days per year</p> <p><u>Medicare:</u> Expenses equivalent to 12 month's salary for officers; 18 months for Class I</p>	<p>Half paid leave for 15 days per year</p> <p><u>Welfare Fund:</u> WF is created by depositing 70 percent of the remainder of the bonus distributed as per Bonus Act 1974. WF is used for (1)immediate assistance for</p>	

	non-officers and 21 months for others.	sickness and accidents of the employees and his/her family members, (2) provisions for children's education (3) games, recreation, library and club facility (4) provide soft loans on special conditions (5) relief measures during natural calamities (6) any other general welfare of the employees.	
3. <i>Work Injury</i>	If overseas treatment is required Medicare facility stated above plus appropriate amount decided by the committee formed under Civil Service Regulations, recommendations of the Medical Board plus paid leaves.	100 percent compensation of the medical expenses on the recommendation by a certified doctor plus paid leaves if hospitalization is required. Half paid leaves where hospitalization is not required not exceeding one year period.	
4. <i>Maternity</i>	Two months leave with pay not exceeding two surviving children.	52 days of leave with pay not exceeding two surviving children. 45 days for the workers in the tea estates.	
5. <i>Work Accidents</i>	100 percent medical expenses plus Medicare facility stated above plus paid leaves. Where the job is being terminated due to disability, pension plus lump sum payment of Rs 10,00 plus 20 percent of the monthly salary	Maximum of five year's salary depending on the quantum of disability. Maximum of four year's salary for tea estate workers.	
6. <i>Death due to work accidents</i>	Pension plus additional 50 % of the pension plus 3 months salary	Three years salary to the nearest family member plus priority to hire the family member of the deceased employee	
7. <i>Normal Death</i>	A lump sum of Rs 40,000, Rs 50,000 and Rs 75,000 paid to the family of the deceased employee through the EPF.		
8. <i>Voluntary Retirement</i>	Gratuity paid depending upon the years of services from a minimum of 50% to the maximum of 150% of monthly salary for the completed service years. Employees having completed more than five years of service are entitled to receive gratuity	Gratuity paid depending upon the years of service from a minimum of 50% to the maximum of 100 % of the monthly salary for the completed service periods. Employees having completed more than three years of service are entitled to receive gratuity. The applicable rates for tea estate workers are as follows: from minimum of 1/3 to the maximum of 2/3 of the monthly salary with employees having completed more than four years of service. There is further ceiling of the amounts to be paid as gratuity from the minimum of Rs 7000 to the maximum of Rs 20,000.	

Source: Narayan Manandhar

EPF: By sectors, contributors and employers

Sectors	Contributors	%	Employers	Applicable year
Army	41,753	12.51	188	2054/55
Police	52,919	15.86	215	2052/5320
Civil	80,233	24.05	2841	
Corporation	69,435	20.81	1630	2055/56
Education	89,249	26.75	22756	2055/56
Total	333,589	100.00	27328	

Source: Narayan Manandhar

Social Security Provisions Made in the Labor Act and Labor Regulations

Major Social Security Items	Provisions
Working hours and overtime compensations	Not more than 48 hours per week or eight hours per day with an half an hour of tea break after five hours of work in industries where production can be run on an interrupted basis. An employee is entitled for 150 percent overtime payment on the applicable rate with a maximum overtime of four hours per day or 20 hours per week.
Leaves	In addition to weekly holiday, employees are entitled to have public holidays (13 days), sick leaves (15 days), home leaves (one day for every 20 working days with a maximum of 60 days of accumulation), maternity leaves (52 days for females only), obsequies leaves (13 days), special leaves (30 days) and any other specified paid and non paid leaves.
Work injury compensation	Work injury compensation for wounds, damages to the vital organs and death in the course of work.
Welfare facilities	Establishment of welfare fund, gratuity, PF, medical expenses and leaves, accommodation facilities, child care Centers, rest rooms and canteens.
Health and safety measures	Occupational hygiene, protection of eyes, from chemical materials, fire and safety from dangerous machines, upper limits on lifting weights, provisions for the operation of pressure plants and monitoring of safety measures by the labor office.

Note: Some special provisions have been made for the workers engaged in tea plantation, construction business, transportation and tourism industry.

Source: Narayan Manandhar

Child Labour

Table 5.2: Labour force participation rates of population aged 5 and over, by sex, age and locality

Age group	Nepal			Urban			Rural		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
All	72.3	73.3	71.3	58.5	65.0	51.9	74.2	74.5	73.9
5 - 9	20.9	18.3	23.6	7.3	6.4	8.4	22.6	19.8	25.4
10 - 14	60.9	55.2	67.1	30.0	27.5	32.7	64.9	58.8	71.5
15 - 19	77.5	77.1	77.9	53.8	55.7	52.0	81.0	80.3	81.5
20 - 24	86.5	91.4	82.7	73.4	83.8	63.9	88.7	92.8	85.6
25 - 29	91.2	96.7	86.5	81.1	94.7	68.9	92.8	97.0	89.2
30 - 44	94.1	97.8	90.8	85.8	97.4	74.2	95.3	97.8	93.1
45 - 59	91.7	96.2	87.2	80.0	93.0	65.8	93.2	96.6	89.8
60 +	63.2	75.1	51.2	48.2	62.9	34.1	64.9	76.4	53.2

NLFS - 1998/99

Table 12.5: Number of children aged 5 to 14 currently employed, hours worked, and occupation and industry of work, by sex and whether currently attending school

	Total			Whether currently attending school					
	Total	Male	Female	Yes			No		
				Total	Male	Female	Total	Male	Female
Total number aged 5-14 (thousands)	4860	2480	2380	3454	1975	1479	1406	505	901
Number employed (thousands)	1982	911	1072	1263	694	569	719	216	503
Total hours worked per week (million hours)	44	20	24	23	13	10	22	7	14
Average hours per week per person (for those working)	22.4	22.1	22.7	18.1	18.5	17.5	30.1	33.8	28.5
Occupations: (thousands)	1982	911	1072	1263	694	569	719	216	503
5. Service workers	39	23	17	33	19	14	6	4	2
512 Housekeeping & restaurants	13	7	6	9	4	5	3	3	1
522 Shop salespersons	26	15	11	23	14	9	3	1	2
6. Agriculture	1686	788	899	1084	617	467	602	170	432
612 Animal producers (market)	53	23	30	39	18	21	14	5	9
621 Subsistence agriculture	1617	761	856	1037	597	440	581	164	417
7. Craft and related trades	22	9	13	8	3	5	14	6	8
8. Plant and machine operators	4	2	2	3	2	2	1	1	0
9. Elementary occupations	231	90	142	135	54	82	96	36	60
921 Agricultural labourers	39	17	23	8	3	5	31	14	17
922 Fetching water	78	28	50	70	27	43	8	1	7
934 Collecting firewood	78	25	53	44	19	25	34	6	27
Industries: (thousands)	1982	911	1072	1263	694	569	719	216	503
A. Agriculture, hunting & forestry	1725	804	921	1094	620	474	631	184	448
D. Manufacturing	26	11	16	12	4	8	14	6	8
F. Construction	10	7	3	3	1	2	7	6	1
G. Wholesale & retail trade	29	17	12	24	15	9	5	2	3
H. Hotels & restaurants	16	9	7	11	4	7	5	4	1
P. Private hhlds with employed persons	165	58	107	114	47	68	51	11	40
All other categories	10	5	5	4	2	2	6	3	2

NLFS 1998/99

Unionization

No. of Active Trade Unions in Nepal under different federations, 2002

Federation	Active	Registration cancelled	Total	%
GEFONT	452	274	726	60
NTUC	182	301	483	24
DECONT	25	46	71	3
Others	101	110	211	13

Source: Nepal: Trade Unions in Critical Situation

Information Technology Policy, 2057 (2000)

1. Vision

To place Nepal on the Global Map of Information Technology within the next five years.

2. Background

As a developing country, Nepal has availed of the opportunity to rapidly develop various sectors such as education, health, agriculture, tourism, trade, among others, using information technology. The extensive application of this technology will engender economic consolidation, development of democratic norms and values, proportional distribution of economic resources and means and enhancement of public awareness, thereby raising living standards and, most importantly, contribute significantly to poverty alleviation. The establishment of a vibrant information technology will mitigate some of the disadvantages Nepal faces on account of its geographical conditions. In the coming years, globally, there will be a significant difference between the economic conditions of countries with developed information technology and that of countries lagging behind in this field. The persistence of such disparities between countries will be difficult to accept even by the developed countries. It is very possible that the international community will extend its support to developing countries in the development of information technology. Such assistance will certainly be significant for the national development of a least developed country like Nepal. Hence, an information technology policy is required to develop information technology in the shortest time possible for the sake of the national economy.

3. Objectives

The information technology policy shall be developed to attain the following objectives.

- 3.1 To make information technology accessible to the general public and increase employment through this means.
- 3.2 To build a knowledge-based society.
- 3.3 To establish knowledge-based industries.

4. Strategies

The information technology strategies adopted to accomplish the above-mentioned objectives of rapid development and expansion of information technology in a fair and competitive environment shall be the following:

- 4.1 The government will act as a promoter, facilitator, and regulator.
- 4.2 Carry on research, develop and expand information technology with a high priority to participation of the private sector.
- 4.3 Prepare capable manpower with the involvement of both public and private sectors for sustainable development and expansion of information technology.
- 4.4 Encourage native and foreign investment for the development of information technology and infrastructure pertaining to information technology.
- 4.5 Place Nepal on the global map through information technology.
- 4.6 Legalize and promote e-commerce.
- 4.7 Assist in e-governance by using information technology.
- 4.8 Utilize information technology in the development of rural areas.
- 4.9 Promote information technology industries.
- 4.10 Create a healthy, competitive environment for information technology service providers and provide them speedy and qualitative service at a reasonable cost.
- 4.11 Include computer education in curriculum from the school level.
- 4.12 Enhance professional efficiency through the use of information technology.
- 4.13 Expand the information technology network to the rural areas.

- 4.14 Establish Nepal in the international market in information technology.
- 4.15 Increase export of services related to information technology (software and hardware) to 10 billion rupees within the next five years.

5. Information Technology Policy

The policies to be pursued for the implementation of the above-mentioned strategies shall be as follows:

- 5.1 To declare information technology sector a prioritized sector.
- 5.2 To follow a single-door system for the development of information technology.
- 5.3 To prioritize research and development of information technology.
- 5.4 To create a conducive environment that will attract investment in the private sector, keeping in view the private sector's role in the development of information technology.
- 5.5 To provide internet facilities to all Village Development committees of the country in phases.
- 5.6 To render assistance to educational institutions and encourage native and foreign training as a necessity of fulfilling the requirement of qualified manpower in various fields pertaining to information technology.
- 5.7 To computerize the records of each governmental office and build websites for them for the flow of information.
- 5.8 To increase the use of computers in the private sector.
- 5.9 To develop a physical and virtual information technology park in various places with the private sector's participation for the development of information technology.
- 5.10 To use information technology to promote e-commerce, e-education, e-health, among others, and to transfer technology in rural areas.
- 5.11 To establish a National Information Technology Centre.
- 5.12 To establish a national level fund by mobilizing the resources obtained from His Majesty's Government, donor agencies, and private sectors so as to contribute to research and development of information technology and other activities pertaining to it.
- 5.13 To establish venture capital funds with the joint participation of public and private sectors.
- 5.14 To include computer education in the curriculum from the school level and broaden its scope.
- 5.15 To establish Nepal in the global market through the use of information technology.
- 5.16 To draft necessary laws that provide legal sanctions to the use of information technology.
- 5.17 To gradually use information technology in all types of governmental activities and provide legal sanctions to its uses in such activities.

6. Action Plan

The following action plan shall be carried out to implement the national information technology policy and fulfill its objectives:

6.1 Participation of private sector in infrastructure development:

There may be up to a hundred percent foreign investment in areas such as information technology park, research and development, technology transfer, and human resource development.

6.2 Infrastructure development:

The following arrangements shall be made for information infrastructure development.

- 6.2.1 An info-super highway and north-south info-highway shall be built taking into account the rapidity of information flow, changes brought about by the means of information flow, and the gradual development of multimedia service. Nepal shall be linked with other parts of the world through a broadband information network.
- 6.2.2 An IT park shall be established in Banepa in Kavrepalanchok District.
- 6.2.3 Any company interested in establishing an industry within the park shall be charged only 1% customs duty for the import of equipment related to the industry for up to five years.

- 6.2.4 An internet node shall be established in all development regions by fiscal year 2058/059 (2001/2002) and in district headquarters by fiscal year 2060/61 (2003/2004) with participation of the private sector in order to make Internet available throughout the Kingdom. In making telephone contact with such a node, the telephone charge shall be levied on a local-call basis; and telephone contact with a nearby node within the development region shall be deemed to be a local call, so long as the node in that district is not established. The use of the Internet shall be gradually extended to rural areas as well. The charge for telephone calls to be used for the Internet shall be gradually reduced.
- 6.2.5 Telecommunications and electricity services shall be provided to the entrepreneurs involved in information technology sector as per their demand.

6.3 Human Resource Development

- 6.3.1 Necessary facilities shall be supplied to the universities in the country and graduate and postgraduate-level classes of international standard in computer science and computer engineering subjects shall be offered.
- 6.3.1 A long-term programme with a slogan "computer education to all by 2010 A.D." shall be formulated and computer education shall be taught as an optional subject in some public secondary schools from the coming academic year and shall be made a compulsory subject in phases.
- 6.3.2 IT shall be used to improve the quality of education.
- 6.3.3 The private sector shall be encouraged to prepare medium-level manpower required for the information technology sector. Assistance shall be provided to the private sector to set up institutions for teaching, research, and development of information technology in each development region.
- 6.3.4 The knowledge of computer shall be made compulsory to all newly-recruited teachers in phases so as to introduce computer education in schools; and computer education shall also be provided to all in-service teachers in phases through distant education.
- 6.3.5 Emphasis shall be given to providing computer education from the school level. Internet facility shall be made available free of cost to universities and public schools for four hours a day within the next five years to provide computer education in a systematic way.
- 6.3.6 His Majesty's Government shall provide scholarships to public and private sector technicians for higher study in information technology.
- 6.3.7 Necessary scholarships shall be given to poor and deserving (diligent) students from remote areas to pursue higher studies in information technology.

6.4 Dissemination of Information Technology

The following measures shall be pursued for the extensive dissemination of information technology.

- 6.4.1 The education institutions and hospitals in the areas where telecommunications and electricity services are available shall be encouraged to use IT services. Even in places where electricity service is not available, the development of information technology through solar power system shall be encouraged.
- 6.4.2 The distant learning system shall be introduced through the Internet and Intranet as well through radio and television. Networking systems like school-net, research-net, commerce-net and multilingual computing shall be developed.
- 6.4.3 A three year programme shall be formulated and launched to extend the use of computer in governmental offices. All ministries, departments and offices shall be linked to the Internet; and other agencies shall also be encouraged to be linked through the Internet.
- 6.4.4 Websites for all ministries and departments and district offices shall be created within one year. Necessary legal provisions shall be made to reduce the movement of papers by using information technology in all kinds of governmental activities in a phased manner.
- 6.4.5 An action plan shall be devised and introduced to include computer as a subject for the examination of a specific level/class and be required to sit for a written examination during recruitment. Provisions shall be made for basic computer training to be a condition for the promotion of employees.

- 6.4.6 Content shall be prepared to enhance materials with Nepali materials on the Internet to promote Nepalese arts and culture and to develop rural areas.
- 6.4.7 A public awareness-enhancing campaign on the utility of information technology shall be launched extensively through the electronic media.
- 6.4.8 An information officer shall be placed in each ministry a phased manner.
- 6.4.9 In view of the present development of information technology, provisions shall be made to open voice-mail (communication) to talk point-to-point for one's own business without a link to the public switched telephone network.

6.5 Promotion of E-commerce and so forth

E-business, tele-medicine, tele-processing, distant learning, among others, shall be promoted as follows:

- 6.5.1 Necessary arrangements shall be made to encourage e-commerce.
- 6.5.2 Necessary legal infrastructure shall be created for the promotion of tele-medicine, distant learning, tele-processing, and e-commerce.
- 6.5.3 Intellectual property right shall be protected through the formulation of necessary laws related to the development of information technology.
- 6.5.4 Provisions shall be made for the export of software information technology services through IT in the following ways:
 - (a) The person or organization concerned has to submit certified duplicate copies of the documents on agreements relating to export.
 - (b) Invoice or bill of exportation made under the agreements referred to in clause (a) has to be submitted to the Nepal Rastra Bank.
 - © The Nepal Rastra Bank has to validate foreign currency obtained on the basis of such documents.

6.6 Facilities

The following facilities shall be provided for the development of the information technology sector:

- 6.6.1 One percent (1%) customs duty shall be levied on hardware, software and all kinds of computer spare parts imported by training institutions related to information technology, albeit on the recommendation of the National Information Technology Centre on the basis of services rendered and the achievements of such institutions.
- 6.6.2 As software development services based on software are operated twenty-four hours, such services shall be declared essential services to guarantee regular production by employees working in the companies related to such services, and arrangements shall be made accordingly.
- 6.6.3 A venture capital fund shall be established by utilizing capital market with the joint investment of His Majesty's Government and the private sector. His Majesty's Government shall make an investment of 100 million rupees initially for such a fund.
- 6.6.4 Domestic preference shall be given in accordance with the prevailing law on computers, spare parts and software produced within the country.
- 6.6.5 Software may be directly depreciated for the purposes of income tax, whereas equipment relating to information technology may be allowed an accelerated depreciation for two years.
- 6.6.6 In cases when an investment has been made in foreign currency either as a loan or share capital required to build and operate infrastructure, the investor shall be allowed to repatriate the principal and interest of the loan and dividends in accordance with the prevailing laws.
- 6.6.7 The foreign currency earned from exporting information technology software and services shall be granted facilities that are on par with facilities provided to other export-oriented industries earning foreign currency.
- 6.6.8 An information technology development fund shall be established to create public awareness about information technology, assist rural networking, develop information technology with market management, generate the required manpower for this sector, and to make social services easily available where such technology is used. Arrangements

shall be made for financial contributions toward this fund from His Majesty's Government, the private sector, donor agencies, and others. The National Information Technology Centre (NITC) shall operate this fund. A feasibility study shall be carried out to manage additional financial resources for the establishment of this information technology fund.

- 6.6.9 Export of software shall be subjected to an additional service charge of 0.5% for the information technology fund, in addition to prevailing customs duties. The amount obtained from that charge shall be deposited in the fund referred to in clause 6.6.8.
- 6.6.10 As Nepali nationals working abroad can play an important role in the technology transfer and market promotion in this sector, they shall be encouraged to invest their foreign currency earnings in this sector.

7. Institutional Provision

7.1 The National Information Technology Development Council, consisting of the following members, shall be constituted under the chairmanship of the Rt. Honourable Prime Minister.

- | | |
|--|------------------|
| a. Rt. Honourable Prime Minister | Chairman |
| b. Honourable Minister, Ministry of Science and Technology | Member |
| c. Honourable Minister, Ministry of Information and Communication | Member |
| d. Honourable Vice-chairman, National Planning Commission | Member |
| e. Honourable Member, National Planning Commission (Information Technology Sector) | Member |
| f. Secretary, Ministry of Finance | Member |
| g. Secretary, Ministry of Industries, Commerce and Supplies | Member |
| h. Secretary, Ministry of Law, Justice and Parliamentary Affairs | Member |
| i. Secretary, Ministry of Water Resources | Member |
| j. Secretary, Ministry of Science and Technology | Member |
| k. Secretary, Ministry of Education and Sports | Member |
| l. Secretary, Ministry of Information and Communications | Member |
| m. Computer specialist representative, University/ RONAST (three persons) | Member |
| n. Chairman, Computer Association of Nepal | Member |
| o. President, Federation of Nepalese Chamber of Commerce and Industries | Member |
| p. Persons involved in Information Technology in Private Sector (three persons) | Member |
| q. Chairman, Telecommunications Authority | Member |
| r. Executive Director, NITC | Member Secretary |

7.2 The National Information Technology Council shall review and revise information technology policy, appraise annual progress, and solve problems that may arise and carry out such other activities as it may deem necessary for the development and expansion of the information technology sector.

7.3 A National Information Technology Co-ordination Committee, as mentioned below, shall be constituted to carry out research on and develop information technology, develop manpower required for this sector and a curriculum for information technology, improve the quality of computer training operated by the private sector, ascertain the norms and monitor these and co-ordinate such activities of establishing relations with foreign educational institutions.

- | | |
|---|----------|
| a.) Honourable Minister, Ministry of Science and Technology | Chairman |
| b.) Honourable Member, National Planning | |

Commission (looking after the concerned sector)	Member
c.) Two vice-chancellors of universities	Member
d.) Secretary, Ministry of Finance	Member
e.) Secretary, Ministry of Industries, Commerce and Supplies	Member
f.) Secretary, Ministry of Science and Technology	Member
g.) Secretary, Ministry of Education and Sports	Member
h.) Secretary, Ministry of Information and Communication	Member
i.) Two information technologists	Member
j.) Representative, Computer Association of Nepal	Member
k.) Representative, Federation of Nepalese Chamber of Commerce and Industries	Member
L.) Executive Director, NITC	Member Secretary

7.4 National Information Technology Centre

This Centre shall be set up under the Ministry of Science and Technology. Its regional and district-level offices shall be established as necessary. It shall carry out the following functions:

- (a) Act as a data bank of information and assist in computerization of records at governmental offices and in developing and expanding the contents.
- (b) Act as the Secretariat of the National Information Technology Development Council and the National Information Technology Co-ordination Committee; to implement, or cause to be implemented, the policy and plan on information science and information technology, to monitor and supervise the same and to regularize the activities carried out by the private sector and submit reports to the council on these activities.
- (c) Render assistance in all kinds of computer services of His Majesty's Government. Similarly, render assistance in designing, updating, and operating websites of all bodies of His Majesty's Government, and collect all types of data at the national level and serve as a database.
- (d) Act as a regulator for the healthy development of information technology.
- (e) Arrange for coding and standardization required to bring about uniformity with respect to information technology, and implement and monitor it.

7.5 Information Technology Park Development Committee

This committee shall be a separate body under the Ministry of Science and Technology. It shall manage and co-ordinate parks to be built in various places in the country and co-ordinate the building and execution of info-cities and info-villages.

8 Legal Provisions:

Necessary laws shall be enacted to regulate transactions to be carried out through information technology, as well as other necessary arrangements pertaining to this technology, and to protect intellectual property right.

9 Amendment to the Policy

This policy may be reviewed and amended every two years in conformity with technological development and expansion of services as a result of rapid developments in the information technology sector. Nonetheless, at the suggestion of various sectors, it may be appraised and amended if necessary even prior to it.

AN ACT TO PROVIDE FOR SAFEGUARDING THE INTERESTS OF CHILDREN

Date of the Royal Seal and
Publication in the Nepal Gazette
2049/2/7 (May 20, 1992)

Preamble: Whereas, for the physical, mental and intellectual development of the children it is expedient to make timely legal provisions in order to protect the rights and interests of the children.

Be it enacted by Parliament in the twenty first of the reign of His Majesty's King Birendra Bir Bikram Shah Dev.

CHAPTER - 1 PRELIMINARY

1. Short Title and Commencement:

(1) This Act may be called the "CHILDREN'S ACT, 2048 (1992)."

(2) It shall come into force on such date as His Majesty's Government may, by a notification published in the Nepal Gazette, appoint.

2. Definitions: Unless the subject or context otherwise requires, in Act-

(a) " Child means every human being below the age of 16 years.

(b) "Guardian" means the guardian appointed under section 22 for the purpose of protection the Child.

(c) Welfare Board' means the Central Children Welfare Board and the District Children Welfare Board constituted under Section 32 for the protection and well being of Children.

(d) Children Welfare officer" means the Children Welfare Officer appointed under Section 33 by His Majesty's Government and includes any other person or employee as prescribed to act on behalf of such officer.

(e) "Abandoned Child" means a Child-

(1) Who has no father mother or any other of his family to look after him.

(2) Who has been neglected by his father, mother or any other member of his family even though they exist.

(3) Who does not have any means of living.

(f) "Children's Welfare Home" means the Children's Welfare Home established by His Majesty's Government under Section 34 for the purpose of upbringing and maintenance of the Abandoned Child.

(g) "Chief of the Children's Welfare Home" means and includes any person who works as the Chief of the Children's Welfare Home or any person who acts on behalf of such Chief in his absence.

(h) "Children's Rehabilitation home" means Children's Rehabilitation Home established by His Majesty's Government under Section 42 or any Children's Rehabilitation Home being used for that purpose.

(i) "Prescribed" or "As prescribed" means prescribed or as prescribed in Rules made under this Act.

CHAPTER - 2 RIGHTS AND INTERESTS OF CHILDREN

3. Right to a name and determination of birth date of the Child :

(1) From birth, every child shall be granted a name according to the religion, culture and tradition by his father, if the father is not available by his mother and if the mother is also not available by any other member of his family. In cases where the father, mother or any other member of his family is not alive or their whereabouts are not known, the person or organisation bringing up the Child shall give a name to such Child.

(2) In cases where the date of birth of any child is not traced, the person or organisation bringing up the Child shall, in consultation with a registered medical practitioner, determine the birth date of the Child. Unless otherwise proved the date so determined shall be considered to be the date of birth of the Child.

4. Right to maintenance and upbringing, education and health care :

(1) Parents shall be under an obligation to make arrangements so as to bring up the Child and to provide education, health care, sports and recreation facilities to the Child according to the economic status of their family.

(2) The parents or guardian of the Child shall cause to be given the vaccination necessary to save the Child from diseases. The local authorities and related agencies of His Majesty's Government shall render assistance in this matter.

(3) His Majesty's Government shall render assistance in making arrangements for the proper health care to the pregnant mothers and the mothers who have recently given birth to a Child.

(4) His Majesty's Government shall render assistance in making arrangement for providing advice education and services relating to family planning and preventive health care to the parents.

5. Discrimination not to be made between a son or daughter and between sons and daughters :

No discrimination shall be made between a son and daughter and between sons and daughters themselves in matters relating to their upbringing, education and health care.

6. Discrimination not to be made between children born out of wedlock or in lawful wedlock or between the adopted or the natural Child :

(1) No discrimination shall be made between children born out of wedlock or in lawful wedlock in matters of their upbringing, education or health care.

(2) No discrimination of any kind shall be made between the natural or the adopted son or daughter.

7. Prohibition on torture or cruel treatment:

No Child shall be subjected to torture or cruel treatment.

Provided that, the act of scolding and minor beating to the Child by his father, mother, member of the family, Guardian or teacher for the interests of the Child himself shall not be deemed to violate the provisions of this Section.

8. Facilities to maintain contact:

(1) In circumstances where the parents of the Child are living separately due to divorce or any other reason, the Child living with the father shall be given an opportunity to maintain personal relation and direct contact with the mother and vice-versa on a regular basis or be allowed to live together with the other parent for sometimes.

Provided that, the court may prohibit to grant the facility of maintaining direct contact or living together if there is a reasonable ground to believe that such direct contact and personal relation or living with the other parent may be contrary to the Child's interest.

(2) If the parents do not agree on the question of the time of maintaining direct contact or the duration of living with the father or mother under sub-section (1), the question shall be settled as decided by the court.

9. Adopted son or daughter to be permitted to make direct contact or correspondence with natural parent :

A person adopting a son or daughter having fulfilled the legal requirements shall, if such adopted son or daughter wishes, permit him or her to maintain direct contact or make correspondence with his or her natural parents on a regular basis.

10. Right to mention the name of mother and material grandfather :

In cases where a Child is required under a law to mention the names of his father and grandfather in connection with official proceedings or in practice, the Child may, until the whereabouts of his father are known, mention the names of his mother and maternal grandfather. In the case of a Child either of whose parents are not traced, if the person or organisation bringing up the Child certifies in writing that the parents have not been traced, such Child shall have the right not to mention the names of his father, mother or grandfather.

11. Child and Criminal Liability :

(1) If the Child below the age of 10 years commits an act which is an offence under law, he shall not be liable to any type of punishment.

(2) If the age of the Child is 10 years or above 10 years and below 14 years and he commits an offence which is punishable with fine under law, he shall be warned and explained and if the offence is punishable with imprisonment, he shall be punished with imprisonment for a term which may extend to six months depending on the offence.

(3) If the child who is above 14 years and below 16 years commits an offence he shall be punished with half of the penalty of the penalty to be imposed under law on a person who has attained maturity.

12. Disqualifications or recidivism not to be applicable:

(1) If a person is to be disqualified to hold any office or enjoy any facility under the law for reason of committing an offence, such disqualification shall not be applicable with regard to a Child committing an offence during his childhood.

(2) For the purpose of determination of recidivism, an offence committed during childhood shall not be included therein.

(3) Even if a Child commits the same offence more than once, he shall not be liable to additional Punishment on the basis of continuation of such offence.

13. Prohibition to engage Children in begging and to make fakir :

(1) No Child shall be permitted be engaged in begging except in following the religious or cultural traditions.

(2) No measure shall be taken which will be directed towards making a Child Sanyasi, bhikchhu or fakir, and such measure, even if taken, shall not be legally valid.

(3) A Child who has been made sanyasi, bhikchhu or fakir prior to the prior to the commencement of this Act may, on attaining majority, enter into family life if he so wishes

14 Prohibition on offering of child in the name of God or Goddess:

(1) No person shall, for the permitted sanyasi of fulfilling the promise made to God or for serving any other religious purpose, offer or surrender his or anybody else's Child to any God or Goddess by buying such Child, offering economic gain, under any kind of coercion or undue influence.

(2) No person shall, by accepting economic benefit, sell or handover otherwise his child to anybody for the purpose stipulated in sub-section (1).

(3) No panda, dhami, priest or the chief of any religious enshrinement shall incite to the commission of an act contained in sub-section (1) nor shall perform or permit to perform religious formalities in cases where a person brings his Child to any temple with the purpose of offering or surrendering to God or Goddess.

(4) If any event takes place after the commencement of this Act, in violation of sub-section (1), (2) and (3) above, the father, mother or any member of the family shall take custody of the Child and make arrangements for upbringing, education and health care of such Child on equal footing with other members of the family as if such event never took place.

(5) Notwithstanding anything contained in sub-section (4), a Child referred to in sub-section (1) and (2) who is below the age' of 16 years at the commencement of this Act shall be brought up by any of the living parents.

15. Prohibition on imposing rigorous punishment:

Not with-standing anything contained in the existing laws, no Child shall be subjected to handcuffs and fetters, solitary confinement or live together in prison with a prisoner who has attained maturity in case a Child is convicted for any offence.

16. Children not to be made involved in immoral profession :

(1) No person shall involve or use a Child in immoral profession.

(2) No photograph of a Child shall be taken or allowed to be taken, nor such photograph shall be distributed or exhibited for the purpose of engaging a Child in immoral profession.

(3) No publication, exhibition or distribution of photograph or personal events or descriptions of a Child tarnishing the character of such Child shall be made.

(4) No Child shall be made involved it, the sale or distribution of, and trafficking in alcoholic drinks, narcotic drugs or any other drugs.

17. Restriction on employment :

(1) A Child who has not attained the age of 14 years shall not be employed in any work as a labourer.

(2) A Child who has attained the age of 14 years or above shall not be employed in work as a labourer during the period from 6 0' clock in the evening to 6 0' clock in the morning

(3) A Child who may be employed it, work as a labourer shall not be made to be engaged it, work against his will.

(4) Every child labourer shall be provided equal remuneration for the equal work without discrimination of any kind of the Child's sex, religion, race or colour, caste and community.

18. Protection from engaging in hazardous work:

No Child shall be engaged in work that is likely to be harmful to the Child's health or to be hazardous to the Child's life.

19. Children's case not to be entertained in the absence of legal practitioner:

(1) The Court shall not entertain or decide a criminal charge brought against the Child unless there is a legal practitioner to defend the Child.

(2) In circumstances referred to in sub-section (1), the concerned Court shall make available the service of a legal practitioner appointed on behalf of His Majesty's Government or of any other legal practitioner wishing to provide such service.

20. Enforcement of Rights :

(1) For the enforcement of the rights set out in this Chapter, every person shall have the right to file a petition on behalf of the Child to a District Court of the district where the Child is residing. On receipt of such petition, the concerned Court may, upon inquiry into the matter, enforce the right by issuing the appropriate order, direction or writ.

Provided that, in matters relating to the prohibition on maintaining direct contact or living by the Child in pursuance of the proviso clause of sub-section (1) of Section 8. such action may be initiated order ma" be issued only on the basis of a petition of the parent (s) of the concerned Child

(2) In cases where a person is aggrieved as a result of inflicting harm on any right conferred by this chapter, the Court may, in issuing order, direction or writ under sub-section (1), decide to grant a reasonable amount of compensation.

**CHAPTER - 3
PROVISIONS RELATING TO THE PROTECTION OF THE
CHILD AND RELATING TO THE GUARDIAN**

21 Looking after an orphan and custody of his property:

(1) If the Children Welfare Officer or the Chief District Officer is informed of the fact that a Child does not have any relative of same home to look after the Child, the Children Welfare Officer or the Chief District Officer, as the case may be, shall make necessary arrangement for upbringing and maintenance of the Child. In doing so, the Child shall be, as far as practicable given to the custody of the nearest relative of the Child. In the case of non-availability of such relative, the Child may be given to any person or organization wishing to take the custody for his maintenance and upbringing. In case of non-availability of any relative, person or organisation wishing to take the Child for his maintenance and upbringing, the Child shall be surrendered to the nearest Children's welfare Home.

(2) In cases where the Child referred to in sub-section (1) has any property, the Children Welfare Officer or the Chief District Officer shall prepare a statement thereof in the presence of at least two local witnesses and shall keep one copy thereof in his office and the other one shall be given to the person or organisation responsible for upbringing and maintenance of the Child.

(3) The statement of property prepared under sub-section (2) and the property mentioned therein shall be given to the custody of the person, organisation or the Children's Welfare home responsible for upbringing and maintenance of the Child and such person, organisation or the Children's Welfare Home shall certify in writing the

taking of the custody. Pending the custody of the property of the Child, the responsibility of taking care of or of protecting the property shall lie with the Children Welfare Officer, and if he is not available, with the Chief District Officer.

(4) The income derived from the property mentioned in sub-section (3) may be used by the person, organisation or the Children's Welfare Home taking responsibility for the maintenance, upbringing education and health care of the Child. The person, organisation or the Children's Welfare Home taking responsibility for the maintenance and upbringing of the Child shall, in respect of such property enjoy the same rights and comply with the same terms and conditions as those of a Guardian appointed under this Act.

22. Appointment of Guardian :

(1) In cases where a Child is deprived of his family for reasons of death of his parents or adult relative belonging to the same home, or even if though alive, if they are unable to bring up or look after the Child for reasons of physical or mental incapacity, every person may, for the purpose of giving the Child to a Guardian apply to the Children Welfare Officer. On receipt of such application, the Children Welfare Officer shall, upon necessary inquiry into the matter appoint a Guardian for the Child subject to the provisions of this Section.

(2) In appointing a Guardian under sub-section (1), priority shall be given, as far as practicable, to the nearest heir.

Provided that, if it is not appropriate to appoint the nearest heir as the Guardian for reasons of family confrontation quarrel or for any other reason, the Children Welfare Officer may, stating the reasons thereof, appoint as he deems appropriate a distant heir or any other person as the Guardian of the Child.

(3) In appointing a Guardian pursuant to sub-section (2), consent of the appointee to that effect shall be obtained.

(4) Notwithstanding anything contained in sub-section (2) the following persons shall not be qualified to be appointed to or, hold the office of the Guardian:

- (a) if he is suffering from mental disease,
- (b) if he has not attained the age of 25 years,
- (c) if he is relieved of the office of Guardian in accordance with Section 28,
- (d) if he is convicted of any offence by court involving moral turpitude, or
- (e) if he turns out to be insolvent.

(5) If nobody agrees to act as Guardian of the Child or if no appropriate person is available to be the Guardian, the Children Welfare Officer shall make arrangements to send the Child to a Children's Welfare Home.

(6) In case there is any property, it also shall be handed over while handing over the Child to the Guardian pursuant to sub-section (2) or to the Children's Welfare Home pursuant to sub-section (5). While handing over the property, its statement shall be prepared and one copy shall be kept in his office and the other one shall be given to the Guardian or Chief of the Children's Welfare home who takes over the property.

(7) The Guardian or Chief of the Children's Welfare Home may spend the income derived from the property taken over pursuant to sub-section (6) for the maintenance, education and health care of the concerned Child and keep its account.

23. Interest and property of the Child to be safeguarded:

(1) The main duty of the Guardian shall be to safeguard the interest of the Child.

(2) The Guardian shall give special attention to the following points besides other things

- (a) To bring up the Child in a way that will enhance the physical and mental development of the Child.
- (b) To arrange for the education which may help the intellectual development of the Child.
- (c) To prevent Child from being involved in bad habit or company.
- (d) To keep the up-to-date record of the Child's property and to protect it.

(3) The Guardian shall initiate necessary proceedings in order to realise the property or income of the Child misappropriated by others and to release the impended property. For this purpose, the Guardian may submit application, complaint or suit in the office or court or may initiate other necessary legal proceedings on behalf of the Child.

24. The works to be done by the Guardian :

The Guardian may, to bear the expenses necessary for the maintenance, education or health care of the Child give any property of the Child to any person for earning or on rent.

25. The works not to be done by the Guardian:

The Guardian shall not do any of the following works:

- (a) To engage the Child in work that requires more labour than his physical capacity can bear.
- (b) To engage the Child in any work which may hurt in his religious or cultural usage or to use his property on such work, or
- (c) To sell the Child's property to others with an intention to take it back by himself.

26. Report to be submitted by the Guardian :

(1) The Guardian shall submit a report to the concerned Children Welfare Officer stating all the particulars relating to the expenses incurred on his own for the maintenance, health care and education of the Child and the income earned from the property of the Child and the expenses incurred out of such income for the maintenance of the Child in each year within the month of Baisakh (May 13).

(2) The Children Welfare officer, if he deems necessary may check the reliability of the statement or statistics mentioned in the report submitted pursuant to sub-section (1), inspect or cause to inspect the Child and the place where his property is remained. For this purpose, the Children Welfare Officer may order to present the concerned Child before himself and also make necessary inquiry with the Child. In case the Children Welfare Officer issues an order to present the Child before him, it becomes the duty of the Guardian to present the Child

27 The Guardian may retire taking approval:

(1) In case the Guardian, appointed pursuant to this Act, desires to retire being unable to discharge his duty, shall submit an application stating the reason thereof to the Children Welfare Officer at least one month before. The Guardian shall also have to submit along with the application, the statement of the property of the Child that has taken in custody and the expenses up to the date of the application.

(2) If the reason stated in the application submitted pursuant to sub-section (1) is deemed reasonable, the Children Welfare Officer shall cause to handover the property in the custody of the Guardian to any office or person and permit him to retire.

28. Guardian may be removed:

The Children Welfare Officer may remove the Guardian, in case it is proved that he has done any work in contravention to Section 23, 24 or 25 or gives a false statement while submitting the report pursuant to Section 26.

29. Another Guardian to be appointed :

(1) In case any Guardian has expired or the Guardian cannot be retained due to any situation pursuant to sub-section (4) of Section 22 or the Guardian is retired pursuant to Section 27 or removed pursuant to Section 28, the Children Welfare Officer shall subject to Section 22 appoint another Guardian instead of such Guardian.

(2) If the Guardian, who is removed from the guardianship or is not retained as a Guardian pursuant to sub-section (1) has any property of the Child in his custody he shall handover such property and the related documents to the office or person specified by the Children Welfare Officer.

30. Maintenance of the Child having no sufficient income :

(1) The Guardian may submit an application to the Chief District Officer for the Government assistance if he could not bring up the Child in a proper way due to insufficiency of income or property or the property is consumed by any other in an illegal way and the Chief District Officer shall, if he deems the statement reasonable, make available necessary Government assistance. In case such assistance is not available, an arrangement shall be made to keep the Child in the Children's Welfare Home.

(2) In case any Child is handed over to the Children's Welfare Home, the responsibility of the Guardian shall be deemed to be terminated from the date of such handover

31. Guardian to receive remuneration :

(1) The Children Welfare Officer shall specify the remuneration of the Guardian on the basis of the property and income of the Child.

(2) The Guardian may take five percent of the reasonable expenses incurred for the realisation of the property or income of the Child pursuant to sub-section (3) of Section 23 and the current price of the property so realized or the income in the form of remuneration.

(3) In case the Guardian has spent some amount on his own for the maintenance, education or health care of the Child, he may also realise such amount from the income of the Child.

**CHAPTER- 4
WELFARE PROVISIONS**

32. Constitution of Central and District Children Welfare Board :

(1) His Majesty's Government by publishing a notification in the Nepal Gazette constitute a Central Children Welfare Board consisting of twenty one members at the maximum including the members from among the social workers, woman social

workers, medical practitioners, Child psychologist and teachers. The Name of the chairperson and members of the Central Children's Welfare Board shall be as prescribed in the same notice. The Board shall work subject to the policy and directives of His Majesty's Government.

(2) A District Children Welfare Board shall be constituted in each District under the convener ship of the Chief District Officer. In the District Children Welfare Board ,there shall be the persons as appointed by the Chief District Officer specially from among the following persons besides other persons:

- (a) persons involved in social service,
- (b) Social workers involved in the works relating to the rights and interests of the children,
- (c) Women social workers,
- (d) Medical practitioners,
- (e) Child psychologist,
- (f) Teachers.

(3) The tenure of the officials of the Central Children Welfare Board and District Children Welfare Board shall be of four years and they may be reappointed.

(4) The chairperson of the District Children Welfare Board shall be the person prescribed by the members of District Children Welfare Board from among themselves and untill such chairperson is appointed, the Chief District Officer himself shall act as the chairperson of the Board.

(5) Each District Children Welfare Board shall have to submit an annual report relating to the children's welfare activities conducted in the district level to the Central Children Welfare Board within the month of Baisakh. The Central Children Welfare Board shall prepare a nation-wide report relating to the Children on the basis of the annual reports received from the District Children Welfare Board and submit it to His Majesty's Government in each year within the month of Ashadh (July 13).

(6) Besides those written in this Act, the other functions, duties, rights and procedures of the Central Children Welfare Board and the District Children Welfare Boards shall be as prescribed.

33. Appointment of Children Welfare Officer :

(1) His Majesty's Government may appoint Children Welfare Officer in requisite number. His Majesty's Government may designate any other person or personnel to act as the Children Welfare Officer pursuant to this Act until the Children Welfare Officers are appointed.

(2)The Children Welfare Officer, appointed or designated pursuant to subsection (1), shall work subject to the general control and directives of the District Children Welfare Board.

(3) Besides those written in this Act, the other functions, duties, rights terms and conditions of service of the Children Welfare Officer shall be as prescribed.

34. Establishment and operation of Children's Welfare Home :

(1) His Majesty's Government shall establish Children's Welfare Home in the various regions of the Kingdom of Nepal as required.

(2) His Majesty's Government may utilize Children's Welfare Home, orphanage or center operated by any other person or organisation, for the purpose of keeping the Children until the establishment of Children's Welfare Home pursuant to subsection (1).

Provided that, anything written in this sub-section shall not be deemed to have given rights to His Majesty's Government to interfere in the operation of such Children's Welfare Home, orphanage or centre.

35. Abandoned Child to be kept in the Children's Welfare Home:

(1) The Children Welfare Officer and the police personnel shall handover the Abandoned Child, they have found or handed over to them by any person, to the nearest Children's Welfare Home after keeping the records of the Child including the name, surname, address, photograph, any special mark on his body and thumb impressions and as far as practicable the name of his father and grandfather in their office.

(2) The Chief of the concerned Children's Welfare Home shall take into its custody the Abandoned Child brought to handover pursuant to sub-section (1) except in the case of lack of lodging place.

(3) In case the Chief of the Children's Welfare Home did not take into its custody the Abandoned Child due to the reason mentioned in sub-section (2), such Child may be handover to any other Children's Welfare Home.

(4) The Abandoned Child residing in the Children's Welfare Home shall be kept separately on the ground of sex.

(5) The Children Welfare officer, Police Officer or Chief of the concerned Children's Welfare Home may, in order to find out father, mother, relatives or Guardian of the Abandoned Child cause to publish a notice including the description and photograph of such Child in in any or cause to communicate through any other medium of communication

36. Duration to kept in the Children's Welfare Home :

(1) An Abandoned Child shall be kept in the Children's Welfare Home until he attains the age of sixteen years.

Provided that, if the Child of such age is sent of from the Children's Welfare home, it is deemed that he will face the problem of livelihood, he may be kept in the Children's Welfare Home until he attains the age of eighteen years.

(2) Notwithstanding anything contained in sub-section (1), the age bar to live in the Children's Welfare Home does not apply in the case of blind, disabled or mentally retarded Abandoned Child, until they are sent to the Children's Welfare Home provided for their living.

(3) Notwithstanding anything contained in sub-section (1), If the father, mother or the Guardian of the Abandoned Child desires to take the Child with them, the Chief Of the Children's Welfare Home shall allow to take the Child at any time and prepare a document for such take over of the Child.

37. Assistance to be give to provide vocational training or put on the job:

(1) The Abandoned Children residing in the Children's Welfare Home shall be involved in vocational training or teaching and learning on the basis of their aptitude and knowledge.

(2) His Majesty's Government shall provide assistance to engage an Abandoned Child who has already obtained any knowledge or skill in any vocational jobs suitable to his knowledge or skill.

38. Child may be kept in the Children's Welfare Home on the Condition of payment:

(1) In case the father, mother or relatives of the Child who often runs away from the home agrees to bear all the expenses required for his maintenance, the Chief of the Children's Welfare Home may allow to keep such Child in the Child Welfare Home having prepared a document of agreement to bear such expenses.

(2) When the Child kept in the Children's Welfare Home pursuant to sub-section (1), completes the specified period in the Children's Welfare Home, the Chief of the Children's Welfare Home shall handover the Child to the custody of his father, mother or relatives. While handing over the Child the balance amount, if any, of the money deposited for the maintenance of such Child shall also be returned along with the statement of expenses incurred for his maintenance.

(3) In case any Child kept in the Children's Welfare Home pursuant to sub-section (1) has escaped from the Children's Welfare Home or has expired, the Chief of the Children's Welfare Home shall immediately give this information to the father, mother or relatives of the Child and do everything possible to trace him in the case of escaping.

(4) The Chief of the Children's Welfare Home shall, while giving the Child to the custody of his father, mother or relatives pursuant to sub-section (2), also return his immovable property, if any and the related documents.

(5) In case the Child escaped pursuant to sub-section (3) is not found or the Child has expired any goods or immovable property of the Child shall be returned to his father, mother or relatives and realised from them the due expenses relating to the Child, if any.

39. General punishment may be given to maintain the discipline:

(1) In case an Abandoned Child does not comply with the terms and conditions to be complied with while staying in the Children's Welfare Home or does any act which violates the discipline, the Chief of the Children's Welfare Home may impose any of the following punishments on such Child:

- (a) To deprive him from the facilities available in the Children's Welfare Home not exceeding three days at one time or,
- (b) To realise full or partial amount of the damage, in case anything of the Children's Welfare Home is broken or damaged knowingly.

(2) Notwithstanding anything contained in sub-section (1), it shall not be deemed to be conferred the power to the Chief of the Children's Welfare Home to beat or detain the Child in solitary confinement or to stop giving food and water to such Child.

(3) For the purpose of realisation of the amount of the damage from the Abandoned Child pursuant to clause (b) of sub-section (1), the Chief of the Children's Welfare Home shall realise the amount as possible from the income of the concerned Child or from his salary, if he has to get any for working there, and shall have to reconcile by remitting the remaining amount.

40. Expenses may be realised handing over the Child to his father, mother etc:

(1) In case it is known that the father, mother or a member of the family of any Child has enrolled him to a Children's Welfare Home, orphanage or such other centre giving a false statement that he is an Abandoned Child or an orphan, the Chief of the

Children's Welfare Home shall have to handover such Child to his father, mother or a member of the family whoever comes in contact.

(2) In the situation pursuant to sub-section (1), the concerned Children's Welfare Home, orphanage or Centre shall have to realise all the expenses incurred for the maintenance (If the concerned Child as a Government due from the father, mother or a member of the family of the Child who has enrolled him fraudulently.

Provided that, the concerned Children's Welfare Home, orphanage or centre shall not real the expenses incurred for the maintains of tile Child in case the father, mother member of the family the Child has no income or property.

41. Chief of the Children's Welfare Home to keep records and to report :

(1) The Chief of the welfare Home shall have to prepare personal records of all the Abandoned Children residing in the Children's Welfare Home. If any punishment pursuant to sub-section (1) of section 39 is awarded to any child, that also shall be mentioned in such record.

(2) The form of personal records to be kept pursuant to sub-section (1) shall be as prescribed.

(3) The records maintained pursuant to sub-section (1), shall be kept secret and such records shall not be shown or given to any person other that the Children Welfare Board or Children Welfare Officer or the person or office having permission from such Board or Officials.

Provided that, this restriction shall not apply to the records demanded by the court in relation to a case.

(4) The Chief of Children's Welfare Home shall send reports, in the prescribed form stating all tile activities carried out by the Children's Welfare Home in the last year to the District Children Welfare Board and Children Welfare officer in each year within the month of Baisak (May 13).

42. Establishment and operation of Children's Rehabilitation Home :

(1) His Majesty's Government shall establish Children's rehabilitation Homes as required.

(2) The following children shall be kept in the Children's Rehabilitation Home established pursuant to sub-section(1):

- (a) Child to be imprisoned pursuant to the existing law for the investigation or proceedings of the case being accused in any crime,
- (b) A Child to be imprisoned being punished pursuant to existing law,
- (c) A Child addicted to narcotic drugs,
- (d) A Child who often runs away from father, mother or the family,
- (e) A Child who has company with the persons involved in immoral or inexpedient activities of such persons or depends upon their earnings,
- (f) Children of the categories prescribed by His Majesty's Government.

(3) His Majesty's Government may utilise the private Children's Welfare Home, orphanage or centre operated by any person or body in the form of Children's Rehabilitation Home temporarily by obtaining permission of such person or body until the Children's Rehabilitation Home is established pursuant to sub-section (1).

(4) In case the Child mentioned ill the clause (d) of sub-section (2) is kept in the Children's Rehabilitation Home with the consent of his father, mother or a member of the family, his father, mother or a member of the family shall have to bear the expenses incurred for his maintenance.

(5) The operation of the Children's Rehabilitation Home and the facilities, training and education to be provided for the children residing therein as well as the terms and conditions to be followed by the children shall be as prescribed.

43. Establishment and operation of orphanage and centre for mentally retarded Children:

(1) His Majesty's Government shall establish orphanage and centre for mentally retarded children as required for the maintenance and dwelling of orphans, disabled or mentally retarded children having no parents.

(2) His Majesty's Government shall provide necessary education for the children residing in the orphanage or centre for mentally retarded children pursuant to sub-section (1).

(3) Notwithstanding anything contained in sub-section (1) His Majesty's Government may, under an agreement, utilise the orphanage or centre for mentally retarded children operated by any other person or organisation. for the purpose of this Act.

44. Inspection of Children's Welfare Officer shall inspect the Children's Rehabilitation Home, orphanage etc :

(1) The Central Children's Welfare Board or may inspect or cause to inspect all Children's Welfare Home orphanages or centres established within the Kingdom of Nepal at any time and the District Children Welfare Board or Children Welfare Officer may inspect or cause to inspect the Children's Welfare Homes, orphanages or centres within their own area at any time.

(2) The Children's Welfare Officer shall inspect the Children's Welfare Homes, orphanages or centres at least twice a year within at twice a year his area and while doing such inspection, in case it is found that any act to be done pursuant to this Act and the Rules made there under is not done or any act is done in contravention to the existing law, he shall have to send its report to the District Children Welfare Board.

(3) The Children Welfare Board or Children Welfare Officer may issue directives to correct the irregularities found in the Children's Welfare Home, children's Rehabilitation Home, orphanages or such other centres and it shall be the main duty of the Chief of the Children's Welfare Home, Children's Rehabilitation Home, orphanages or centres to follow such directives.

45. Provision relating to the Children's Welfare Home Children's Rehabilitation Home. orphanage etc:

The person to operate the Children's Welfare Home, Children's Rehabilitation Home, orphanage etc, power to be used by him, terms and conditions of his service and the rules to be obeyed by and the education and training to be provided for the Children residing in such Children's Welfare Home, Children's Rehabilitation Home, orphanages or centres shall be as prescribed.

**CHAPTER - 5
WORKING HOURS AND LEISURE**

46. Particulars to be Child as a labourer:

(1) The person or organisation engaging a Child as a labourer shall sent a photograph and particulates of the concerned child in the prescribed form to the district Children Welfare Board.

(2) The District Children Welfare Board, if it deems necessary, may cause to submit the particulars in addition to the particular submitted pursuant to sub-section (1), and check or cause to check whether the statement written in the particulars are correct or not. In case anything is found in contravention to this Act or existing law or statement mentioned in the particulars while checking, the person who checked on behalf of the Board may give necessary directives to correct it.

(3) It shall be the duty of the concerned person or organisation to submit the particulars demanded and to comply with the directives issued pursuant to sub-section (2).

47. Working hours and leisure :

(1) While engaging a Child as a labourer pursuant to Section 46, he shall not be engaged more than 6 hours a day and nor more than 36 hours a week.

(2) Generally, after continuous work of three hours, a leisure of half an hour and a holiday of one day for each week shall be given to the Child engaged in the work pursuant to sub-section (1). The leisure of half an hour for each day and a holiday for each week provided thus shall also be regarded as the working hours for the purpose of this Section.

48. Approval to be obtained :

(1) In case any corporate body or industrial enterprise has to engage a Child of 14 years or above as a labour or any other has to include any Child in any recreation or cultural programme having commercial purpose, shall obtain approval of the Children Welfare officer and his father, mother or Guardian as well.

Provided that, no permission is required pursuant to this Section to engage the Children (if any educational organisation, Children's Welfare Home, Children's Rehabilitation Home or orphanage in the functions organised by those organisations to cause to participate them in the cultural programmes conducted by those organisations for the wide interest of such organisations.

(2) In the place where there is not a Children Welfare Officer, the permission pursuant to sub-section (1), shall be taken from the Labour Office of His Majesty's Government, if it exists and if not, the permission shall be taken from the Chief District Officer.

CHAPTER -6 MISCELLANEOUS

49. Only particular persons can attend in the case relating to the Child:

(1) The legal practitioner or the father, mother, relatives Guardian of the Child and if the officer hearing the case deems it appropriate and permits any person or the representative of the social organisation involved in safeguarding the rights and interests of the Child may attend in the proceedings of any case related with the Child initiated under this Act or existing laws.

(2) The case pursuant to sub-section (1) and the particulars of the incident relating to it cannot be published in any paper without the permission of the investigation officer of the case or the officer hearing the case. Such restriction shall also prevail for the owner of the press, news agents and photo news agents.

50. Investigation of the case and pending of the punishment:

(1) In case the officer hearing the case deems that it is not appropriate to keep the Child in prison in consideration to the physical condition age of the accused Child who is to be investigated keeping in prison pursuant to existing law, situation at the time of offence and the place of imprisonment may issue an order to handover the Child to the custody of his father, mother, relatives or Guardian or any social organisation involved in safeguarding the rights and interests of the Child or the Children's

Rehabilitation Home on the condition to present him as and when required and to carry on investigation or proceeding of the case.

(2) In case the officer hearing tile case deems that it is not appropriate to keep the Child in prison who has got a sentence of imprisonment being proved as an offender in consideration to his physical condition, age, or situation at the time of offence and repetition of offence etc., he may keep the case pending for not to undergo the punishment at once or may prescribe the duration of such prescribed punishment to be passed residing in a Children's Rehabilitation Home or remaining in the guardianship of any person or organisation. The officer hearing the case may issues an order in the case of the Child whose punishment is us suspended, if the Child is given a sentence of imprisonment being proved an offender of the same or any other offence during the period of one year, to implement the punishment at one time adding both the sentences of imprisonment.

51. Case can be filed on the behalf of a Child :

(1) In case a suit or complaint is to be filed or a case to be defended in any matter of right of a Child, his father, mother or Guardian may file a suit, complaint or defend the case. This right goes to his claimant, in case the child has no father, mother or Guardian.

(2) The case relating to the officer to be punished under this Act can be initiated on the complaint of any person or His Majesty's Government.

52. Statistics relating Child and restriction in its use :

(1) The police office shall keep the statistics of the Child apprehended on the charge of any offence in the secret form mentioning his name, address, age, sex, family background, economic conditions, offence committed by him and if any proceeding is initiated on it, its particulars and the copy of such statistics shall be sent to the Police Head Quarter every six month.

(2) In case the statistics maintained pursuant to sub-section (t), are to be published for any study or research work, it can be published or utilised on the basis of age or sex without mentioning the name, surname or address of the Child.

53. Punishment:

(1) In Case any person commits any offence in contravention to Section 13,17,18 or abets others 10 commit such offence or attempts to do so, he shall be punished with a fine up to three months or with both .

(2) 1n case any person commits any offence in contravention to Section 14 or abets other to commit such offence to do so, he shall be punished with a fine upto ten thousand rupees or with imprisonment for a term which may extend to five years or with both. If it is proved that any person has sold a Child taking any amount, such amount also shall be seized from the person selling the Child and in case such amount couldn't be realised, he shall be punished with imprisonment for a term which may extend to two years more in addition

(3) In case any person commits any offence in contravention to Section 7 or 15, he shall be punished with a fine upto five thousand rupees or with imprisonment for a term which may extend to one year or with both. In case of torture and cruel treatment he shill be made liable to pay a reasonable amount of compensation to the Child.

(4) In case any person commits any offence in contravention to sub-section (1), (2) or (3) of Section 16 or abets others to commit such offence or attempts to do so, he shall be punished with a fine upto ten thousand rupees or with imprisonment for a term which may extend to one year or with both and the photographs taken with an

aim to engage the child in an immoral profession and all the publications printed with an aim to publish may be seized by the order of court.

(5) The person engaging a Child in the business in contravention to subsection (4) of Section 16 shall be punished with imprisonment for a term which may extend to five years ill addition to the punishment to be given pursuant to existing laws.

(6) In case there has been any hurt in tile character of the Child or adverse effect ill his health or dismembering of physical organ due to the reason that any person has caused the Child to engage ill ally prohibited business pursuant to Section 16,17 or 18 the officer hearing the case may cause to pay a reasonable amount of compensation in proportion to such damage to the child from such person in addition to the punishment to be given pursuant to sub-section 1 or 4.

(7) In case the Guardian contravenes or does not follow anything mentioned in Section 23, 24 or 25, he shall be punished with a fine upto three thousand rupees or with imprisonment for a term which may extend to three months or with both.

(8) In case the Guardian submits contrary to Section 26 or the property to be returned pursuant to Section 29 is not returned, he shall be punished with a fine upto six thousand rupees or with imprisonment for a term which may extend to six months or with both and the property misappropriated shall also be realised from him.

(9) In case the Chief of the Children's Welfare Home shows or gives personal particulars maintained pursuant to Section 41 to any unauthorised person or any person publishes the particulars of a case contrary to Section 49 or discloses the secrecy of the statistics relating to the Child or brings it in use or publishes it contrary to Section 52, lie shall be punished with a fine upto three thousand rupees or with imprisonment for a term which may extend to three months with both and all the papers and books relating to the offence shall also be seized.

(10) In case any person commits lily offence in contravention to Section 46,47 or 48 he shall be punished with a fine upto three thousand rupees or with imprisonment for a term which may extend to three months or with both.

54. Limitation:

Complains shall be filed within one year from the date of offence committed which is punishable under this Act.

Provided that, the complaint may be filed forever in case the property of a child so sold malafidely and within three years from the date of such happening in the case a Child is caused to engage in an immoral profession.

55. Officer hearing the case and procedures to be followed relating to the case:

(1) His Majesty 's Government shall , by publishing a notification in the Nepal Gazette constitute juvenile court as required. The area and headquarter of such court shall be a prescribed in the same notice.

(2) The Juvenile Court constituted pursuant to sub-section (1) shall have the power to hear and decide the case of first instance in which the Child is a plaintiff or defendant except in the situation of Section 20.

Provided that, the Juvenile Court shall not hear and decide the case in which a Child is involved alongwith a major person.

(3) The concerned District Court shall have the power to hear and decide the case pursuant to sub-section (2) until the Juvenile Court pursuant to sub-section (1) is

constituted and after the constitution of the Juvenile Court the case filed in the District Court shall be transferred to the Juvenile Court.

(4) There shall be a Children's Bench in each District Court for hearing and deciding the case to be heard from the District Court pursuant to sub-section (3).

(5) His Majesty's Government shall prescribe the procedure relating to the constitution of the Children's Bench pursuant to sub-section (4) on the advice of the Supreme Court and may include social worker, child specialist or child psychologist besides the judge while prescribing the bench.

(6) The procedures to be followed by the Juvenile Court or District Court for hearing and deciding the cases shall be as prescribed and until such procedure is prescribed those Courts shall follow the procedures of the summary procedure Act, 2028.

56. Appeal :

Any person not satisfied with the decision made by the Juvenile Court or District Court pursuant to Section 55 may file an appeal to the Appellate Court within thirty five days of such decision made thereto.

57. Priority to be given in hearing the cases:

The case under this Act in which a Child is a plaintiff or defendant shall have to be given priority for hearing and deciding.

58. Power to frame Rules :

His Majesty's Government may frame necessary Rules for implementing the objectives of this Act.

59. Repeal :

(1) No. 1 and 2 of the Chapter "of poor" of Muluki Ain (Law of the Land) are hereby repealed.

(2) The figure "1" after the word "Mahal" (Chapter) contained in number 6 of the Chapter "of poor" of Muluki Ain (Law of the Land) is deleted.

(3) The words "the Child below the age of 8 years or" appearing in No.1 of the Chapter "of punishment" of the Muluki Ain (Law of Land) and the phrases "If the age of the Child is 8 years or above 8 years and below 12 years and he commits an offence which is punishable with fine under law, he shall be warned and if the offence is punishable with imprisonment he shall be punished with imprisonment for a term which may extend to two months depending on the offence. If the Child who is 12 years or above 12 years and below 16 years commits an offence he shall be punished with half of the penalty of the penalty to be imposed on a person who has attained maturity. The Child or" appearing in the same No., have been deleted.