



Statistics on Home-Based Workers in Nepal

By Govindan Raveendran and Joann Vanek¹

December 2013

Main Findings and Recommendations

This brief presents estimates of home-based workers in Nepal, certain characteristics of their work, their age distribution and family composition. It is based on analysis of the unit level datasets of the Nepal Labour Force Survey (NLFS), 2008 made available by the Central Bureau of Statistics, Government of Nepal. It is restricted to non-agricultural workers and persons aged 15 and above.

The analysis found that about 30 per cent of the non-agricultural workers aged 15 and above were home-based workers in the year 2008. Home-based work is a major source of employment for women. Nearly one-half of women non-agricultural workers in the country – specifically 47.6 per cent – were home-based workers compared to 21.6 per cent of men.

There are two main categories of home-based workers: self-employed and sub-contracted (often called homeworkers). The data elements required for a full identification of homeworkers were not included in the survey so only a few homeworkers were identified.

¹ This paper is based on research commissioned by HomeNet South Asia and WIEGO. Funds were provided from a grant to HomeNet South Asia under the Inclusive Cities Project funded by the Bill and Melinda Gates Foundation. Govindan Raveendran retired from the Indian Statistical Service as Additional Director General of the Central Statistical Office in 2005. Joann Vanek is the Director of the WIEGO Statistics Programme.

Nearly one-third of the home-based workers were in retail trade while about 12.3 per cent were in the industry group “manufacture of food products and beverages”. These two industries taken together accounted for about 45 per cent of the home-based workers. Given lower mobility for currently married women, younger women, and those with young children, compared to other women, the distribution by age, marital status and number of children in the households match expectations.

The labour market consists of different groups of workers with distinctively diverse working conditions and work environment. It is, therefore, necessary that labour force surveys are capable of capturing the specific characteristics of such diverse groups of workers. The NLFS-2008, however, did not include data elements required for identifying sub-contracted homeworkers as distinct from self-employed home-based workers. This is a major deficiency which needs to be removed in the next labour force survey. It is also important that such surveys are undertaken more frequently.

Definitions

Home-based workers are the category of workers who carry out remunerative work in their own homes or adjacent grounds or premises. There are two broad types: independent and dependent or sub-contracted (or piece-rate workers) workers. The general term “home-based worker” refers to both categories. The more specific term “homeworkers” refers to sub-contracted/dependent home-based workers who carry out paid work for firms/businesses or their intermediaries, typically on a piece-rate basis. Separate identification, counting and profiling of the two categories of home-based workers is of crucial importance as policy implications relating to the two categories are distinctly different.

In the NLFS 2008, a worker was classified as a (i) paid employee, (ii) operating own business or farm with regular paid employee, (iii) operating own business or farm without regular paid employee, (iv) contributing family worker without pay, or (v) others. The paid employees were further asked to state whether the payment was made on a sub-contract or piece rate basis. The paid employees who were receiving payments on a piece-rate basis and whose place of work was their own home were considered homeworkers for the purpose of this study. However, the analysis identified very few homeworkers, who are often classified as self-employed. The data element – the question on working under specifications given by other firms/businesses or their intermediaries – required for identifying homeworkers was not asked of the self-employed. For this reason, it was not possible to distinguish which of the self-employed home-based workers were actually sub-contracted homeworkers. Thus the low number may not reflect the actual numbers of homeworkers.

Home-Based Workers and Homeworkers

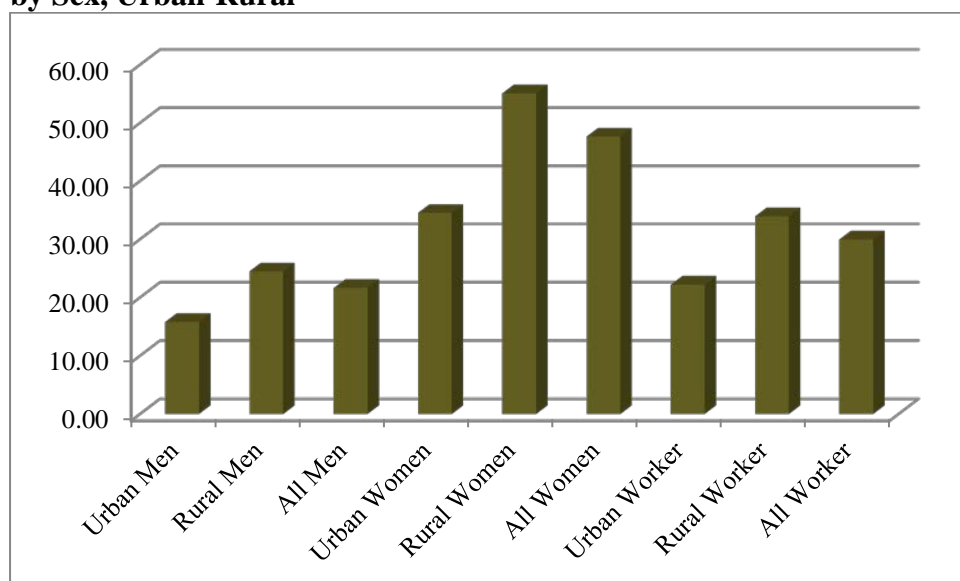
There were approximately 920,000 home-based workers in Nepal in 2008 (table 1). Many more home-based workers were located in rural, rather than urban, areas: three-quarters were in rural areas compared to only one-quarter in urban. The proportion of women and men in home-based work was nearly even, with women accounting for 51 per cent and men for 49 per cent.

Table 1: Home-Based Workers and Homeworkers by Sex and Rural-Urban Location, Aged 15+, in Million and Per Cent of Non-Agricultural Employment

Sex	Urban/Rural	All Non – Agricultural Workers	Home- Based Workers	Home- workers	Per Cent Home- Based Workers	Per Cent Home- workers
Men	Urban	0.68	0.11	0.00	15.80	0.95
	Rural	1.41	0.34	0.00	24.48	0.76
	All	2.09	0.45	0.00	21.64	0.80
Women	Urban	0.36	0.12	0.00	34.52	2.16
	Rural	0.63	0.35	0.00	55.07	1.26
	All	0.98	0.47	0.01	47.65	1.50
Worker	Urban	1.04	0.23	0.00	22.20	1.59
	Rural	2.03	0.69	0.01	33.94	1.01
	All	3.07	0.92	0.01	29.96	1.16

Home-based work comprises about one third of Nepal's non-agricultural labour force. It is a much greater source of employment for women than for men: 47.6 per cent of women non-agricultural workers were home-based in comparison to only 21.6 per cent of men. Home-based work was also a greater source of employment in rural than in urban areas: 33.9 per cent of the non-agricultural workers in rural areas were home-based in comparison to only 22.2 per cent in urban areas. Over half of all women in non-agricultural work were employed as home-based workers in rural areas, in comparison to just over a third in urban areas (chart 1).

Chart 1: Home-Based Workers as a Percentage of Non-Agricultural Workers, Aged 15+ by Sex, Urban-Rural



Only 11,000 workers – a small proportion (1.2 per cent) of home-based workers – were identified as homeworkers in the Labour Force Survey. As noted earlier, the low number probably reflects a problem in survey and classification methods rather than in the actual numbers of homeworkers.

Home-Based Workers by Status in Employment

As the concept of home-based work implies, the existing status in employment categories that would be most associated with this work are contributing family worker and persons operating own business without paid employees. Specifically, 94.3 per cent of men home-based workers and 97.2 per cent of women are in these two categories (table 2). Men home-based workers are mainly own account self-employed (71.0 per cent), while women are mainly contributing family workers (54.6 per cent).

Table 2: Percentage of Non-Agricultural Home-Based Workers Aged 15 +, by Status in Employment and Sex, 2008

Status in Employment	Percentage		
	Men	Women	Worker
Paid employee	0.8	1.5	1.2
Operating own business with regular paid employee	4.2	0.8	2.5
Operating own business without regular paid employee	71.9	43.1	57.3
Contributing family support without pay	22.4	54.1	38.6
Others	0.6	0.4	0.5
Total	100.0	100.0	100.0

Further, the majority (67.6 per cent) of all non-agricultural workers in the category of contributing family workers, as well as 54.5 per cent of those operating own businesses without regular paid employees, were home-based workers. There were also substantial differences between men and women in the share of home-based workers. While 65.8 per cent of women operating their own business without regular paid employees were home-based workers, only 49.2 per cent of men in this category were.

Home-Based Workers by Industry Group

Home-based workers are in most industry groups but there is a clear concentration in a few selected industries. Almost one-third of home-based workers in 2008 were engaged in retail trade (table 3). All the manufacturing industries taken together accounted for 36.5 per cent of the home-based workers, although the shares of individual manufacturing industries were lower than that of retail trade. The specific manufacturing industries with the largest shares of home-based workers were food and beverage products (12.3 per cent), garments (7.2 per cent), textiles (5.7 per cent), wood products (4.7 per cent), metal products (3.1 per cent), and furniture (1.1 per cent). The other industries with a significant proportion of home-based workers were hotels and restaurants (7.5 per cent) and collection, purification and distribution of water (6.2 per cent). There were relatively small numbers of home-based workers in services.

Retail trade was a more important source of employment for men in non-agricultural home-based work than for women, comprising 38.3 per cent of men and only 26.8 per cent of women (table 3). The manufacture of food and beverages was a more important source of employment for women in non-agricultural home-based work than for men: 20.6 per cent of women compared to 3.8 per cent for men. The manufacture of wearing apparel and textiles as well as the collection and purification of water were also a greater source of home-based employment for women than for men.

Table 3: Percentage Distribution of Non-Agricultural Home-Based Workers Aged 15 +, by Industry Group and Sex

Industry category	Percentage		
	Men	Women	Worker
Retail trade, except of motor vehicles	38.3	26.8	32.4
Manufacture of food products & beverages	3.8	20.6	12.3
Hotels & restaurants	6.0	8.9	7.5
Manufacture of wearing apparel; dressing & dyeing of fur	4.4	9.8	7.2
Construction	9.3	3.4	6.3
Collection, purification & distribution of water	3.0	9.4	6.2
Manufacture of textiles	2.9	8.5	5.7
Manufacture of wood and products of wood & cork	6.3	3.1	4.7
Manufacture of fabricated metal products	5.8	0.5	3.1
Wholesale trade & commission trade	3.5	2.0	2.7
Other business activities	3.6	1.3	2.4
Health and social work	1.3	0.9	1.1
Other service activities	1.8	0.4	1.1
Manufacture of furniture & manufacturing – not elsewhere categorized	1.7	0.4	1.1
Others	8.3	3.9	6.1
Total	100.0	100.0	100.0

The previous tabulations looked at the distribution of home-based workers across various industry groupings. Shifting the perspective to home-based workers as a proportion of all workers in each industry category shows the relative importance of home-based work in each industry group (table 4). Home-based workers were over half of the workers in many industry categories – specifically, the manufacture of fabricated metal products; the collection, purification and distribution of water; the manufacture of food products and beverages; and the manufacture of wearing apparel, including dressing and dyeing of fur. Further, home-based workers were over one-third of the workers in retail trade, hotels and restaurants; the manufacture of textiles, wood and products of wood and cork; wholesale and commission trade; and other service activities. In all but two industry categories (namely “other service activities” and “manufacture of furniture”) the proportion of home-based workers in the various industry groups was higher in rural areas than in urban areas. Further, in all but two categories (the manufacture of “fabricated metal parts” and “other service activities”), the percentage of women was much higher than that of men.

Table 4: Percentage of Non-Agricultural Home-Based Workers Aged 15+ to Total Non-Agricultural Workers in Industry Categories, by Sex and Urban–Rural

Status of Employment	Men			Women			Persons		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Retail trade, except of motor vehicles	32.2	53.2	45.4	42.6	63.4	55.4	36.2	56.9	49.2
Manufacture of food products & beverages	23.1	23.0	23.0	72.6	88.6	85.5	51.1	63.3	60.8
Hotels & restaurants	24.5	33.4	29.0	33.0	46.5	40.3	28.7	40.5	34.9
Manufacture of wearing apparel; dressing & dyeing of fur	18.4	45.5	36.1	51.2	70.7	65.5	34.6	60.3	52.5
Construction	8.2	14.1	12.9	22.1	44.7	39.2	10.0	17.3	15.8
Collection, purification & distribution of water	26.1	68.8	54.7	55.6	66.9	63.9	46.6	67.4	61.5
Manufacture of textiles	11.7	24.1	21.0	55.4	66.6	62.6	37.8	44.0	42.1
Manufacture of wood and products of wood & cork	18.6	37.6	34.5	53.7	90.2	85.4	23.6	46.9	43.2
Manufacture of fabricated metal products	39.9	76.3	65.0	74.9	42.0	62.5	45.8	74.5	64.8
Wholesale trade & commission trade	27.5	54.9	43.2	42.6	72.0	58.3	32.3	59.8	47.7
Other business activities	15.9	59.1	40.8	43.7	63.9	55.0	22.3	60.2	44.0
Health and social work	1.9	19.5	12.9	8.9	18.1	14.3	4.8	18.9	13.4
Other service activities	22.2	16.7	18.6	22.3	0.0	15.5	22.3	14.6	17.8
Manufacture of furniture & manufacturing – not elsewhere classified	17.7	14.8	15.6	42.3	100.0	57.1	22.0	16.9	18.4
Others	5.4	5.0	5.1	8.1	9.7	9.0	6.0	5.9	6.0
Total	15.8	24.5	21.6	34.5	55.1	47.6	22.2	33.9	30.0

Women home-based workers were particularly prominent in the manufacture of food products and beverages with a share of 85.1 per cent (table 5). The other industries with a share of over 75 per cent women home-based workers were collection, purification and distribution of water, and manufacture of textiles. The industries with the lowest shares of women home-based workers were manufacture of fabricated metal products (8.8 per cent); other service activities (20.6 per cent); and manufacture of furniture and manufacturing not elsewhere classified (21.2 per cent). These industries were dominated by men.

There were also significant differences in the shares of home-based workers between rural and urban areas. Manufacture of wood and products of wood and cork was primarily a rural activity with a share of 91.4 per cent of home-based workers. The other industries with over three-quarters of home-based workers in rural areas were (i) manufacture of food products & beverages, (ii) manufacture of wearing apparel, dressing and dyeing of fur, (iii) construction, (iv) collection, purification & distribution of water, (v) manufacture of fabricated metal products, (vi) other business activities and (vii) health and social work. The only industry in

which a larger share of home-based workers were located in urban areas was “other service activities”.

Table 5: Shares of Women and Men and Urban-Rural of Non-Agricultural Home-Based Workers Aged 15 + in Each Industry Group

Industry Group	Percentage			Percentage		
	Men	Women	Total	Urban	Rural	Total
Retail trade, except of motor vehicles	58.0	42.0	100	27.6	72.4	100
Manufacture of food products & beverages	14.9	85.1	100	17.2	82.8	100
Hotels & restaurants	39.5	60.5	100	39.0	61.0	100
Manufacture of wearing apparel; dressing & dyeing of fur	30.2	69.8	100	20.0	80.0	100
Construction	72.5	27.5	100	12.9	87.1	100
Collection, purification & distribution of water	23.2	76.8	100	21.6	78.4	100
Manufacture of textiles	24.5	75.5	100	27.2	72.8	100
Manufacture of wood and products of wood & cork	66.3	33.7	100	8.6	91.4	100
Manufacture of fabricated metal products	91.2	8.8	100	23.9	76.1	100
Wholesale trade & commission trade	63.4	36.6	100	29.8	70.2	100
Other business activities	72.0	28.0	100	21.6	78.4	100
Health and social work	57.7	42.3	100	13.9	86.1	100
Other service activities	79.4	20.6	100	52.5	47.5	100
Manufacture of furniture & manufacturing – not elsewhere classified	78.8	21.2	100	34.8	65.2	100
Others	67.5	32.5	100	38.7	61.3	100
Total	49.1	50.9	100	25.1	74.9	100

Age, Marital Status and Presence of Children

In general, women bear a larger share of the responsibility for care work than men and are also constrained by the lack of mobility imposed by customary norms and safety considerations. The combination of care work and limited mobility reflects an ideology that women are secondary earners or unpaid family workers. Based on this understanding, home-based work is expected to be a “preferred” choice, particularly for young women.

Although the number of home-based workers was comparatively more in younger age groups, as a percentage of total workers by age group, the pattern is a U-shaped curve (chart 2). A higher percentage of women non-agricultural workers were home-based workers in the youngest age group, 15-19. The percentage was lower until around ages 50-54, where it rose

until reaching the maximum at the age group of 65 and above. It appears that home-based work is a form of post-retirement employment since the percentage of men non-agricultural home-based workers jumped from 40 per cent at 60-64 to 60 per cent at 65 and above. It also increased sharply for women in these age categories, from 49 to 68 per cent.

In every age group, the percentage of women workers is higher than that of men workers. Further, the percentage of rural workers who were home-based workers was higher than that of urban workers, among non-agricultural workers, in almost all the age groups and among both women and men (chart 3).

Chart 2: Percentages of Home-Based Workers to Total Non-Agricultural Workers, by Sex and Age

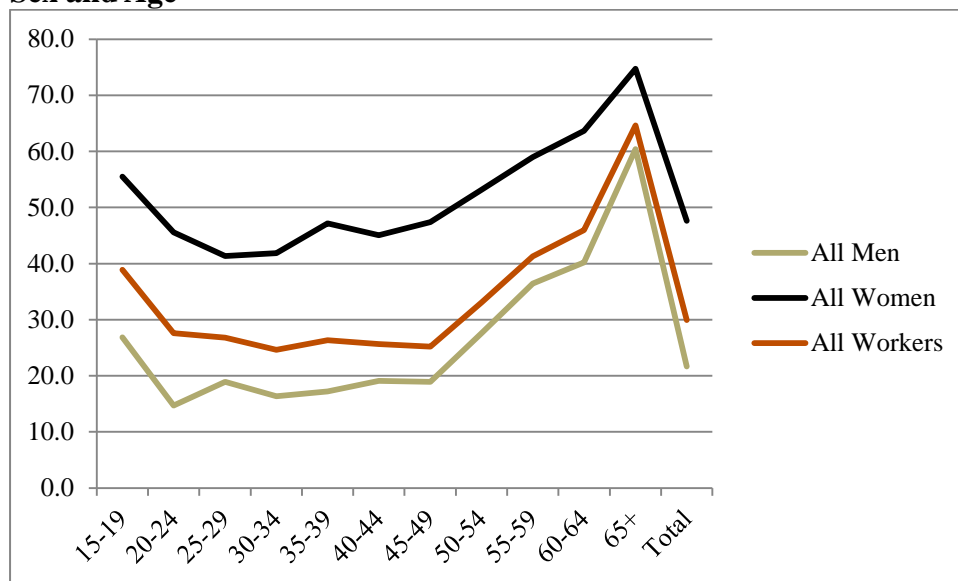
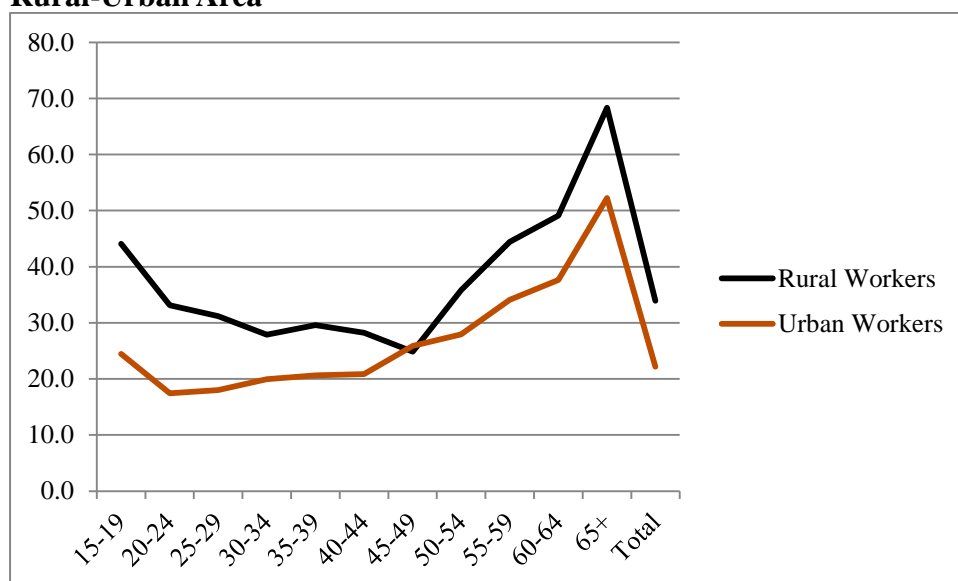


Chart 3: Percentages of Home-Based Workers to Total Non-Agricultural Workers, by Rural-Urban Area



Among all home-based workers, the share of women home-based workers was larger than that of men up to the age group 35-39, after which the trend reversed, with shares of men home-based workers significantly higher than those of women (table 6).

Table 6: Share of Women and Men Home-Based Workers in Each Age Group

Age Group	Percentage		
	Men	Women	Worker
15-19	40.1	59.9	100
20-24	31.0	69.0	100
25-29	45.8	54.2	100
30-34	44.7	55.3	100
35-39	45.5	54.5	100
40-44	55.6	44.4	100
45-49	58.7	41.3	100
50-54	65.7	34.3	100
55-59	69.3	30.7	100
60-64	66.0	34.0	100
65+	65.8	34.2	100
Total	49.1	50.9	100

Marital Status and Home-Based Work

Being a home-based worker is influenced by marital status, particularly for women. Widowed, divorced and married women are more likely than separated women and never-married women to be home-based workers. Widowed and divorced men are more likely than married men to be home-based workers, presumably because they have to take care of other members of the household, particularly children, in the absence of a partner (table 7). But separated men are least likely to be home-based workers. Also, there is no difference between married and never-married men in this regard.

Table 7: Percentage of Non-Agricultural Home-Based Workers Ages 15+, by Marital Status

Marital Status	Percentage		
	Men	Women	Worker
Never married	21.7	36.1	26.6
Married	21.1	50.0	29.9
Widow/widower	47.0	57.5	53.3
Separated	9.4	30.5	25.1
Divorced	40.7	54.1	41.9
Total	21.6	47.6	30.0

Presence of Children in the Household and Home-Based Work

Another important factor which influences the choice of home-based work is whether or not there are small children in the family. In order to analyze the significance of this factor, the households were classified into four distinct groups as listed below:

- (i) Households with no children up to the age of 9
- (ii) Households with children up to the age of 4
- (iii) Households with children in the age group of 5 to 9
- (iv) Households with both the categories of children

The presence of children in the household had only marginal impact on the participation of men in home-based work (table 8). However, it had significant impact on women, whose participation rate in home-based work was as high as 51.4 per cent in households with children up to the age of 4, as compared to 45.0 per cent in the case of households without children. The rate further increased to 53.6 per cent in the case of households with children of both age groups, 0 to 4 and 5 to 9. However, the presence of children between ages 5 to 9 did not show any impact on women's participation in home-based work.

Table 8: Percentage of Non-Agricultural Home-Based Workers Aged 15 + to Total Non-Agricultural Workers in the Category, by Presence of Children

Presence of Children	Percentage		
	Men	Women	Worker
No child	21.4	45.0	29.0
Child aged up to 4	21.7	51.4	31.3
Child aged 5 to 9	21.8	43.6	29.4
Children of both age categories	21.9	53.6	31.1
Total	21.6	47.6	30.0

About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO draws its membership from membership-based organizations of informal workers, researchers and statisticians working on the informal economy. For more information see www.wiego.org.

About HomeNet South Asia: HomeNet South Asia (HNSA) is the sub-regional network of organizations of home-based workers. It operates in Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. HNSA works towards building regional solidarity among home-based workers, especially women workers, empowering them to lead a life of dignity, free of poverty by obtaining decent work and social protection, within a rights framework. HNSA strives to make home-based workers and their issues more visible; to help organize them; to improve their working and living conditions; to promote and advocate for formulation and implementation of national, regional and international policies for home-based workers, and to promote access of home-based workers' products to local, national and international markets. For more information, visit www.homenetsouthasia.net or email homenetsouthasia@gmail.com