

CHAPTER VII

ECONOMICALLY ACTIVE POPULATION

- *Dr. Puspa Shrestha*
- *Mrs. Pragya Pant*

1. Introduction

Statistics on the size and composition of the working population broadly reflect the prevailing socioeconomic conditions of the country concerned. Census data provide an inventory of human resources showing their number, characteristics, occupation status and distribution among various aspects of the economy.

In the Nepalese context, collection of information regarding economically active population was started for the first time in 1952/54 census. Since then the practice has been continued in every successive census. The concepts and definitions adopted, however, had not remained the same from one census to another.

It is generally not easy to set up a scheme for determining who are economically active and who are not. This implies a standard for judging which activities constitute productive work. Some consistent criteria are required to be developed to determine what degree of performance is sufficient to class a person as "active".

2. Definitions

According to the 1952/54 census an economically active person was one who was either working or had a job from which he/she was temporarily absent. The censuses of 1961, 1971 and 1981 defined economically active persons as those who had worked at least for eight months either at a single stretch or at intervals, either for pay, profit or remuneration in cash or kind during the year preceding the day of census enumeration. In the 1991 census, if a person worked for any length of time during the twelve months preceding the census date, he/she was treated as economically active. His/her duration of work was recorded into one of the following four duration - groups: viz.; (1) eight months and over (2) six to seven months (3) three to five months and (4) less than three months. This type of information was collected for the first time in 1991 census.

The minimum age of a person to be considered for economic activity classification also differed from census to census. Data for economically active population were collected in 1952/54 census

for all persons, including those under 15 years of age. The lower age limit in 1952/54 census was not clear. But in 1961 census, economic activity data were collected for persons aged 15 and above. However in the subsequent censuses - 1971, 1981. and 1991 - data were collected for population aged 10 and above.

3. Crude and Refined Activity Rates

The size of the economically active population as a proportion of the total population is known as the Crude Activity Rate. The crude activity rate has an obvious significance, viz.. the higher the rate the greater is the level of income per head achieved under given conditions of productivity and extent of employment. There are many workers who are not included in the concept of labour force because what they produce is not considered as income although it contributes significantly for the well-being of the people. For instance, a great majority of housewives are not classified as economically active, for, the domestic services and goods which they produce for home consumption are not included in the conventional accounting of national income. For this reason, among others, the activity rates need to be computed for males and females separately.

Further, relating the economically active population to the total population of all ages may not be appropriate since only population of certain ages are exposed to economic activity. When age restriction is placed on the denominator population, the resulting activity rate is usually called the Refined Activity Rate. Since in the case of 1991 Census of Nepal, economically active population belongs to ages 10 and above, Population aged 10 and over is used for the denominator, in the computation of Refined Activity Rate.

In the 1991 census, among persons aged 10+, a total of 7,339,586 persons, 4,375,583 males and 2,964,003 females were reported as economically active. The inactive persons numbered 5,538,677 of which 1,992,891 were males and 3,545,786 were females. In addition, the economic activity was 'not stated' in the case of 96,826 persons of which 50,057 were males and 46,769 were females. In the computation of the crude and the refined activity rates, the not-stated category of persons were distributed into the active and inactive groups on a pro-rata basis.

The crude and refined activity rates for males and females are shown in Table 1. From this table it is clear that in the case of males, the economic activity rate essentially remained the same from 1971 to 1981 but had dropped significantly by 1991. In the case of females the activity rate

exhibited significant rise between 1971 and 1981 and then stayed almost at the same level in 1991. These observations are true of both crude and refined activity rates.

Table 1: Crude and Refined Activity Rates (Aged 10+ years) by Sex, Nepal, Census Years 1971 – 1991.

Census Year	Crude Activity Rate 1			Crude Activity Rate 2		
	Both Sexes	Male	Female	Both Sexes	Male	Female
1971	41.99	59.03	24.71	59.30	82.90	35.10
1981	45.60	58.21	32.35	65.13	83.15	46.21
1991	39.99	47.82	32.20	56.99	68.71	45.53

Source: CBS, 1975, Vol. 1, Table 6 and Vol. III, Part I, Table 19
 CBS, 1984, Table 5 and Table 21
 CBS, 1993, Vol. 1, Part XIII, Table 50.

- 1/ Crude activity rate is the number of economically active persons per 100 persons of all ages.
- 2/ Refined activity rate is the number of economically active persons per 100 persons of age 10+.

Classifying women as economically active or inactive has been a problem particularly in the developing countries. On account of their domestic work, women often tend to be classified as economically inactive. The under-estimation of economic activity of women was probably more in the earlier censuses which may partly explain the low rates in 1971 for women. The income generating activities and programs launched for women in the past two decades may have also contributed to a rise in female economic activity rate. The drop in the activity rate of men in the past decade is hard to explain. It is possible, however, that men who were not finding adequate work might have, out of frustration, reported themselves as totally unemployed. It could be that, people's expectations for employment were raised, following the introduction of democratic system of government in the country. This happened before the 1991 census. The increased frustration probably contributed to greater under-reporting of economic activity in 1991 compared to the earlier censuses. Increase in attendance at school could also contribute to a drop in economic activity.

4. Age Specific Activity Rates

Participation in economic activity is obviously related, among other things, to age of a person. The age specific activity rates reveal how early men and women enter active status and when they exit due to retirement and involuntary withdrawal. The age specific rates of participation in economic activity are shown in Table 2. The drop in participation rates from 1981 to 1991 in the age groups 10-14 and 15-19 is substantial. The drop is greater for males - from 61.3 to 18.44 per cent in age group 10-14, and from 69.2 to 49.57 per cent in age group 15-19; compared to the drop for females from 51.9 to 28.54 per cent in age group 10- 14, and from 51.3 to 49.29 per cent in age group 15-19. Increased school attendance probably is the reason which in Nepal has a male-bias. The drop in participation rate from 1981 to 1991 is also significant after age 55 and to a larger extent after age 60. Once again the drop in the case of males is greater than for females, related probably to retirement from formal jobs. In the main working age groups between 20 and 55 there is hardly any difference between 1981 and 1991 in the participation rates of men. Thus the decline in the overall participation rate from 1981 to 1991 for males seems to come mostly from the very early and very late age groups signifying changes in entry and exits ages of participation.

Table 2: Age Specific Activity Rates for Nepal 1971 – 1991

Age Group	1971			1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
10-14	50.5	59.2	40.1	56.9	61.3	51.9	23.28	18.44	28.54
15-19	61.6	75.7	46.2	60.7	69.2	51.3	49.43	49.57	49.29
20-24	63.5	89.8	39.2	66.1	86.3	47.6	66.35	80.52	54.31
25-29	65.3	95.1	36.6	68.7	93.4	44.9	72.34	92.77	54.03
30-34	63.7	96.6	33.9	68.2	95.3	43.3	73.92	95.61	54.0
35-39	66.9	97.4	34.0	70.8	95.8	44.1	75.63	96.33	54.73
40-44	64.7	97.2	32.9	70.4	96.0	44.7	74.55	95.93	54.30
45-49	66.7	96.8	32.5	72.3	96.4	44.9	74.13	95.12	52.31
50-54	62.9	94.0	30.5	71.2	94.3	44.7	70.73	92.07	48.17
55-59	60.0	90.3	27.7	69.9	92.2	43.3	66.96	88.56	41.69
60-64	39.7	64.1	17.9	62.5	83.3	39.9	45.96	66.47	25.50
65+	25.1	40.5	10.4	52.9	68.7	35.0	26.92	40.27	12.92

Source: CBS, 1975, Vol. 111, Part I, Table 19
CBS, 1984, Vol. 1, Part V, Table 21
CBS, 1993, Vol. 1, Part X111, Table 50.

5. Rural-Urban Variation in Participation Rates

Age specific participation rates of men and women are shown for rural areas in Table 3 and for urban areas in Table 4. The Crude Activity Rate (CAR) and the Refined Activity Rate (RAR) are also shown in these tables. The rates for 1981 also are presented in the same table for comparison. The age specific participation rates are higher for rural than urban for both males and females. The rural-urban difference is significantly greater for females than for males. These observations hold true both for 1991 and 1981 censuses.

It was pointed out earlier that the drop in the overall economic activity rate for males between 1981 and 1991, came mostly from the very early and very late age groups. This observation seems to be supported by data from rural as well as urban areas. Sharper reductions however seem to have occurred in urban compared to rural areas. Greater school attendance among the younger ages and greater withdrawals from work life due to retirement at the older ages are evident in urban compared to the rural areas, which is in line with what one would expect.

Between 1981 and 1991, females also exhibited drop in participation rate in the young and old age groups. The declines have been greater as well as spread over more age groups, both at the lower and upper ends of the age scale, in urban areas compared to rural areas.

Table 3: Age Specific Activity Rates for Rural Area, Nepal, 1981 - 1991

Age Group	1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female
10-14	58.23	62.50	53.27	24.84	36.56	30.62
15-19	62.27	70.79	52.95	52.52	52.12	52.90
20-24	67.04	87.42	48.73	69.58	83.45	58.10
25-29	69.24	93.79	45.81	74.52	94.09	57.40
30-34	68.55	95.43	44.08	75.41	96.29	56.69
35-39	71.19	95.92	44.94	77.00	96.85	57.27
40-44	70.65	96.11	45.41	75.74	96.45	56.55
45-49	72.60	96.45	45.62	75.35	95.68	54.49
50-54	71.44	94.29	45.29	72.02	92.80	50.21
55-59	70.08	92.27	43.82	68.19	89.41	43.58
60-64	62.69	83.30	40.37	46.66	66.39	26.48
65+	52.96	68.71	35.31	27.38	40.48	13.52
CAR	45.99	58.46	32.98	40.94	48.15	33.84
RAR	65.85	83.77	47.19	58.76	69.78	48.10

Source: CBS, 1984, Vol. 1, Part V, Table 21 and Vol. III, Table 18
CBS, 1993, Vol. 1, Part XIII, Table 50; Vol. II, Table 13.

Table 4: Age Specific Activity Rates for Urban Area, Nepal, 1981 – 1991

Age Group	1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female
10-14	38.81	43.82	32.81	7.56	8.02	7.04
15-19	40.85	50.40	29.53	23.26	29.56	16.37
20-24	53.61	73.75	31.80	42.03	60.86	22.60
25-29	61.10	88.35	31.15	55.02	83.10	25.86
30-34	63.48	92.93	30.36	61.19	90.43	28.85
35-39	65.75	94.08	31.40	63.13	91.97	29.78
40-44	66.16	94.83	32.24	62.62	91.33	29.15
45-49	67.73	95.31	32.81	61.28	89.56	27.30
50-54	67.46	93.98	33.60	55.98	84.11	23.89
55-59	66.57	91.13	32.99	51.29	78.66	19.79
60-64	59.63	82.72	31.82	37.05	61.17	13.11
65+	51.04	68.32	29.78	21.82	37.82	6.59
CAR	39.77	54.69	22.58	30.56	44.76	15.19
RAR	54.90	74.86	31.48	40.76	59.44	20.30

Source: Same as for Table 3 of text.

6. Structure of Economic Activity

The developmental level and productive efficiency of any country are revealed by the structure of its workforce. This section examines the changes, if any, in the workforce-structure of Nepal in response to population dynamics and developmental efforts. For policy making purpose, it is highly imperative to have a clear picture of the distribution of workforce, its trends and composition. Only then will it be possible to develop a basis for forecasting labour absorption in different sectors in future under various assumptions about economic changes.

The analysis is divided into three parts - (a) Occupational, (b) Industrial, and (c) Employment status of the workforce. Three principal classifications of the economic characteristics of workforce are used in census statistics - industry representing the functions of an establishment or enterprise where individuals work; occupation representing the type of work which he/she performs; and status comprising four primary categories, namely, employees, employers, own account workers and unpaid family workers.

7. Occupational Structure

Information on occupational patterns and their trends are of special importance in the statistical frameworks of manpower planning which is an integral part of socio-economic development policy. If one looks at the occupational structure of Nepal one is at once struck by the very underdeveloped nature of its economy. It is revealed by the fact that nearly 81 per cent of its total population was engaged in agriculture in 1991 whereas it was 91 per cent in 1981 and 94 per cent in 1971 (Table 5).

Table 5: Percentage Distribution of the Employed Population (Aged 10+ years) by Major Occupational Groups, Nepal 1971 - 1991

Age Group	1971			1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Professional & Technical	0.52	0.68	0.14	0.93	1.19	0.45	1.78	2.54	0.66
Administrative & Related	0.02	0.03	0.03	0.09	0.13	0.02	0.30	0.15	0.07
Clerical	0.97	1.31	0.13	0.71	1.03	0.12	1.06	1.60	0.26
Sales	1.24	1.54	0.51	1.25	1.62	0.53	2.98	3.87	1.66
Services	0.7	0.84	0.38	0.24	0.31	0.1	6.18	7.77	3.84
Agriculture	94.37	92.8	98.17	91.37	88.89	96.06	81.1	74.75	90.46
Production	2.18	2.8	0.67	3.12	3.86	1.73	4.23	5.76	1.96
Others	-	-	-	-	-	-	2.09	2.96	0.82
Not Stated	-	-	-	1.73	2.28	0.99	0.28	0.31	0.25
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: CBS, 1984, Vol. I, Part V, Table 21 and Vol. III Table 18
CBS, 1993, Vol. I, Part XIII, Table 51

Services sector registered the second highest percentage (6.18%) of workforce in 1991 which was less than one per cent in 1981 and 1971. Production and sales categories occupied the third and fourth ranks respectively by absorbing 4.23 per cent and 2.98 per cent in 1991, recording a slight increment (2.05 percentage points and 1.74 percentage points respectively) over the twenty years period since 1971. Professional-Technical occupational category ranked fifth engaging 1.78 per cent of the work-force, recording an increment of 1.26 percentage points during the same twenty year period. Table 5 does show some occupation-structural changes during the period, but it also reveals the very slow pace of development in the country.

7.1 Occupational Distribution by Sex

As may be seen from Table 5, more significant changes in occupational distribution for males compared to females occurred during the period. Male participation in agriculture sector declined by 18.05 percentage points (from 92.80 per cent in 1971 to 74.75 per cent in 1991) whereas it was a mere 7.71 percentage points for females (from 98.17 per cent in 1971 to 90.46 per cent in 1991). Moreover, over 90 per cent of the employed female population were engaged in agriculture sector even in 1991 which was over 96 per cent and over 98 per cent in 1981 and 1971 respectively (Table 5). Professional/technical occupation group witnessed greater change for males over the years, namely, from 0.68 per cent in 1971 to 1.19 and 2.54 per cent in 1981 and 1991 respectively, where as for females it stayed less than one per cent all along. The production group also showed greater increases for males from 3.86 per cent in 1981 to 5.76 per cent in 1991 compared to females who exhibited a modest increase from 1.73 per cent in 1981 to 1.96 per cent in 1991.

Table 6: Percentage Distribution of the Employed Population (Aged 10+ Years) by Major Occupational Groups For Rural and Urban areas, Nepal, 1991

Age Group	Rural			Urban		
	Both Sexes	Male	Female	Both Sexes	Male	Female
Professional & Technical	1.49	2.28	0.37	5.68	5.13	7.45
Administrative & Related	0.10	0.16	0.02	2.88	2.41	1.20
Clerical	0.63	1.02	0.08	6.72	7.45	4.37
Sales	1.98	2.51	1.24	16.19	17.64	11.57
Services	5.33	6.79	3.29	17.46	17.69	16.70
Agriculture	85.42	80.20	92.73	23.80	19.37	37.96
Production	3.16	4.41	1.41	18.35	19.49	14.70
Others	1.63	2.34	0.62	8.30	9.20	5.42
Not Stated	0.26	0.27	0.24	0.62	0.62	0.62
Total	100.00	100.00	100.00	100.00	100.00	100.00
No.	6,824,976	9,837,392	841,237	514,610	391,844	122,766

Source: CBS, 1993, Vol. 1, Part XIII, Table 51; Vol. II, Table 14.

7.2 Occupational Distribution by Rural/Urban Residence

The rural/urban differences in the 1991 Occupational structure of employed men and women are shown in Table 6. As expected, the bulk (85.4%) the rural employed are in agriculture. Service, production and sales, in that order, are significant among the non-agricultural occupations for both sexes. While the per cent working in agriculture is greater (92.7%) for females than males (80.2%), per cent working, in Service, Production and Sales are higher for males than females.

The Urban-employed work in more diverse occupations than the rural-employed. The occupational distribution is more spread out in the case of males compared to females. Among males, the per cent working in Sales, Services, Agriculture and Production is more than seventeen per cent each; and more than five per cent each in professional and clerical occupations. Among females, although agriculture is still the highest (38%) the spread of the urban occupational distribution is wider than in rural. What is interesting is the fact that around eight per cent (7.45%) of the employed females were found in professional and technical jobs compared to their male counterparts who constituted slightly over five per cent (5.13%). It reveals that professional and technical jobs seem to attract more females than the males (Table 6).

7.3 Occupational Distribution by Educational Attainment

Table 7 reveals that there is a positive relationship between the level of educational attainment and white collar occupation while a negative relationship is observed between the level of educational attainment and agricultural occupation. The educational attainment is classified into five categories: viz. no schooling, below SLC and SLC and equivalent, Intermediate, Graduate and Postgraduate. Likewise occupations are classified into four broad categories - (a) white-collar occupation, (b) agricultural occupation, (c) other occupation and (d) unspecified. The table shows that the largest proportion (77.32%) of no schooling category among the employed population are engaged in agriculture, 15.39 per cent in other occupation and nearly 7 per cent (7.01%) in white collar Occupation. On the other hand, the largest proportion of Intermediate, Graduate and Post-graduate - 67.32 per cent, 72.18 per cent and 76.95 per cent respectively are employed in white collar occupation. Employed in agricultural occupation, among those with Intermediate, Graduate mid Post-graduate qualification are 13.95 per cent, and 4.34 per cent respectively (Table 7) the positive relation with White Collar Occupation and the negative relation with Agricultural Occupation of educational attainment is true for both males and females. The negative relationship of education with agricultural occupation seems to be stronger among females than among males.

Table 7: Percentage Distribution of Employed Population by Occupation and Educational Attainment, Nepal, 1991.

Education	Number	White Collar Agriculture Others Un-				
		Total	Occupation	Occupation	Occupation	specified
Both Sexes						
No Schooling	733,704	100.00	7.01	77.32	15.39	0.27
Below SLC, SLC & equi.	1,348,785	100.00	14.93	66.75	17.91	0.41
Intermediate	81,050	100.00	67.32	13.95	18.09	0.64
Graduate	57,978	100.00	72.18	7.64	19.44	0.74
Post-graduate	14,869	100.00	76.95	4.34	17.87	0.85
Others	166	100.00	57.23	18.67	22.89	1.20
Level Not Stated	132,041	100.00	8.42	74.61	16.58	0.39
Male						
No Schooling	575,360	100.00	7.68	74.59	17.44	0.28
Below SLC, SLC & equi.	1,119,239	100.00	15.71	64.25	19.62	0.41
Intermediate	72,362	100.00	66.58	14.54	18.25	0.63
Graduate	51,714	100.00	71.82	8.10	19.35	0.73
Post-graduate	12,741	100.00	76.29	4.78	18.11	0.82
Others	153	100.00	57.52	17.65	23.53	1.31
Level Not Stated	108,342	100.00	9.01	72.30	18.29	0.40
Female						
No Schooling	158,344	100.00	4.57	87.24	7.94	0.24
Below SLC, SLC & equi.	229,546	100.00	11.10	78.93	9.57	0.40
Intermediate	8,688	100.00	73.47	9.08	16.69	0.76
Graduate	6,264	100.00	75.11	3.85	20.15	0.89
Post-graduate	2,128	100.00	80.87	1.69	16.45	0.99
Others	13	100.00	53.85	30.77	15.38	0.00
Level Not Stated	23,699	100.00	5.71	85.17	8.77	0.35

Source: CBS, 1993, Vol.. I, Part XIV, Table 57.

- White Collar Occupation includes professional, technical and related workers; administrative and related workers; clerical and related workers; and sales workers.
- Other Occupation includes production and related workers; service workers and those who are in other occupation group.

Table 8: Percentage Distribution of the Employed Population (Aged 10+ years) by Major Industries, Nepal, 1971 - 1991

Major Industry	1971			1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Agri, Forestry & Fishing	94.35	92.81	98.17	91.15	88.71	95.75	81.23	74.93	90.53
Mining and Quarrying	-	0.00	0.00	-	0.02	0.01	0.03	0.04	0.02
Manufacturing	1.07	1.32	0.46	0.50	0.63	0.21	2.04	2.64	1.16
Electricity, Gas and Water	0.04	0.05	0.00	0.04	0.06	0.01	0.16	0.25	0.03
Construction	0.10	0.14	0.01	0.02	0.04	0.01	0.49	0.73	0.13
Commerce	1.32	1.62	0.55	1.60	2.10	0.69	3.49	4.47	2.04
Transport & Communication	0.21	0.27	0.02	0.11	0.16	0.01	0.69	1.12	0.07
Finance & Bus. Services	0.06	0.10	0.01	0.14	0.20	0.04	0.28	0.41	0.09
Personal & Com. Services	2.84	3.69	0.78	4.58	5.98	1.92	10.25	13.58	5.32
Others	-	0.00	0.00	-	0.00	0.00	0.38	0.60	0.06
Industry Not Stated	-	0.00	0.00	1.86	2.13	1.35	0.96	1.23	0.55
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: CBS, 1975, Vol. III, Part I, Table 21
CBS, 1984, Vol. I, Part V, Table 24 and Vol., III, Table 21
CBS, 1993, Vol. I, Part XIII, Table 52.

8. Industrial Classification

Table 8 reveals that, Nepal being essentially an agricultural country, provides employment in that sector to a vast majority of her people. There has been, however, a declining trend in the concentration of employment in the agricultural sector. In 1971, nearly 95 per cent of the employed were in the agricultural sector which dropped to about 91 per cent in 1981 and to about 81 per cent in 1991. The decline was much greater for males than females. The most significant among the sectors which showed employment growth is the Personal and Community Services sector which employed 2.8 per cent in 1971 and 4.6 per cent in 1981 rose to employ 10.3 per cent in 1991. The per cent population employed in this sector had all along been greater for males than for females. Commerce and Manufacturing, in that order, are two other sectors, which increased their share of the employment and again the growth in the case of males is significantly higher than for females.

Table 9: Percentage Distribution of The Employed Population (Aged 10+ Years) by Major Industries for Rural and Urban Areas, Nepal, 1991

Major Industry	Rural			Urban		
	Both Sexes	Male	Female	Both Sexes	Male	Female
Agriculture, Forestry and Fishing	85.54	80.37	92.79	24.07	19.67	38.12
Mining and Quarrying	0.02	0.03	0.01	0.13	0.13	0.12
Manufacturing	1.51	2.05	0.76	9.12	8.72	10.39
Electricity, Gas and Water	0.10	0.17	0.01	0.93	1.11	0.38
Construction	0.36	0.54	0.10	2.16	2.57	0.82
Commerce	2.29	2.86	1.50	19.34	20.81	14.67
Transport and Communication	0.46	0.75	0.04	3.84	4.83	0.65
Finance and Business Services	0.14	0.22	0.02	2.21	2.36	1.75
Personal and Community Services	8.41	11.40	4.23	34.54	35.80	30.57
Others	0.36	0.58	0.05	0.63	0.72	0.33
Industry Not Stated	0.80	1.03	0.48	3.04	3.29	2.25
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: CBS 1993, Vol. I, Part XI, Table 39
CBS, 1994, Vol. II, Table 15.

The 1991 industrial classification of the employed men and women is presented in Table 9 by rural / urban residence. In rural areas, agriculture is the most important sector accounting for over 85 per cent of the employment whereas in urban areas it accounts for only about 24 per cent. Personal and Community Services sector accounts for only 8.4 per cent in rural whereas it occupies the top position having an employment share of 34.5 per cent in urban areas. Commerce and Manufacturing occupy the third and the fourth position respectively both in rural and urban. The proportionate share of employment for these sectors is several times higher in urban (19.3 and 9.1%) than in rural (2.3 and 1.5%,). It is also clear from the table that Agriculture Sector's share of employment is higher

for females than males; in all other sectors it is higher for males. This is true of rural as well as urban areas. The only exception is the manufacturing sector in urban areas where the employment share of this sector is higher (10.39%) for females than for males (8.72%). This probably is caused by the fast expanding garment industry which employs a large number of females.

8.1 Industrial Sectors

Table 10 presents the distribution of the employed population by three broad industrial sectors. The Primary sector consists of agriculture, forestry, hunting and fishing; the Secondary sector includes mining, quarrying, manufacturing and construction; and grouped into the Tertiary sector are electricity, gas, water, transport, communication and other services. More than four-fifths (81.23%) of the total employed population in the country were in primary sector of the economy in 1991. Shift away from the Primary sector had been slow during the past 20 years. Per cent employed in the primary sector dropped from 94.4 per cent in 1971 to 91.2 per cent in 1981 and further to 81.2 per cent in 1991 recording a drop of 13.2 percentage points in the twenty year period. It shows that industrial structure has not changed much during the period. Seventy-five per cent of males and ninety per cent of females were still in primary sector in 1991. Secondary sector of the economy absorbed only 2.56 per cent of the total employed population of the country in 1991. It was 1.17 per cent in 1971 which went down to 0.53 per cent in 1981. Tertiary sector could absorb around fifteen per cent of the employed population of the country in 1991 recording an increment of 10.42 percentage points during 1971-1991 period. The employment percentage for males in this sector was 19.8 per cent and for females 7.6 per cent in 1991. It shows that the secondary sector which is the backbone of modernization of any country did not expand much. During the 20 years period its employment absorbing capacity increased only by 1.39 percentage points (Table 10).

Table 10: Percentage Distribution of the Employed Population (Aged 10+ years) by Major Industrial Sectors and Sex, Nepal, 1971 – 1991

Industrial Sectors	1971			1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Primary ¹	94.37	92.81	98.17	91.15	88.71	95.75	81.23	74.93	90.53
Secondary ²	1.17	1.46	0.46	0.53	0.68	0.22	2.56	3.41	1.31
Tertiary ³	4.45	5.73	1.36	6.47	8.48	2.68	14.87	19.83	7.55
Others	-	-	-	-	-	-	0.38	0.6	0.06
Not Stated	-	-	-	1.87	2.13	1.35	0.96	1.23	0.55

Source: CBS, 1975, Vol. III, Part 1, Table 21 and Vol. V, Table 45
CBS, 1984, Vol. 1, Part V, Table 24 and Vol. III, Table 21
CBS, 1993, Vol. 1, Part XIII, Table 52.

- 1 Primary sector includes agriculture, forestry, hunting and fishing.
- 2 Secondary sector includes mining, quarrying, manufacturing and construction.
- 3 Tertiary sector includes electricity, gas, water, transport, communication and other services.

8.2 Rural-Urban Difference in Industrial Sectors

Table 11 shows the difference between rural and urban areas in the distribution of employed men and women in three sectors of the economy. There is substantial difference in the sectoral distribution between rural and urban. In 1991 in rural areas, nearly 15 per cent of the total employment was outside the primary sector much of which belonged to the tertiary sector; whereas in urban areas over 75 per cent of the employment was outside the primary sector, bulk of which belonged again to the tertiary sector. In the secondary sector, the per cent employed was less than 2.0 per cent in rural whereas it was 11.4 per cent in urban. This kind of rural-urban difference in the sectoral distribution of employment is not new in Nepal. The basic nature of the rural-urban difference had all along been present since 1971.

A greater representation in the primary sector and a lower representation in the tertiary sector, of women, compared to men, has been the case both in rural and urban areas. In the secondary sector, while women's representation has been negligible in rural, it was substantial and equal to men's representation of 11.4 per cent in urban areas.

Table 11: Percentage Distribution of the Employed Population (Aged 10+ years) " by Major Industrial Sectors and Sex for Rural and Urban Areas, Nepal, 1971 – 1991

Industrial Sectors	1971			1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Rural									
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Primary ¹	96.26	95.21	98.75	92.74	90.82	96.30	85.54	80.37	92.69
Secondary ²	0.84	1.03	0.38	0.33	0.42	0.16	1.90	2.62	0.87
Tertiary ³	2.89	3.75	0.86	5.14	6.72	2.20	11.40	15.39	5.81
Others	-	-	-	-	-	-	0.36	0.58	0.05
Not Stated	-	-	-	1.78	2.02	1.34	0.80	1.03	0.48
Urban									
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Primary ¹	32.83	29.53	54.81	63.96	57.00	83.39	24.07	19.67	30.12
Secondary ²	12.03	12.78	7.02	3.81	4.54	1.75	11.40	11.42	11.43
Tertiary ³	55.13	57.68	38.16	29.09	34.74	13.33	60.86	64.90	47.96
Others	-	-	-	-	-	-	0.63	0.72	0.33
Not Stated	-	-	-	3.12	3.70	1.51	3.04	3.29	2.25

Source: CBS, 1975, Vol. III, Part I, Table 21 and Vol. V, Table 45
CBS, 1984, Vol. 1, Part V, Table 24 and Vol. III, Table 21
CBS, 1993, Vol. 1, Part XIII, Table 52
CBS, 1994, Vol. 11, Table 15.

- 1 Primary sector includes agriculture, forestry, hunting and fishing.
- 2 Secondary sector includes mining, quarrying, manufacturing and construction.
- 3 Tertiary sector includes electricity, gas, water, transport, communication and other services.

9. Employment Status: Trends and Rural/Urban Variation

Expansion of the employee group and contraction of own account workers and family workers groups indicates the level of economic development of a country. Table 12 shows that vast majority of the employed population for both sexes throughout the study period were own account workers. However, this category decreased in 1991 to about 75 per cent from the earlier constant level of over 85 per cent in 1971 and 1981. Employee category on the other hand, went up to 21.4 per cent in 1991 from the earlier constant level of about 9 per cent in 1971 and 1981. The Table 11 also shows that the employers category was less than one per cent all along.

Table 12: Percentage Distribution of the Employed Population (Aged 10+ years) by Employment Status and Sex, Nepal, 1971-1991

Employment Status	1971			1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Employees	9.34	11.69	3.65	9.07	11.84	3.85	21.41	27.81	11.96
Employers	0.45	0.55	0.21	0.69	0.86	0.36	0.56	0.70	0.36
Own Account Workers	85.92	84.66	88.98	85.54	83.21	89.95	75.25	69.53	83.69
Unpaid Family Workers	4.29	3.10	7.16	2.52	1.73	4.02	2.34	1.53	3.53
Unspecified	-	-	-	2.18	2.36	1.82	0.44	0.43	0.45

Source: CBS, 1975, Vol. III, Part II, Table 25 and Vol. V, Table 45
CBS, 1984, Vol. I, Part V, Table 25 and Vol. III, Table 22
CBS, 1993, Vol. I, Part XIII, Table 53.

As may be seen from Table 13, the employment status distributions have all along been different between rural and urban. The own account worker category has been several times larger than employee category in rural; whereas in urban areas in 1971 and 1991, it was either lower or very close to the employee category.

Table 13: Percentage Distribution of the Employed Population (Aged 10+ years) by Employment Status and Sex for Rural and Urban Areas, Nepal 1971-1991

Employment Status	1971			1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Rural									
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Employees	8.02	10.05	3.21	8.07	10.55	3.49	18.88	24.86	10.50
Employers	0.44	0.54	0.20	0.68	0.86	0.36	0.53	0.66	0.35
Own Account Workers	87.21	86.27	89.41	87.21	84.56	90.19	77.80	72.54	85.17
Unpaid Family Workers	4.33	3.13	7.17	2.60	1.77	4.14	2.39	1.55	3.55
Unspecified	-	-	-	2.10	2.25	1.81	0.41	0.40	0.43
Urban									
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Employees	52.38	54.78	36.35	26.02	31.16	11.65	54.93	57.83	45.68
Employers	0.84	0.86	0.74	0.71	0.81	0.41	1.07	1.17	0.76
Own Account Workers	43.94	42.10	56.17	68.57	62.83	84.59	41.43	38.87	49.60
Unpaid Family Workers	2.84	2.26	6.74	1.15	1.09	1.38	1.72	1.29	3.08
Unspecified	-	-	-	3.55	4.11	1.97	0.85	0.84	0.88

Source: CBS, 1975, Vol. III, Part II, Table 25 and Vol. V, Table 45
CBS, 1984, Vol. I, Part V, Table 25 and Vol. III, Table 22
CBS, 1994, Vol. II, Part II, Table 16.

In rural, the status distribution did not change much between 1971 and 1981; but by 1991 the share of the employees category increased to about 18.9 per cent from the earlier constant level of about 8.0 per cent whereas the own account worker category experienced a drop to 77.8 per cent from the earlier constant level of about 87.2 per cent. The increment in the employees category as well as the drop in the own account worker category have been greater in the case of males compared to females.

In urban areas, the employment status distributions of 1991 and 1971 do not exhibit any significant differences. The 1981 distribution however looks very different from the others, and hence does not fit into the trend provided by the 1971 and 1991 data. The reason for this is not readily known. Judged by the 1971 and 1991 distributions, it appears there is a slight tendency towards increase in the employees category and decrease in the own account worker category and both these tendencies are evident to a greater degree among females than males.

10. Employed Population by Duration of Work

The data on duration of work was collected for the first time in 1991 census. As stated earlier, a person was considered economically active in 1991 census if he/she had worked for any length of time during the twelve-month period preceding the census day. The distributions of the economically active men and women by duration of work are shown in Table 14. The duration of work was categorized as follows:

- i) Less than 3 months
- ii) 3-5 months
- iii) 6-7 months
- iv) 8 months and over
- v) Not stated

Table 14: Percentage Distribution of Economically Active Population 10+ years by Duration of Work in the 12 Months Preceding the 1991 Census, by Sex.

Duration of work	Both sexes	Male	Female
Less than 3 months	2.25	1.86	2.82
3-5 months	6.01	5.02	7.47
6-7 months	26.26	24.43	28.95
8 months and over	65.04	68.19	60.38
Not Stated	0.45	0.49	0.38
Total	100.00	100.00	100.00
Number	7,339,586	4,375,583	2,964,003

Source: CBS, 1993, Vol. I, Part XIII, Table 49.

It may be noted that nearly two-thirds of the economically active persons had worked for 8 or more months in the year, and this percentage is slightly higher among men among women. Another quarter of the number had a work-duration of 6 - 7 months. Thus, over ninety per cent of the economically active persons seem to have worked for more than six months. The distributions in Table 14 do reveal considerable degree of under-employment and unemployment irrespective of how these categories are defined. In the economically active group, the degree of under-employment does not seem to differ between men and women, although the economic activity rate is considerably lower for females than males.

11. Reasons for Being Economically Inactive

The reasons for being economically inactive have been elicited in the censuses and trends from 1971 are presented in Table 15. Being too old to work has been mentioned by 8-11 per cent of the inactive population in the three censuses. This reason however was mentioned by a greater percentage of males than females, the reason for which lies in the fact that work in the house is usually deemed the responsibility of the woman and many women even though old, probably fall in the category of homemakers.

Table 15: Percentage Distribution of Economically Inactive Population (Aged 10+ year) by the Reasons for Being Inactive By Sex for Nepal, 1971-1991

Reasons for being economically inactive	1971			1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Students	12.73	50.48	2.55	22.15	65.12	8.01	36.29	65.84	19.68
Homemakers	69.32	0.00	88.02	61.82	0.73	81.91	47.03	12.00	66.72
Aged	11.02	21.56	8.18	7.52	12.71	5.81	10.44	11.77	9.70
Physically & Mentally Handicapped	1.14	3.26	0.56	1.53	3.62	0.84	1.32	1.97	0.96
Others	0.30	1.25	0.04	3.43	10.87	0.98	3.50	6.75	1.68
Unspecified	5.49	23.44	0.64	3.56	6.95	2.45	1.41	1.67	100.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: CBS, 1975, Vol. III, Part II, Table 31
CBS, 1984, Vol. I, Part V, Table 22
CBS, 1993 Vol. Part XV Table 64.

The reasons for inactivity have thus reduced to the two main ones, namely, students and homemakers. It may be noted in 1971, as high as 23.4 per cent of the males did not specify the reason for inactivity and this makes the use of 1971 data in the discussion of trends very difficult. The overall picture however is that 'student' as a reason has been becoming increasingly important for economic inactivity and that to a much larger extent for men than women. Homemaker category had been virtually a non-existent category for men until 1991 when for the first time it registered 12 per cent. Homemaker as reason for economic inactivity had been mentioned among women by 88 per cent in 1971, by 82 per cent in 1981 and 67 per cent in 1991, the drop attributable probably to increased school attendance of females.

12. Ecological Zones

12.1 Crude and Refined Activity Rates for Ecological Zones

The male-female differences and rural-urban variations in economic activity have been discussed so far. Regional differences are also of interest and for this purpose the five administrative regions viz. Eastern Development Region (EDR), Central Development Region (CDR), Western Region (WDR), Mid-Western Development Region (MWDR), and Far-Western Development Region (FWDR); as well the three ecological zones are considered. Distribution of the economically active men and women in the five development regions and the three ecological zones are shown in Table 16.

Ecologically, Nepal has been divided into three zones: Mountain, Hill and Terai. Table 17 presents the crude and refined activity rates for these three ecological zones for 1971, 1981 and 1991 by sex. The table shows that crude activity rate for the Mountain zone has increased slightly from 50.75 per cent in 1971 to 52.63 per cent in 1991. As regards the Hill and Terai zones the percentages declined slightly during the period. The highest and the lowest crude activity rates are noted in Mountain and Terai zones respectively. Male-female difference in crude activity rate narrowed down more in Hill than in Terai while the differential has vanished in Mountain zone during the period 1971-1991. Thus on the basis of the crude activity rate, it can be concluded that both in terms of the level of crude activity rate and in terms of the narrowing of the male-female gap in activity over the 1971-1991 period, the Mountain Zone seems to be at the top followed by the Hill zone, leaving the Terai zone in the third position.

Table 16: Distribution of Economically Active Population (Aged 10+) Among the Ecological Zones and Development Regions of Nepal, 1991

Zones/Regions	Both Sexes	Male	Female
Mountain	755,066	374,556	380,510
Hill	3,706,910	1,917,724	1,789,186
Terai	2,877,610	2,083,303	794,307
EDR	1,728,866	1,061,434	667,432
CDR	2,331,767	1,542,725	789,042
WDR	1,511,698	795,280	716,418
MWDR	1,023,458	587,881	435,577
FWDR	743,797	388,263	355,534
Nepal	7,339,586	4,375,583	2,964,003

Source: CBS, 1995, Vol. IV.

The refined activity rate presents the same picture as that of the crude activity rate. As far as the level is concerned, the highest level is obtained for the Mountain zone and lowest level for the Terai zone. As far as the narrowing of the male-female difference in refined activity rate is concerned, the Mountain zone tops the list, followed by the Hill zone and then the Terai zone. The narrowing of the male-female gap came about, in all the three zones by a decline in the male activity and an increase in the female activity between 1971 and 1991.

The age specific activity rates, shown in Table 18, depict the same picture as above. In all age groups, the highest activity rates are found for Mountain Zone followed by Hill and the rates in Terai are the least. Although the same order is followed, the male rates do show very little variation among the three zones. In the case of females however, the highest rates in Mountain and the lowest rates in Terai are substantially different.

12.2 Major Occupation Groups by Ecological Zones

Table 19 shows the occupational structure of male and females in the three ecological zones for 1991 and 1981 Agriculture continues to be the dominant occupation although a slight decline from 1981 to 1991 has been witnessed in all the three zones. As a result the non-agricultural occupations increased between 1981 and 1991. The greater increase in non-agricultural occupational share was in Terai from 10.14 per cent in 1981 to 23.03 per cent in 1991 followed by Hill with corresponding increase from 4.32 to 13.34 per cent. The fact that most of the industries are located in Terai probably explains the greatest increase in non-agricultural occupations in this zone. As far as the male-female differential is concerned, the drop in agricultural occupations and the increase in the

non-agricultural share is true of both males and females in all the three zones. The increase in the share of non-agricultural occupations is more for males than females in all the zones. The greatest increase in non-agricultural occupations, is again observed in Terai followed by Hill in the case of both males and females.

12.3 Major industrial Sectors by Ecological Zones

It may be seen from Table 20, the primary sector of industry which includes agriculture, forestry, hunting and fishing is still the most predominant of the three sectors. Its share somewhat declined from 1981 to 1991, the greatest decline being in Terai followed by Hill. Larger proportion of females than males were employed in the primary sector. There was a decline in the share of primary sector from 1981 to 1991 for males as well as females but the decline was greater for males.

The secondary sector which includes mining, quarrying, manufacturing and construction, increases only slightly- from 0.22 to 1.32 per cent in Mountain, from 0.41 to 2.74 per cent in Hill and from 0.76 to 2.67 per cent in Terai. The increases in the case of males were greater than for females in

The tertiary sector comprising of electricity, gas and water, commerce, transport and communication, finance and business services, personal and community services; showed significant improvement over the 1981-1991 period and these improvements were the greatest in Terai followed by Hill and Mountain. These improvements were also greater in the case of males than females in all the three zones.

12.4 Employment Status By Ecological Zones

Employment status has been classified as Employer, Employee, Self-employed and Unpaid family worker, as shown in Table 21. Self-employed category has contained the largest proportion of the employed population in all the three zones both in 1981 and 1991 among males as well as females. There was a drop in the self employed proportion and the drop is the greatest in Terai followed by and further the drop in the case of Mountain is marginal. The Terai zone had all along the lowest proportion in the self-employed category and this zone exhibited the greatest drop from 1981 to 1991. This may be attributable to the concentration of industries in Terai. As a result, the proportion in the employee category which was the highest in Terai among the three zones, also showed the highest increase between 1981 and 1991. In self-employed category, the female proportion was always greater than male proportion in all the three zones whereas it was the other way in the employee and employer categories.

Table 17: Crude and Refined Activity Rates (10+ years) by Sex for Ecological zones, Nepal, 1971-1991.

Region	Crude Activity Rate			Refined Activity Rate		
	Both Sexes	Male	Female	Both Sexes	Male	Female
1971						
Mountain	50.75	62.43	38.98	69.99	85.51	54.13
Hill	44.81	58.43	30.86	62.89	81.99	44.16
Terai	35.75	58.97	14.97	51.32	83.33	16.09
1981						
Mountain	54.45	61.83	46.72	75.66	85.91	64.93
Hill	53.33	61.45	44.54	68.78	82.03	55.41
Terai	36.91	54.5	18.94	58.8	83.8	31.34
1991						
Mountain	52.63	52.62	52.64	74.49	74.92	74.08
Hill	44.37	47.02	41.85	62.78	67.54	58.38
Terai	33.78	47.85	19.18	48.56	68.87	27.53

Source: CBS, 1975, Vol. I, Part I, Table 19

CBS, 1984, Vol. II, Table 20

CBS, 1995 Vol. IV

Table 18: Age Specific Activity Rates by Sex for Ecological Zones, Nepal, 1991

Age Group	Mountain			Hill			Terai		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
10-14	39.81	25.97	54.60	26.45	17.25	35.98	16.27	17.68	14.67
15-19	71.20	60.56	81.26	56.33	48.30	63.60	37.76	48.25	27.05
20-24	88.91	90.59	87.43	75.62	81.35	70.98	52.60	77.02	30.97
25-29	91.31	96.56	86.59	81.08	93.04	71.17	60.83	90.97	32.13
30-34	91.83	97.36	86.57	82.58	95.55	71.14	62.93	94.46	33.14
35-39	91.34	97.59	85.06	82.39	95.97	70.15	66.79	95.59	34.67
40-44	89.81	97.19	83.11	80.82	95.25	68.14	65.52	95.45	34.88
45-49	88.44	96.74	80.41	79.21	94.30	65.04	66.31	94.75	33.28
50-54	83.72	94.66	72.72	75.07	91.72	58.58	62.35	91.09	29.36
55-59	78.73	91.52	64.45	70.84	88.71	51.12	59.19	87.03	24.85
60-64	54.79	69.87	40.04	50.67	68.51	33.04	38.37	62.86	13.61
65+	31.25	41.12	20.74	28.15	39.87	16.07	24.23	39.98	7.43

Source: CBS, 1995, Vol. IV.

Table 19: Percentage Distribution of Employed Population 10+ years by Major Occupational Groups, Sex and Ecological Zones, Nepal, 1981

Major Occupational Groups	1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female
Mountain						
Agriculture	96.17	94.80	98.07	91.67	86.73	96.54
Non-agriculture	2.26	3.10	1.11	7.41	11.90	3.00
Others	1.56	2.10	0.82	0.91	1.37	0.28
Total	100.00	100.00	100.00	100.00	100.00	100.00
Hill						
Agriculture	93.78	91.49	97.19	84.42	76.46	92.94
Non-agriculture	4.32	5.95	1.87	13.34	20.04	6.16
Others	1.91	2.56	0.94	2.24	3.49	0.90
Total	100.00	100.00	100.00	100.00	100.00	100.00
Terai						
Agriculture	86.90	84.89	92.81	74.03	71.01	81.96
Non-agriculture	10.14	11.55	6.00	23.03	31.81	16.28
Others	2.96	3.56	1.19	2.94	3.40	16.66
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: CBS, 1984, Vol. II, Table 22
CBS, 1995, Vol. IV.

Table 20: Percentage Distribution of Employed Population 10+ years by Major Industrial Sectors, Sex and Ecological Zones, Nepal, 1981-1991

Major occupational groups	1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female
Mountain						
Primary ¹	95.77	94.46	97.57	91.78	86.90	96.58
Secondary ²	0.22	0.26	0.18	1.32	1.87	0.78
Tertiary ³	2.22	3.22	0.83	6.53	10.73	2.40
Unspecified	1.79	2.06	1.42	0.37	0.51	0.24
Total	100.00	100.00	100.00	100.00	100.00	100.00
Hill						
Primary ¹	93.36	91.14	96.67	84.53	76.64	92.99
Secondary ²	0.41	0.52	0.24	2.74	3.92	1.47
Tertiary ³	4.41	6.21	1.73	12.00	18.41	5.13
Unspecified	1.82	2.13	1.36	0.73	1.03	0.40
Total	100.00	100.00	100.00	100.00	100.00	100.00
Terai						
Primary ¹	86.98	84.92	93.01	74.19	71.19	82.05
Secondary ²	0.76	0.95	0.22	2.67	3.22	1.20
Tertiary ³	10.34	11.99	5.47	21.73	24.03	15.71
Unspecified	1.92	2.14	1.30	1.41	1.55	1.04
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: CBS, 1984, 1981, Vol. II, Table 23
CBS, 1995, Vol. IV.

Note:

1. Primary sector includes agriculture, Forestry, hunting and fishing.
2. Secondary sector includes mining, quarrying, manufacturing and construction.
3. Tertiary sector includes electricity, gas and water, commerce, transport and communication finance and business services, personal and community services and others.

Table 21. Percentage Distribution of Employed Population 10+ years by Employment Status, Sex and Ecological Zones, Nepal, 1981 –1991

Major occupational groups	1981			1991		
	Both Sexes	Male	Female	Both Sexes	Male	Female
Mountain						
Employer	0.33	0.39	0.25	0.22	0.25	0.18
Employee	2.97	4.26	1.19	8.02	12.53	3.59
Self employed	91.06	90.76	91.46	89.29	85.31	93.21
Unpaid family worker	4.28	3.10	5.92	2.06	1.54	2.57
Unspecified	1.36	1.49	1.18	0.41	0.36	0.45
Total	100.00	100.00	100.00	100.00	100.00	100.00
Hill						
Employer	0.36	0.44	0.24	0.32	0.40	0.24
Employee	5.04	6.99	2.13	13.54	20.00	6.62
Self employed	90.01	88.95	91.59	83.32	77.58	89.47
Unpaid family worker	2.71	1.63	4.32	2.36	1.56	3.22
Unspecified	1.88	1.99	1.72	0.46	0.46	0.45
Total	100.00	100.00	100.00	100.00	100.00	100.00
Terai						
Employer	1.21	1.40	0.66	0.97	1.06	0.73
Employee	16.04	18.58	8.58	35.05	37.75	27.98
Self employed	78.15	75.53	85.85	61.17	59.27	66.13
Unpaid family worker	1.81	1.54	2.58	2.38	1.50	4.71
Unspecified	2.79	2.95	2.32	0.43	0.42	0.44
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: CBS, 1984, Vol. II, Table 24
CBS, 1995, Vol. IV.

13. Development Regions

The crude and refined activity rates for 1991 are shown in Table 22 for the five development regions - Eastern Development Region (EDR), Central Development (CDR), Western Development Region (WDR), Mid-Western Development Region and Far-Western Development Region (FWDR). The highest activity rates are found for FWDR. In order of magnitude from the highest to the lowest, the ranking of the development regions is FWDR, MWDR, WDR, EDR and CDR both according to the crude and the refined rates. The same order is followed also by the female activity rates. As far as males are concerned, the lowest crude and refined rates are exhibited by the WDR.

Table 22: Crude and Refined Activity Rates (10+yrs) for Development Regions, Nepal, 1991

Region	Crude Act. Rate			Refined Act. Rate		
	Both Sexes	Male	Female	Both Sexes	Male	Female
EDR	39.13	47.94	30.28	55.28	68.09	42.55
CDR	38.03	49.45	26.20	53.55	69.83	36.78
WDR	40.36	43.99	36.98	57.62	64.19	51.75
MWDR	42.74	49.30	36.23	62.44	72.31	52.72
FWDR	44.72	47.65	41.90	65.62	70.81	60.76

Source: CBS, 1993, Vol. 1, Part XIII Table 50

The age specific activity rates of males and females for the development regions are shown in Table 23. There are considerable differences in the age patterns between MWDR and FWDR on the one hand and the EDR, CDR and WDR on the other. For one thing, the female activity rates in MWDR and FWDR are greater than particularly EDR and CDR. In the youngest age group 10-14 the activity rates, for both males and females are much larger in MWDR and FWDR than the corresponding rates in the other three regions. This probably is accounted for by the school enrolment differences.

Table 23: Age Specific Activity Rates by Sex for Development Regions, Nepal, 1991

Age Group	Both Sexes	Male	Female	Age Group	Both Sexes	Male	Female
EDR				WDR			
10-14	19.93	17.02	23.05	10-14	17.67	12.69	22.86
15-19	45.08	46.85	43.33	15-19	48.60	41.87	54.58
20-24	63.20	77.77	50.50	20-24	72.09	79.19	67.01
25-29	70.61	92.00	51.16	25-29	78.19	92.83	67.44
30-34	73.22	95.61	52.02	30-34	79.24	95.25	66.61
35-39	75.45	96.61	53.06	35-39	79.64	95.47	66.10
40-44	74.96	96.43	53.82	40-44	78.13	94.48	64.26
45-49	74.73	95.77	52.09	45-49	76.66	93.07	61.16
50-54	72.08	93.32	48.99	50-54	72.99	90.42	55.49
55-59	68.26	89.99	42.99	55-59	69.39	88.00	48.62
60-64	46.56	68.24	25.35	60-64	50.94	69.50	31.66
65+	27.16	41.80	12.47	65+	28.37	40.66	15.42
CDR				MWDR			
10-14	21.45	19.68	23.46	10-14	35.37	24.89	46.32
15-19	45.74	51.08	40.21	15-19	60.35	58.86	61.69
20-24	60.18	78.77	43.17	20-24	73.46	87.82	60.95
25-29	66.70	91.41	42.66	25-29	76.73	95.79	59.34
30-34	68.28	94.97	42.39	30-34	77.36	96.90	58.67
35-39	70.89	96.06	43.35	35-39	77.29	97.09	57.34
40-44	69.52	95.78	43.31	40-44	75.81	96.74	55.44
45-49	69.84	95.33	42.29	45-49	74.67	95.70	52.07
50-54	67.07	92.00	39.89	50-54	69.09	91.63	44.75
55-59	94.46	88.20	34.49	55-59	65.14	86.62	37.82
60-64	44.28	66.99	22.19	60-64	40.34	58.48	20.83
65+	26.79	41.27	11.82	65+	23.84	35.26	10.48
FWDR							
10-14	33.91	21.63	47.33				
15-19	60.77	55.05	65.82				
20-24	77.32	87.46	69.15				
25-29	81.52	96.23	68.87				
30-34	82.55	97.20	69.89				
35-39	83.27	97.36	70.14				
40-44	82.55	97.10	70.06				
45-49	82.06	96.25	68.17				
50-54	77.31	93.81	61.34				
55-59	72.91	90.07	52.92				
60-64	45.06	62.38	28.72				
65+	25.58	36.04	13.82				

Source: CBS, 1993, Vol. I, Part XIII, Table 50.

The distribution of the employed population by major occupation are presented in Table 24 for the development regions. In the farming/fishing category, EDR and CDR show distinctly lower proportions while the other three regions vary only slightly. EDR and CDR exhibit greater proportions than others in the occupations of professional/technical, sales workers, service workers and to a certain extent in production workers.

In the industry classification presented in Table 25, EDR and CDR also exhibit significantly lower proportions than other regions, in the category of agriculture/forestry. EDR and CDR exhibit higher proportions than other regions in the categories of manufacturing, commerce and personal and community services.

In the employment status classification presented in Table 26, EDR and CDR have very low proportions (68-69%) of self-employed persons compared to the other three regions which have 8386 per cent in this category. The employee category is larger in EDR and CDR (27 and 29%) whereas in the other regions it varies from 11 to 14 per cent. This finding holds good both with respect to males as well as females although it is more pronounced for males than for females.

Table 24: Percentage Distribution of Employed Male and Female Population (10+ yrs.)

Both Sexes	EDR	CDR	WDR	MWDR	FWDR
Prof./Tech. Workers	1.85	2.05	1.89	1.29	1.22
Admi. Workers	0.17	0.61	0.17	0.13	0.11
Clerical Workers	0.91	1.62	0.73	0.76	0.70
Sales Workers	3.26	4.19	2.47	1.66	1.36
Service Workers	9.17	7.08	4.47	4.01	2.88
Farm Fish Workers	78.56	74.39	85.74	87.77	89.37
Production Workers	3.66	6.45	2.99	3.13	2.64
Others	2.14	3.28	1.31	1.01	1.36
Not Stated	0.28	0.32	0.23	0.24	0.37
Total	100.00	100.00	100.00	100.00	100.00
Male					
Prof./Tech. Workers	2.63	2.49	3.08	2.01	2.14
Admi. Workers	0.27	0.82	0.29	0.22	0.19
Clerical Workers	1.37	2.15	1.27	1.23	1.28
Sales Workers	3.89	5.12	3.33	2.34	2.24
Service Workers	10.70	8.44	5.97	5.41	4.23
Farm Fish Workers	73.05	68.73	78.86	82.44	83.27
Production Workers	5.00	7.68	4.76	4.62	4.03
Others	2.79	4.24	2.16	1.48	2.20
Not Stated	0.30	0.33	0.26	0.25	0.42
Total	100.00	100.00	100.00	100.00	100.00
Female					
Prof./Tech. Workers	0.61	1.20	0.56	0.32	0.21
Admi. Workers	0.02	0.19	0.04	0.02	0.01
Clerical Workers	0.19	0.60	0.14	0.12	0.06
Sales Workers	2.25	2.39	1.51	0.74	0.39
Service Workers	6.73	4.42	2.76	2.12	1.42
Farm Fish Workers	87.32	85.46	93.39	94.97	96.04
Production Workers	1.52	4.03	1.04	1.12	1.12
Others	1.10	1.42	0.36	0.37	0.44
Not Stated	0.25	0.30	0.20	0.23	0.31
Total	100.00	100.00	100.00	100.00	100.00

Source: CBS, 1993, Vol. I, Part XIII, Table 51.

Table 25: Percentage Distribution of Employed Male and Female Population (10+ yrs.)

Both Sexes	EDR	CDR	WDR	MWDR	FWDR
Agri./Forestry	78.69	74.55	85.89	87.88	89.45
Mining & Quarrying	0.02	0.05	0.04	0.01	0.01
Manufacturing	1.89	3.45	1.23	1.08	0.99
Elec. Gas & Water	0.10	0.28	0.12	0.09	0.10
Construction	0.38	0.65	0.47	0.48	0.29
Commerce	3.71	4.93	3.04	1.95	1.48
Transport	0.72	1.02	0.49	0.41	0.40
Finance & Business	0.22	0.51	0.18	0.15	0.12
Personal & Comm.	12.97	12.72	7.54	7.18	5.85
Others	0.27	0.42	0.38	0.28	0.67
Not Stated	1.03	1.43	0.62	0.49	0.65
Total	100.00	100.00	100.00	100.00	100.00
Male					
Agri./Forestry	73.22	68.93	79.06	82.59	83.39
Mining & Quarrying	0.03	0.06	0.06	0.02	0.01
Manufacturing	2.54	3.74	1.93	1.61	1.57
Elec. Gas & Water	0.15	0.39	0.22	0.15	0.18
Construction	0.54	0.90	0.77	0.72	0.46
Commerce	4.38	5.97	3.96	2.70	2.43
Transport	1.12	1.48	0.90	0.68	0.74
Finance & Business	0.32	0.64	0.31	0.24	0.22
Personal & Comm.	15.99	15.57	11.25	10.23	8.97
Others	0.42	0.58	0.67	0.46	1.21
Not Stated	1.28	1.74	0.86	0.59	0.84
Total	100.00	100.00	100.00	100.00	100.00
Female					
Agri./Forestry	87.38	85.53	93.47	95.02	96.08
Mining & Quarrying	0.01	0.03	0.02	0.00	0.00
Manufacturing	0.86	2.86	0.45	0.36	0.36
Elec. Gas & Water	0.02	0.06	0.01	0.01	0.01
Construction	0.11	0.16	0.13	0.15	0.10
Commerce	2.64	2.89	2.02	0.93	0.45
Transport	0.08	0.12	0.04	0.04	0.03
Finance & Business	0.06	0.24	0.04	0.03	0.02
Personal & Comm.	8.16	7.19	3.42	3.08	2.45
Others	0.04	0.10	0.05	0.04	0.08
Not Stated	0.65	0.82	0.35	0.34	0.44
Total	100.00	100.00	100.00	100.00	100.00

Source: CBS, 1993, Vol. I, Part XIII, Table 52.

Table 26: Percentage Distribution of Employed Male and Female Population (10+ yrs.) by Employment Status for Development Regions, Nepal, 1991,

Both Sexes	EDR	CDR	WDR	MWDR	FWDR
Employer	0.65	0.76	0.40	0.34	0.40
Employee	27.39	28.97	13.86	12.81	10.96
Self employed	69.28	67.81	83.44	82.62	85.63
Unpaid family worker	2.31	2.08	1.92	3.72	2.15
Unspecified	0.36	0.38	0.39	0.50	0.86
Total	100.00	100.00	100.00	100.00	100.00
Male					
Employer	0.76	0.93	0.48	0.40	0.52
Employee	32.56	35.39	19.77	17.65	16.56
Self employed	64.80	61.83	77.96	79.39	80.83
Unpaid family worker	1.52	1.47	1.39	2.06	1.26
Unspecified	0.36	0.38	0.39	0.51	0.82
Total	100.00	100.00	100.00	100.00	100.00
Female					
Employer	0.48	0.43	0.30	0.27	0.26
Employee	19.19	16.42	7.30	6.28	4.85
Self employed	76.42	79.50	89.51	86.99	90.87
Unpaid family worker	3.56	3.29	2.50	5.97	3.11
Unspecified	0.35	0.36	0.38	0.50	0.91
Total	100.00	100.00	100.00	100.00	100.00

Source: CBS, 1993, Vol. I, Part XIII, Table 53.

14. Summary

The overall rate of economic activity, across ages, increased from 1971 to 1981 and dropped by 1991. The increase during 1971-81 was due to an increase in the female activity and the drop during 1981-91 was essentially due to a decline in male activity. While increased school-attendance is one factor which had contributed to fall in economic activity, other reasons, if any, are not readily known. As expected the male activity rates at all ages are higher than female rates. Also the rural rates are higher than the urban rates. 'The rural-urban difference is much greater in the case of female activity rates compared to male rates. There are also geographical variations in the age specific activity rates. The highest rates are observed in Mountain and the lowest rates in Terai zone and further the variation among zones is much greater in female than male activity rates. There are considerable variations also among the development regions. FWDR and MWDR are characterized by higher activity rates and EDR and CDR by lower activity rates both with respect to male and female economic activity.

The occupational structure of the employed population seems to have been changing over the years. The predominance of the agricultural occupation is slowly reducing more so in the case of males than females. As expected, the occupation structure is different between rural and urban areas. Interestingly, professional and technical occupations do seem to have a special attraction for females compared to males. There are again geographical variations in the occupational structure with Mountain zone characterized by relatively more agricultural and less non-agricultural occupations whereas it is the other way in Terai.

Over the years, the share of employment dropped in the Primary sector and increased in the Tertiary sector, whereas the Secondary Sector which is the backbone of modernization did not expand much. There were also geographic variations in the fall of Primary Sector's share and increase in the Tertiary Sector's share; it was most pronounced in Terai and the least pronounced in Mountain.

As far as the employment status is concerned, over the past twenty years, the country witnessed a increase in the employee category and decrease in the own-account-worker category. The latter category viz. the self-employed is, as expected greater in rural than in urban. Among the geographic regions, the drop over the years in the self-employed category has been the greatest in Terai followed by Hill.

The acuteness of Unemployment and under-employment in the country is revealed by the fact that only two-thirds of the economically active persons had employment over 8 months in a year and nearly a quarter of the persons had 6-7 months. Although the level of economic activity is greater for males their duration of work in the year was no' significantly different from that of females.

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