



# NEPAL

**A TRADE UNION  
FOCUS ON THE SDGs**

#HLPF2024

**WORKERS  
DEMAND A  
NEW SOCIAL  
CONTRACT**

## WORKERS NEED DURABLE RESPONSES TO MULTIPLE CRISES

Funded by 16 development partners, including international financial institutions, Nepal adopted the Green, Resilient and Inclusive Development (GRID) approach, which aims to simultaneously tackle interlinked challenges: economic recovery from Covid-19; climate change and environmental degradation; and persistent poverty and social exclusion.

While Nepal has developed an ambitious Nationally Determined Contribution (NDC) under the Paris Agreement, in addition to its National Climate Change Policy (2019); Long-term Strategy for Net-Zero Emissions (2021); and National Adaptation Plan (2023), such NDC was never implemented

Until now, trade unions have not been included in developing climate policies, and the Ministry of Labour, Employment and Social Security (MoLESS) is not included in the NDC high-level steering committee. In March 2024, Nepal became a pathfinder country for implementing the UN Global Accelerator (GA) on jobs and social protection for just transitions. Trade unions deem that there must be alignment/coherence between the GA and national policies and programmes related to climate, decent work and social protection.

## ARE TRADE UNIONS AT THE TABLE?

The 16th National Development Plan will be implemented from 2024/5 to 2029/30. It sets out the medium-term development vision for Nepal, under its Long-Term Vision 2043. SDGs are integrated into the plan and programme budgets. Nepal published the review "SDG Status and Roadmap 2016-30" in 2017.

The National Planning Commission of Nepal (NPC) is the lead agency for SDG integration, with all ministries responsible for implementation. Budget allocation for SDG implementation is insufficient, and reporting and coordination could be improved. On SDG 8, the MoLESS has established a desk for SDG integration with labour policies and programmes, but this is also underfunded.

Trade unions are not consulted in SDG decision-making and implementation, as they are not represented in the multi-stakeholder forum. Trade unions' input is focused on issues related to workers. The Central Labour Advisory Council is the principal high-level mechanism for tripartite social dialogue, but it does not function well.

### TRANSPARENCY



Irregular access to limited information

### CONSULTATION



Between Information sessions but no interaction; and Informal or ad hoc consultation

### SOCIAL DIALOGUE



Individual contributions from social partners to the national government



# IS THE (DECENT) WORK GETTING DONE?

Nepal has a medium level of human development index (HDI) with a value of 0.6. The proportion of the population living in **extreme poverty (target 1.1)** on less than USD 2.15 per day is estimated to have fallen to 3.25 per cent in 2024. However, 20 per cent of the population were living below the new national poverty line in 2023. The proportion of the population covered by at least one **social protection benefit (target 1.3)** is 32.9 per cent, while only 16.9 per cent have access to income support. Nepal is making efforts to expand social protection and simplify the complex system. With regard to spending on **essential services (target 1.a.2)**, an analysis of public finances for 2023–24 reveals that social sector allocations make up 29 to 30 per cent of the total budget, with expenditure on health decreasing to 6 per cent, education remaining at 11 per cent, and social protection increasing to 13 per cent.

There are no data available for **target 5.4 (unpaid care and domestic work)**, however the burden falls disproportionately on women, particularly as a high number of men migrate to work abroad. With regard to **target 5.5 (women's full and effective participation)**, 13.2 per cent of managerial positions were held by women in 2017; while the number of parliamentary seats held by women had increased to 33.1 per cent in 2022. Nepal has adopted **gender budgeting**, however implementation and monitoring could improve.

Nepal faces challenges to meet SDG 8. **Target 8.3 (support decent job creation)** is still far off: 77 per cent of the workforce are in informal or vulnerable employment. Gender gaps persist under **target 8.5 (full and productive employment and decent work for all)**, with women more likely to be un- or underemployed, in informal or vulnerable employment. There is a mean monthly earnings gap of NPR 5,834 (approximately USD 46) in favour of men. The **proportion of youth not in employment, education or training (target 8.6)** is high, standing at

35 per cent in 2017, with females (46 per cent) more affected than males (21 per cent). While child labour is declining under **target 8.7 (eradicate forced labour and the worst forms of child labour)**, the 2018 Nepal Labour Force Survey estimated that 1.1 million children are engaged in labour, predominantly (87 per cent) in the agricultural sector. With regard to **Target 8.8 (protect labour rights and promote safe and secure working environments for all workers)** Nepal's overall score on labour rights violations is 3.96 for 2020 (with 10 being the worst). The labour inspectorate is significantly understaffed. Nepal has ratified ILO Convention 98 on collective bargaining and is planning to ratify ILO Conventions 81, 87 and Protocol 29.

The labour share of GDP was 44.1 per cent in 2021, indicating there is still some way to **progressively achieve greater equality (target 10.4)**. Minimum wages in Nepal were last revised in August 2023. Under **target 10.7 (migration and mobility)**, Nepal's migration policy involves social partners, including trade unions, employers' organisations, and civil society organisations. The government formed the Foreign Employment Board to help protect the rights of migrant workers.

Engagement with social partners under **target 13.2 (integrate climate change measures into policies)** should improve as part of the UN Global Accelerator implementation process.

With regard to **target 16.10 (protect fundamental freedoms)** Nepal is reported as having regular violations of rights in the ITUC Global Rights Index 2024. Fundamental protections are less guaranteed for more vulnerable groups of workers, which include the many Nepalis working abroad in the Gulf and Malaysia; sherpas; transport workers; and street vendors.

## TRADE UNION ASKS TO LEAVE NO ONE BEHIND

Trade unions call on the government of Nepal to:

- Ensure representation of workers and their trade unions in planning and implementation of all SDG and climate policies.
- Invest in decent and climate-friendly jobs and in formalisation of the informal economy. Eliminate outsourcing and other flexible labour arrangements that threaten job security.
- Ensure universal and affordable social protection, including for informal workers. Simplify the complex social security system.
- Establish living wages to allow workers and their families to support their basic needs and sustain a dignified standard of living.
- To achieve equality at work, ratify ILO Convention 190 for a world of work free from violence and harassment. Adopt labour policies that close the gender pay gap, eliminate all forms of discrimination in employment, and create inclusive and safe workplaces for all.
- Uphold the fundamental rights of all workers, regardless of employment arrangements. Ratify ILO Conventions 87, 81, 102, 122, 155, 177, 181, 187, 189, and Protocol 29.
- Promote social dialogue by amending the Labour Act to align with the international conventions related to freedom of association and collective bargaining.



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