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School-to-work transition: Evidence from Nepal

New Era

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Employment
Policy
Department

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Preface

The primary goal of the ILO is to achieve full and productive employment and decent work for all, including women and young people, a goal which has now been widely adopted by the international community. Working towards this goal is the fundamental aim of the ILO.

In order to support member States and the social partners to reach the goal, the ILO pursues a Decent Work Agenda which comprises four interrelated areas: Respect for fundamental worker's rights and international labour standards, employment promotion, social protection and social dialogue. Explanations of this integrated approach and related challenges are contained in a number of key documents: in those explaining and elaborating the concept of decent work,¹ in the Employment Policy Convention, 1964 (No. 122),² and in the Global Employment Agenda.

The Global Employment Agenda was developed by the ILO through tripartite consensus of its Governing Body's Economic and Social Policy Committee. Since its adoption in 2003 it has been further articulated and made more operational and today it constitutes the basic framework through which the ILO pursues the objective of placing employment at the centre of economic and social policies.³

The Employment Sector is fully engaged in the implementation of the Global Employment Agenda, and is doing so through a large range of technical support and capacity building activities, advisory services and policy research. As part of its research and publications programme, the Employment Sector promotes knowledge-generation around key policy issues and topics conforming to the core elements of the Global Employment Agenda. The Sector's publications consist of books, monographs, working papers, employment reports and policy briefs.⁴

The *Employment Working Papers* series is designed to disseminate the main findings of research initiatives undertaken by the various departments and programmes of the Sector. The working papers are intended to encourage exchange of ideas and to stimulate debate. The views expressed are those of the author(s) and do not necessarily represent those of the ILO.

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¹ See the successive Reports of the Director-General to the International Labour Conference: *Decent work* (1999); *Reducing the decent work deficit: A global challenge* (2001); *Working out of poverty* (2003).

² In 1964, ILO Members adopted Convention No. 122 on employment policy which states that "With a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment, each Member shall declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment". To date, 97 member States have ratified this Convention.

³ See <http://www.ilo.org/gea>. And in particular: *Implementing the Global Employment Agenda: Employment strategies in support of decent work*, "Vision" document, ILO, 2006.

⁴ See <http://www.ilo.org/employment>.

Foreword

Youth is a crucial time of life when young people start realizing their aspirations, assuming their economic independence and finding their place in society. The transitions to adulthood and to the world of work often take place simultaneously, and this is a difficult time for many young people. However, if this transition can be made easier by effective assistance in making a good start in the world of work, it will positively affect young people's professional and personal success in the future stages of life.

The International Labour Office (ILO) has long been active in promoting youth employment, through its *normative* action and technical cooperation activities. The ILO's global strategy on employment – the Global Employment Agenda (GEA) – goes beyond the scope of traditional labour market policies and places employment at the heart of economic and social policy. Its ten core elements provide a comprehensive framework to address youth employment in an integrated approach to employment growth. This approach harnesses the forces of change that permit employment creation – namely trade and investment, technological change, sustainable development and macroeconomic policy – and combines them with policies to manage change in a socially acceptable and non-discriminatory manner.

To assist member States in building a knowledge base on youth employment, the ILO's Youth Employment Programme (YEP) has designed a “school-to-work transition survey” (SWTS). The SWTS was developed to quantify the relative ease or difficulty faced by young people in “transiting” to a job that meets the basic criteria of “decency”, namely a job that provides the worker with a sense of permanency, security and personal satisfaction.

This paper presents the results of the SWTS conducted in the Nepal in 2005-06 in collaboration with New ERA as part of an ILO project on *Promoting Decent and Productive Work for Young People*. The report reveals shortcomings in both the capacity of the Nepalese economy to create sufficient demand for young labour and also in the capacity of the Nepalese education and training system to produce labour market entrants that meet the requirements of employers. Policymakers in Nepal have recognized the political urgency of responding to the challenge of youth employment and are currently committed to engage in a national tripartite dialogue to design and implement a National Action Plan (NAP) for Youth Employment. It is our hope that the knowledge accrued from the SWTS survey results, including information specific to the underlying factors behind high youth unemployment, inequality in opportunities for young women and men, the mismatch between youth expectations and the needs of employers, training insufficiencies, etc. as identified in this report, will serve as the basis for the situational analysis required in the policy design process. The policy recommendation at the end of the report should be of particular use in focusing policy and programmes designed to promote decent work opportunities for young men and women in Nepal.

Workplace learning has become increasingly important during the last decade as an effective means of developing workforce knowledge and skills. Over recent years, in particular, the use of the workplace as a learning experience has been transformed due to the growth of the knowledge economy, the impact of new technology on productivity, and the growing use of high performance work practices that are transforming the ways in which work is organized.

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Contents

Preface	iv
Foreword.....	v
Contents	vii
Tables.....	ix
1. Introduction and methodology	1
1.1 Introduction.....	1
1.2 Objectives.....	2
1.3 Survey methodology	2
1.3.1 <i>Geographic coverage</i>	3
1.3.2 <i>Sample design and selection</i>	4
1.3.3 <i>Data collection</i>	5
2. The Nepalese context.....	6
2.1 The socio-economic context	6
2.2 The labour market in Nepal.....	7
2.2.1 <i>Labour force participation rate and labour force</i>	7
2.2.2 <i>Employment situation and wage</i>	8
2.2.3 <i>Economic growth and employment</i>	11
2.3 Youth in Nepal	11
3. Characteristics of youth in the sample survey	12
3.1 Introduction.....	12
3.2 Family background.....	12
3.2.1 <i>Parent's education and occupation</i>	12
3.2.2 <i>Household income</i>	13
3.2.3 <i>Number of persons in household</i>	13
3.2.4 <i>Number of persons involved in work</i>	14
3.2.5 <i>Number of household members seeking work</i>	14
3.3 Background of respondents	14
3.3.1 <i>Individual characteristics of the respondents</i>	14
3.3.2 <i>Household characteristics of the respondents</i>	15
3.4 Education level of respondents	17
3.4.1 <i>Schooling status</i>	17
3.4.2 <i>Education level attained</i>	17
3.4.3 <i>Age when stopped education/training and reasons for stopping</i>	17
3.5 Perceptions of youth and work aspirations.....	19

3.5.1	<i>Educational requirement to get a good job</i>	19
3.5.2	<i>Goal in life</i>	19
3.5.3	<i>Qualities in finding a good job</i>	20
3.5.4	<i>Preference of type and sector of work</i>	20
3.5.5	<i>Source of money</i>	21
3.5.6	<i>Main activity last week</i>	22
4.	Transition status of youth and their transition experience.....	22
4.1	Transition status of youth.....	22
4.2	Transition experience of transited youth.....	22
4.2.1	<i>Characteristics of youth with easy transition</i>	22
4.2.2	<i>Characteristics of youth with difficult transition</i>	22
4.3	Current activities of youth in transition.....	22
4.4	Not transited youth.....	22
4.4.1	<i>Background characteristics of not-transited youth</i>	22
4.4.2	<i>In-school youth</i>	22
4.4.3	<i>Inactive youth</i>	22
4.5	Findings of the focus group discussions.....	22
<i>Major findings</i>	22	
5.	Creating jobs for young people:.....	22
5.1	Background characteristics of the enterprises.....	22
5.2	Problems faced by the employers/managers.....	22
	Description.....	22
5.3	Affiliation with trade associations.....	22
5.4	Current vacancy status and the recruitment process.....	22
5.5	Perception of the employers/managers on job preference and general aptitude of job seeking youth.....	22
5.6	Education and training of workers.....	22
6.	Findings and conclusions.....	22
6.1	Main findings.....	22
6.2	Conclusions.....	22
6.3	Policy recommendations.....	22
Annex 1	Focus Group Discussions.....	22

Tables

Table 1.1	<i>The youth sample by current activity</i>	4
Table 2.1	<i>Sectoral share of GDP and growth rates</i>	7
Table 2.2	<i>Labour force participation and unemployment rates, 1996 and 2004 (10 years and above)</i>	7
Table 2.3	<i>Employment sectors in 1996 and 2004 (10 years and above)</i>	9
Table 2.4	<i>Distribution of employment by sector and type of employment (10 years and above)</i>	10
Table 2.5	<i>Real wage rates in 1995/96 prices</i>	10
Table 2.6	<i>Labour productivity in different sectors (in 1994/95 constant prices)</i>	10
Table 2.7	<i>Youth school attendance rate and literacy rate</i>	11
Table 2.8	<i>Number of Nepalese workers going abroad</i>	12
Table 3.1	<i>Parent's education and occupation</i>	13
Table 3.2	<i>Income and family size of the respondents</i>	14
Table 3.3	<i>Distribution of youth by number of household members currently working and seeking work</i>	14
Table 3.4	<i>Distribution of youth by their individual characteristics</i>	15
Table 3.5	<i>Distribution of youth by marital status, number of children, spouse's activity and mean age at marriage</i>	16
Table 3.6	<i>Distribution of youth by number of siblings</i>	16
Table 3.7	<i>Distribution of youth by respondents' status in education, level of education, mean age at stopping education/training, and reasons for stopping</i>	18
Table 3.8	<i>Distribution of youth by working status during study and type of work</i>	18
Table 3.9	<i>Youth perception regarding lowest level of education needed to get a good job</i>	19
Table 3.10	<i>Most important goals of youth</i>	19
Table 3.11	<i>Qualities needed to find a good job</i>	20
Table 3.12	<i>Type of work and sectors preferred among youth</i>	20
Table 3.13	<i>Selection of two major types of business by individual characteristics</i>	21
Table 3.14	<i>Source of money</i>	22
Table 3.15	<i>Main activity last week</i>	22
Table 4.1	<i>Transition status of youth by individual characteristics</i>	22
Table 4.2	<i>Ease of transition experienced by transitioned youth</i>	22
Table 4.3	<i>Ease of transition of transitioned youth by individual characteristics</i>	22
Table 4.4	<i>Current activity of in-transition youth</i>	22
Table 4.5	<i>Current activity of in-transition youth by background characteristics</i>	22
Table 4.6	<i>Steps taken by unemployed youth for job search</i>	22
Table 4.7	<i>Obstacles faced by unemployed youth in finding a good job</i>	22
Table 4.8	<i>Background characteristics of not-transitioned youth</i>	22
Table 4.9	<i>In school youth's most important goal in life</i>	22
Table 4.10	<i>Plans of in-school youth after completing current education/training by age and sex</i>	22
Table 4.11	<i>Plans of in-school youth after completing current education/training by place of residence</i>	22
Table 4.12	<i>Job search status of in-school youth by age and sex</i>	22
Table 4.13	<i>Job search status of youth by place of residence</i>	22
Table 4.14	<i>Highest level of education/training expected to be completed by youth</i>	22
Table 4.15	<i>Highest level of education/training expected to be completed by youth by place of residence</i>	22

Table 4.16	<i>Youth's choice of special field they would like to study</i>	22
Table 4.17	<i>Inactive youth by reasons for inactivity</i>	22
Table 5.1	<i>Enterprises by region, operating sector, main clients they serve and type of ownership</i>	22
Table 5.2	<i>Operation problems faced by the enterprises</i>	22
Table 5.3	<i>Problems faced by the enterprises in staff recruitment</i>	22
Table 5.4	<i>Status of affiliation in trade union/employers association</i>	22
Table 5.5	<i>Current vacancy status of the establishments and recruitment methods</i>	22
Table 5.6	<i>Preferred characteristics of a workers in an administrative/professional position</i>	22
Table 5.7	<i>Preferred characteristics of a worker in a manual/production position</i>	22
Table 5.8	<i>Most important characteristics that is looked for while hiring administrative/professional staff and manual/production staff</i>	22
Table 5.9	<i>Perception of employers/managers on the first and second most important aspect that young people look for while applying for a job</i>	22
Table 5.10	<i>Perception of employers/managers regarding the general aptitude of the job applicants</i>	22
Table 5.11	<i>Details of training provided to the staff by the establishments</i>	22
Table A1.1	<i>Summary of findings of Focus Group Discussion among general groups and disadvantaged groups in Banke district</i>	22
Table A1.2	<i>Summary of findings of Focus Group Discussion among general groups and disadvantaged groups in Kathmandu</i>	57

1. Introduction and methodology

1.1 Introduction

It is a recognized fact that getting young people into stable and productive employment is a precondition for poverty eradication and sustainable development. Across regions, data reveals that young people suffer higher unemployment rates and poorer job quality than older workers. The failure of young people to find decent employment tends to have lasting effects on occupational patterns and incomes during the entire course of their life. Facilitating their school-to-work transition (or work to school transition for youth previously engaged in child labour) will assist young people in overcoming their difficulties in finding and maintaining decent jobs.

The issue of youth employment is of particular importance in Nepal. At present Nepal is in the midst of an armed conflict. It is mostly youth who have rebelled against the state under the leadership of the Nepal Communist Party (Maoist). Large numbers of unemployed youth in the country were easy recruits for this rebellion. In this sense, it may be said that youth unemployment is one of the reasons behind the armed conflict in the country.

Although open unemployment in Nepal is fairly low (about 4 per cent) due to the dependence of the vast majority of Nepalese (nearly 80 per cent) on subsistence agriculture for their livelihoods, youth unemployment is relatively high (about 6 per cent). Youth unemployment in urban areas, where most of the youth come to seek employment, is extremely high (16 per cent). At present, about 300,000 Nepalese youth enter the labour market every year. Providing decent job opportunities to them is one of the top priorities of the Nepalese Government. To facilitate smoother school-to-work transitions, there is a need for appropriate policies and supporting programmes. This in turn requires a proper understanding of the school-to-work transition experience of Nepalese youth. For this reason, the National Planning Commission of Nepal joined the International Labour Organization (ILO) in sponsoring the School-to-Work Transition Survey (SWTS) of youth in Nepal.

The SWTS was developed in the ILO as a specific targeted tool to quantify the relative ease or difficulty of labour market entry faced by young people upon their first exit from school. Since the first labour market experience of a young person can influence his/her labour market situation throughout his/her lives, it is important to identify the explanatory factors behind “easy” or “difficult” transitions. Such information is critical for the development and initiation of policies to improve the transition process where needed. This survey is a part of the ILO sponsored multi-country studies. The SWTS’s have been implemented or are in the process of being implemented in Azerbaijan, China, Egypt, Indonesia, the Islamic Republic of Iran, Jordan, Kosovo, Kyrgyzstan, Mongolia, Sri Lanka and Vietnam.

The ILO defines the school-to-work transition of a young person as the passage of a young person (defined here as persons aged 15 to 29 years old⁵) from the end of

⁵ While the international definition of “youth” is a person aged between 15 and 24 years, in the SWTS the maximum age limit is extended to 29 years based on the understanding that young people are staying in school longer and therefore postponing their initial labour market entry until a later stage.

schooling to the first “career” job or “regular” job. *Career job* is a subjective concept, based on the self-assessment of the jobholder. It implies a job that the respondent considers to “fit” his/her desired career path. The contrary is termed a *non-career job*, implying a sense of dissatisfaction about the job, a desire to find something better and the likelihood that the young person has taken it because he lacked a better option. *Regular job* is defined in terms of duration of contract or expected length of tenure. The contrary is a *temporary job*, or a job of limited duration.

Three stages of transition have been defined as follows:

- Transited – a young person who has “transited” is one who is currently employed in a career or a regular job.
- In transition – a young person is still “in transition” if he/she is either currently unemployed, currently employed in a non-career job or a temporary job, or currently inactive and not in school with an aim to look for work later.
- Not transited – a young person who has “not transited” is one who either is still in school, or currently inactive and not in school with no intention of looking for work.

After determining the various transition stage of a young person, the transition can then be classified into “easy”, “middling” and “difficult”, and the factors that determine the relative ease or difficulty of the transition can be analyzed.

It should be noted that this survey is not intended as an overall assessment of the situation facing young people in Nepal. Rather, it is intended to supplement currently available information from the national surveys, such as the Nepal Labour Force Survey 1998 and the Nepal Living Standard Survey 1995/96 and 2003/04. The study focuses on the issues of Nepalese youth as they enter the labour market after leaving schools.

1.2 Objectives

The overall objective of the survey is to identify factors that contribute to the high unemployment rate of young Nepali women and men and to determine areas where policies can be introduced to ease the transition of young women and men into career/regular jobs.

The school-to-work transition survey will provide Nepali policy makers with a solid and informed basis for developing appropriate interventions that will match labour supply and demand.

The specific objectives of the survey are to collect and analyze information on the various challenges that influence young men and women while they are making the transition to working life. Attention is given especially to gender differences in this process. The presentation and dissemination of the information should feed directly into policy making and development of programmes targeting youth.

1.3 Survey methodology

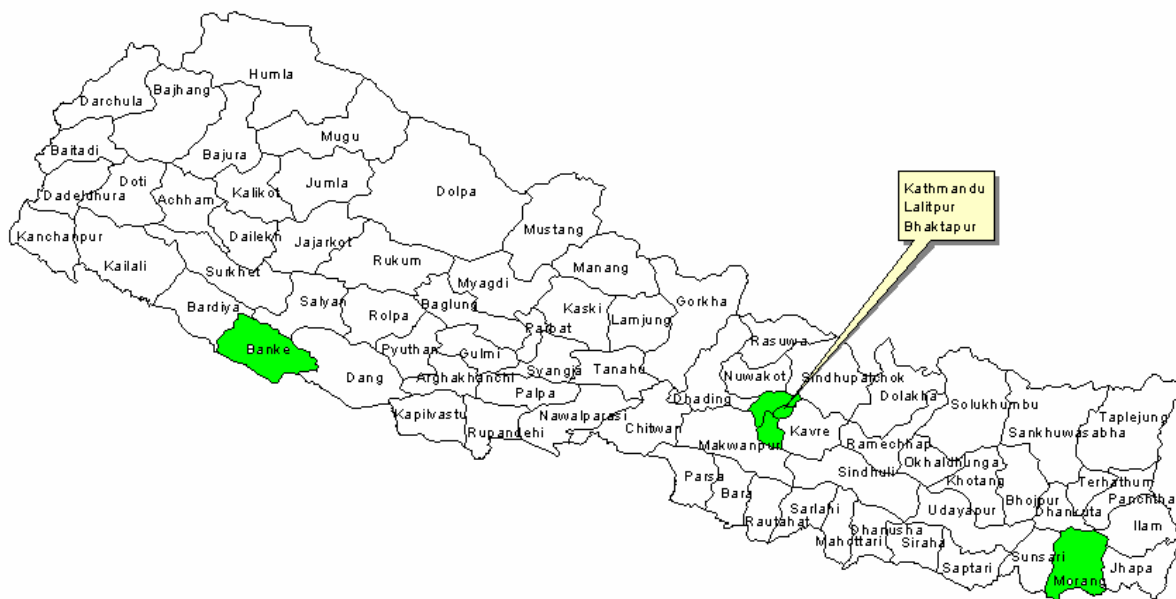
In order to fully capture the transitions of different targets groups of youth in Nepal, this survey addressed both the supply and demand factors. As such, this study was comprised of two surveys – one addressed to young people and another targeted at the employers of youth. While this survey was implemented by New ERA, the ILO provided the technical support in designing the questionnaire and on the analysis of information once it was processed. The actual methodology of the survey was largely based on

mutual discussions between the ILO and New ERA. The survey methodology was also reviewed by a fourteen-member Steering Committee, chaired by the Member of the National Planning Commission of Nepal. The Steering Committee consisted of members from government agencies, trade unions and the ILO. The Steering Committee provided the overall guidance to the study, periodically reviewed its progress and appraised its final findings.

1.3.1 Geographic coverage

This study is more of an exploratory survey than a truly nationally representative survey. A nationally representative survey would have required a considerable amount of resources, which were not available at the time. Accordingly, the survey was conducted in three areas of Nepal, which to a certain extent represent Nepal's different ecological regions as well as the generally observed east/west variation.⁶ Moreover, the three areas selected for the survey are those where considerable employment opportunities exist, and as such, where Nepalese youth tend to congregate, especially in the Kathmandu Valley, the capital region of Nepal. Specifically, the survey was carried out in the following areas:

- Banke district in the west;
- Kathmandu Valley (Kathmandu, Lalitpur and Bhaktapur districts) in the central region; and
- Morang district in the east.



⁶ The eastern part of Nepal is generally more developed compared to the western part. As reported by the Nepal Human Development Report 2004, the Human Development Index (HDI) of the eastern region was 105 per cent of the national HDI (0.471 in 2001) compared to just 85 per cent for most parts of the western region. Per capita income estimated for the eastern region was PPP US\$ 1202 in 2001, whereas it was just PPP US\$ 940 for the western region. Similarly, the Human Poverty Index in 2001 in the eastern region was 37.1 per cent and 46.3 per cent in the western region.

In each area, the survey was conducted in both rural and urban areas.

1.3.2 Sample design and selection

Youth sample

In view of the available resources the study intended to cover about 1,200 youth, sufficient to cover young people in each of the following status: in school, employed, unemployed and outside of the labour force (i.e. inactive). To ensure a sample size of 1,200 or more, all youth (15-29 years old) living in 1,200 households in the three areas covered was included. It was expected that this would result in a sample of more than 1,200 youth, with sufficient numbers in each activity category. Since only a small proportion of youth was expected to be employed, it was necessary to over sample to ensure an adequate number of employed youth in the sample.

In each of the three areas, 400 dwellings were selected, of which 200 rural and 200 urban. The process of selecting the households was as follows:

- First, separate lists of municipality (urban) wards and village (rural) wards⁷ were prepared, along with their population which was obtained from the Census 2001. The list of rural wards excluded those rural wards which were considered by the district officials as too insecure to conduct the survey. From these two separate lists, ten clusters each were selected by the method of probability proportionate to size (PPS).
- Second, in each selected rural and urban clusters, the survey team first listed all households in the cluster and randomly selected 20 households. The interviewers listed all 15-29 year-old youth who were staying in the households selected in the cluster and tried to interview all of them. Although 2,521 youth were listed in the sample of 1,200 households, 121 youth could not be interviewed even after three repeated visits and were dropped. Thus this survey included a total sample of 2,400 youth (Table 1.1).

Table 1.1 The youth sample by current activity

Place of Residence	Current Activity			Total
	In School	Unemployed	Employed	
Morang				
Rural	231	59	50	454
Urban	164	45	85	390
Kathmandu Valley				
Rural	189	31	65	350
Urban	234	46	123	464
Banke				
Rural	98	18	74	335
Urban	192	47	85	407
Total	1,090	246	482	2,400
Rural	518	108	189	1,139
Urban	590	138	293	1,261

⁷ Each municipality is divided into several wards. The number of wards depends on the population of the municipality. Larger municipalities have more wards than the smaller municipalities. Village (officially known as village development committees) on the other hand are always divided into nine wards.

Employer sample

Private entrepreneurs and the non-government institutions were the focus of the employers' survey. A list of private sector employers was prepared with the help of local chapters of the Federation of Nepalese Chambers of Commerce and Industries (FNCCI) and the Federation of Nepalese Cottage and Small Industries (FNCSI). A total sample of 125 employers – 25 from Banke district, 75 from Kathmandu district, and 25 from Morang district – was selected. However, due to five cases of refusal, only 120 out of 125 employers were interviewed.

1.3.3 Data collection

Method

Structured questionnaires as well as Focus Group Discussions (FGD) were used in this survey. There were two questionnaires, one for youth and one for the employers (available on request). The FGDs were conducted based on a guideline.

The ILO SWTS questionnaire for youth was used to interview youth. The ILO designed this questionnaire to capture the experiences of young men and women (aged 15-29 years) from five target groups – in-school youth, young employees, young self-employed and own-account workers, unemployed youth, and youth who are neither in school nor in the labour market. The second questionnaire for employers and managers of young people solicits information on recruiting practices, conditions of employment and expectations of young job applicants and employees. Having the two separate questionnaires allowed for the generation and analysis of information on both supply and demand factors that shape the youth labour market.

The ILO's generic SWTS questionnaires were adapted to the Nepalese context, translated and field-tested. The questions were adapted to reflect the classifications and terminologies currently in use in Nepal. The pre-testing examined the adequacy, clarity and wording of the questions, adequacy of possible pre-coded responses, sequence/flow of questions, skip patterns, and the length of time required to administer the questionnaire. The pre-test was conducted in the non-sample areas near the Kathmandu Valley.

In addition to the questionnaire survey, FGDs were conducted with different groups of youth in urban and rural areas to gain a deeper understanding of their employment experiences. In each cluster, two FGDs were conducted, one with youth from disadvantaged communities and the other with non-disadvantaged youth. The FGD group size varied from eight to ten young people, and had roughly equal representation of both sexes and from the three age groups (15-19, 20-24 and 25-29). Based on the FGD guideline for discussions, the topics covered by the discussions included job search problems faced by youth in different categories (female and disadvantaged group) and youth's perceptions about the causes of unemployment.

Training of the field staff

A week-long intensive training of the field staff was organized. The training included an introduction to the survey, the objectives and methodology of the survey, general interviewing techniques and field procedure of the survey, orientation on youth employment in Nepal, and a detailed overview of each question of the questionnaires. The training was provided by key research team members and concerned specialists, using a variety of methodologies such as lectures, group discussions, questions and answers, demonstration interviews, role-play and field practices.

Field data collection

Six teams carried out the fieldwork of this study, each consisting of a field supervisor and three interviewers. In addition to these teams, three Senior Research Assistants were assigned to conduct the survey of the employers.

Once the teams were in the study areas, they contacted the local authorities to inform them about the survey and to solicit necessary assistance. After consultation with the authorities, the field supervisors prepared separate lists of urban and rural clusters for their assigned study areas and selected the sample clusters. After selecting the clusters, the field supervisors prepared the field schedule for their study areas and initiated data collection in the clusters. The field supervisors ensured that the household lists prepared for each cluster were accurate and that the households were properly selected. They also checked each filled questionnaire for their completeness.

Data processing

Data entry was done directly from the questionnaires. Before entering the data, all completed questionnaires were thoroughly checked. The data entry was done by trained New ERA personnel. The data was initially entered in FoxPro format, which was converted to SPSS for analysis.

2. The Nepalese context

This chapter provides a brief of the Nepalese context. The first section briefly describes the socio-economic context of Nepal, followed by the labour market situation in the second section. The situation of youth employment is specifically discussed in the third section.

2.1 The socio-economic context

Nepal is a small country in South Asia, in between the two Asian giants: China and India. Although Nepal's population is not so small (24.8 million in 2004, of which 7.0 million or 28 per cent were 15-29 year olds), it is miniscule compared to the populations of its immediate neighbours, China and India, which exceed one billion each. Nepal's population is highly heterogeneous, consisting of over 100 separate caste and ethnic groups.

The total area of Nepal is 147,181 km², of which about 80 per cent is mountainous. Despite its rugged terrain, Nepal's population mostly depends on subsistence agriculture for livelihood. According to the latest available data, nearly 80 per cent of the economically active population are engaged in agriculture and are mostly self-employed (CBS, 2005). Yet, the contribution of the agricultural sector to the Gross Domestic Product (GDP) has rapidly declined over the years. Up to the 1980s, agriculture contributed nearly two-thirds of the GDP, but it has declined to only slightly over one-third of the GDP in recent years (Table 2.1).

Per capita GDP of Nepal was just US\$ 270 in 2004, which was one of the lowest among the developing countries and the lowest in South Asia. Accordingly, the poverty rate was high (31 per cent in 2004) in Nepal. Although Nepal experienced a relatively rapid decline in poverty in the recent past (1996-2004), it was mainly due to remittances sent by a growing number of youth working abroad, mainly in the Gulf and East Asian countries. Every year more than 150,000 youth, or about one-half of youth entering the

labour market, go abroad for employment. The tendency for youth to find employment abroad has been on the increase in recent years, mainly due to the on-going conflict that has adversely affected the economic performance of the country, especially the non-agricultural sectors (see Table 2.1). In the 1980s and 1990s Nepal experienced average growth rates of 4.6 per cent and 4.9 per cent respectively. The overall GDP growth rate now hardly exceeds the annual population growth rate of the country, which at present is estimated to be about 2.2 per cent. As is evident from Table 2.1, it is the industry and services sectors which have suffered most due to the on-going conflict. The business confidence is at its lowest due to political instability and ensuing uncertainty. Foreign direct investment, which was never very high in Nepal, has now virtually dried up. It is also alarming to note the declining capital expenditure in the national budget, mainly because of increasing security expenditures. They have all adversely affected the development activities in the country.

Table 2.1 Sectoral share of GDP and growth rates

Sector	Sectoral Share (%)				Growth Rates (%)		
	1980	1990	2000	2003	1980-1990	1990-2000	2000-2003
Agriculture	60.9	47.7	38.4	38.7	4.7	2.4	3.4
Industry	12.3	17.5	21.3	31.3	8.4	7.9	1.2
Services	26.8	34.8	40.3	30.0	3.7	6.4	2.4
All	100.0	100.0	100.0	100.0	4.6	4.9	2.5

Source: National Accounts of Nepal, 2004.

2.2 The labour market in Nepal

2.2.1 Labour force participation rate and labour force

The labour force participation rate (LFPR) in Nepal is quite high and has been increasing in recent years (Table 2.2). This is mainly due to displacement of many able-bodied persons from the county due to the on-going conflict, putting greater pressure on the remaining population to participate in the labour force. The LFPR is expected to decline in future as more young people are expected to remain in school for longer periods and as adults return home once peace is restored.

Table 2.2 Labour force participation and unemployment rates, 1996 and 2004 (10 years and above)

Background characteristics	Labor Force Participation Rates (%)		Unemployment Rates (%)	
	1996	2004	1996	2004
Gender				
Male	75.2	80.4	5.6	3.9
Female	66.4	74.4	4.1	3.6
Residence				
Urban	53.9	62.4	12.2	9.2
Rural	72.0	80.2	4.4	2.9
Development Region				
East	69.2	77.9	6.4	3.8
Central	69.8	75.7	5.4	4.4
West	67.2	75.9	3.3	3.5
Mid West	73.2	79.8	5.1	3.5
Far West	80.9	81.8	2.4	1.7
Ecological Zone				
Mountains	81.5	88.0	2.1	1.5
Hills	70.5	78.1	3.7	2.7
Tarai	69.0	74.9	6.5	5.1
Consumption Quintiles				
Poorest	75.8	80.0	6.6	4.0

Background characteristics	Labor Force Participation Rates (%)		Unemployment Rates (%)	
	1996	2004	1996	2004
Second Quintile	71.5	81.7	4.8	3.0
Third Quintile	70.0	80.2	5.3	2.3
Fourth Quintile	70.5	79.0	3.4	3.3
Richest	66.4	67.3	4.3	6.3
Education Level				
Illiterate	76.8	82.1	4.3	2.7
Some School- Literate	56.4	73.5	2.6	2.7
3-5 years completed	58.6	69.5	5.9	3.5
6-10 years completed	65.2	73.3	6.8	4.6
11+ years	75.2	79.9	9.0	9.4
Age Groups				
10-14 years	38.6	51.8	7.9	3.4
15-19 years	65.7	71.8	6.9	5.7
20-24 years	79.4	83.1	7.8	6.4
25-44 years	88.9	91.6	4.0	3.6
45-59 years	82.9	87.9	2.9	1.9
60+ years	50.0	61.9	1.3	1.7
Nepal	70.6	77.2	4.9	3.8

Sources: Nepal Living Standard Survey (NLSS) 1996 and 2003/04; Central Bureau of Statistics, 1997 and 2004.

The total labour force (over 15 years of age) of Nepal in 2004 was estimated to be about 12.7 million and was growing at about 2.3 per cent which was almost similar to the population growth rate. This implies slightly over 300,000 youth are entering the labour market every year. It is projected that the number of youth entering the labour market will increase slightly over the coming years.

2.2.2 *Employment situation and wage*

Open unemployment in Nepal is very low (3.8 per cent in 2004, see Table 2.2) given the rampant poverty and subsistence nature of agriculture where most of the Nepalese are employed. People simply cannot afford to remain unemployed. They are forced to take up anything that comes their way or have to get involved in household production as unpaid labour. It is interesting to note that the unemployment rate tended to increase with the years of schooling while the relationship between the unemployment rate and consumption quintiles presents a more mixed picture, with some indication that the richest quintile tended to experience a higher unemployment rate. This may be because they can afford to remain unemployed and wait for a job which they would consider more suitable for themselves. Unemployment is highest among youth (15-24 years) and lowest among older age groups (Table 2.2).

The problem in Nepal is not so much of unemployment but of underemployment. Among those who were employed, almost one-half (47 per cent) were underemployed (working less than 40 hours a week) in 1996. There has been no improvement in the underemployment situation. Even in 2004, nearly one-half (48 per cent) of those employed remained underemployed. The underemployment situation was worse in rural areas compared to urban areas. The NLSS 2004 also reported a higher underemployment rate for women compared to men. The higher underemployment rate among women was probably more a reflection of longer hours that women are forced to spend in unpaid household work compared to men. The high rate of underemployment along with lower productivity, especially in agriculture, are the main reasons behind the high level of poverty in Nepal. Both these problems need to be addressed to improve the economic situation of the people.

Employment in the agricultural sector has remained very high, although a slight increase in employment in the non-agricultural sector has been observed (Table 2.3).

Non-agricultural employment was mostly concentrated in the urban areas. It is to be noted that there has been a significant increase in employment in the non-agricultural sector among people from the highest consumption quintile. This may be attributable to a decreasing farm size and also to the conflict that has forced the rural rich to look for non-agricultural employment elsewhere.

Those employed in agriculture were mostly self-employed, cultivating unusually small landholdings. Since agriculture has been almost universally a household enterprise, this sector has acted as the last refuge for a growing number of youth from agricultural households who enter the labour market. As a result of an increasing education level, youth entering the labour market were usually literate with some years of schooling. Their first choice was generally employment in the formal non-agricultural sector in urban areas or abroad. If they did not succeed, they would try to engage in informal non-agricultural enterprises in urban areas, often in self-employment. This was the reason why almost one-half (48 per cent or 1.3 million out of 2.7 million) of those engaged in non-agriculture were self-employed (Table 2.4).

Table 2.3 Employment sectors in 1996 and 2004 (10 years and above)

Background Characteristics	Employed in Agriculture Works (%)		Employed in Non-Agriculture Works (%)	
	1996	2004	1996	2004
Gender				
Male	73.1	67.6	27.0	32.4
Female	92.7	89.6	7.3	10.4
Residence				
Urban	31.2	35.6	68.8	64.4
Rural	85.7	84.9	14.4	15.1
Development Region				
East	83.7	81.2	16.4	18.8
Central	78.7	72.9	21.3	27.1
West	83.4	81.4	16.7	18.6
Mid West	85.8	76.3	14.2	23.7
Far West	90.3	87.2	9.7	12.8
Ecological Zone				
Mountains	89.3	89.4	10.8	10.6
Hills	81.2	76.6	18.8	23.4
Tarai	83.2	78.4	16.8	21.6
Consumption Quintiles				
Poorest	87.6	88.7	12.4	11.3
Second Quintile	85.7	85.7	14.4	14.3
Third Quintile	85.5	84.4	14.5	15.6
Fourth Quintile	84.6	78.8	15.5	21.2
Richest	71.6	55.6	28.4	44.4
Nepal	82.9	78.5	17.2	21.5

Source: Nepal Living Standard Survey Report 1996 and 2003/04, Central Bureau of Statistics, 1997 and 2004.

Note: Since NLSS - 2003/04 also included extended economic activities they have been excluded to recalculate employment sectors in 2004. This makes it comparable to NLSS data on employment sectors.

Table 2.4 Distribution of employment by sector and type of employment (10 years and above)

Sector	No. (in million)	1995/86 (%)	No. (in million)	2003/04 (%)	Annual Employment Growth Rate (%)
Agriculture	8.2	82.9	9.7	78.5	2.1
Self-employment	7.0	70.7	8.8	71.0	2.9
Wage employment	1.2	12.2	0.9	7.5	-3.5
Non-agriculture	1.7	17.1	2.7	21.5	5.9
Self-employment	0.8	7.6	1.3	10.2	6.3
Wage employment	0.9	9.5	1.4	11.3	5.7
Total	9.9	100.0	12.4	100.0	2.8
Total self-employment	7.8	79.6	10.1	81.5	3.3
Total wage employment	2.1	20.4	2.3	18.5	1.1

Note: The figures in this table were calculated on the basis of the results of Nepal Living Standard Survey 1995/96 and 2003/04. Census figures were not used as they show a very unrealistic decline in employment in the agriculture sector.

Overall wage employment has increased but only at a very low rate of 1.1 per cent per annum between 1995/96 and 2003/04. In contrast, the number of self-employed increased at a much more rapid rate of 3.3 per cent per annum between 1995/96 and 2003/04. It is also to be noted that overall wage employment in agriculture declined in number from 1.2 million in 1995/96 to 0.9 million in 2003/04 (Table 2.4).

Given the very high growth rate of the labour force and underemployment rate in Nepal, one would have expected a downward pressure on the wage rates. However, the wages in agriculture as well as in non-agriculture increased over the years (Table 2.5). Although agricultural wage rates were still far less than the non-agricultural wage rates, the proportional increase in the agricultural wage was faster than the non-agricultural wage rate. This may be explained partly by increasing labour productivity in agriculture (Table 2.6) and a declining supply of wage labour in agriculture.

Table 2.5 Real wage rates in 1995/96 prices

Sector	1995/96 Rs.	2003/04 Rs.	Change %
Agricultural	40	48	20
Non-agricultural	74	86	16

Source: Nepal Living Standard Survey 2003/04.

Wage rates in the non-agricultural sector were still far higher than in agriculture because productivity of labour in the non-agricultural sector was still far higher than in agriculture (Table 2.6). However, worker productivity in the non-agricultural sector has declined over the years. Despite this decline, labour productivity in the non-agricultural sector in 2003/04 was 5.6 times the agricultural sector productivity of labour. This has also been one of the reasons for the increasing shift of employment into the non-agricultural sector.

Table 2.6 Labour productivity in different sectors (in 1994/95 constant prices)

Sector	1995/96 Rs.	2003/04 Rs.	Change %
Agricultural	10,833	11,935	10
Non-agricultural	78,294	67,206	-14
Overall	22,417	23,970	7

Source: Calculated on the basis of GDP figures in the Economic Survey 2004/05 (Ministry of Finance, 2005) and employment figures given in Table 4.10.

2.2.3 Economic growth and employment

Nepal's economic growth in the recent past has been fairly employment oriented. The employment elasticity of Nepalese growth between 1995/96 and 2003/04 was estimated to be 0.76. The employment elasticities of the agricultural and non-agricultural sectors were 0.62 and 1.51 respectively. The employment elasticity and the current employment pattern imply that most of the future employment generation would still be in the agricultural sector, but this is not the sector to which youth are generally attracted. It may also be noted that the employment elasticity of the non-agricultural sector between 1995/96 and 2003/04 was higher than unity. In other words, the employment growth rate in the non-agricultural sector was higher than the growth rate of the non-agricultural sector (see Table 2.1 and 2.4), implying a declining labour productivity in the non-agricultural sector (Table 2.6).

2.3 Youth in Nepal

Out of 24.8 million population in Nepal in 2004, 28.3 per cent or about 7.0 million were in the 15-29 years age group. The proportion of youth in the total population is expected to rise slightly in the coming years. The labour force participation rate of youth, especially those in the 20-29 years age group, has been very high (Table 2.7). Currently, about 300,000 people are entering the labour market every year, most of whom are youth.

More youth in Nepal are now attending schools and are more literate than the older generations. However, the education gap between female and male youth as well as between rural and urban youth, remains.

Table 2.7 Youth school attendance rate and literacy rate

	% Ever Attended School				Literacy Rate (%)			
	15-19	20-24	25-29	All Age	15-19	20-24	25-29	All Ages
Urban								
Male	95.4	94.9	93.4	81.2	93.1	94.9	93.4	84.5
Female	89.2	81.2	77.7	58.6	89.5	83.1	79.9	64.2
Total	92.4	87.9	84.9	69.7	91.4	88.8	86.0	74.4
Rural								
Male	89.0	82.5	72.7	56.6	85.8	80.1	70.7	59.3
Female	65.3	51.5	31.6	27.6	64.0	50.8	33.3	34.3
Total	76.6	63.8	48.0	40.7	74.4	62.4	48.2	46.1
All Nepal								
Male	90.1	85.3	76.9	61.2	87.0	83.4	75.3	63.5
Female	68.8	56.6	39.3	32.6	67.8	56.3	41.1	38.9
Total	79.1	68.5	54.7	45.8	77.1	67.5	55.1	50.6

Source: Nepal Living Standard Survey, 2003/04.

As more Nepalese youth are attending school and attaining higher levels of education, aspirations for better jobs are also increasing. Usually, they aspire to work in the organized non-agricultural sectors or want to work abroad where wages are much higher compared to the Nepalese wage. Since the formal non-agricultural sector is not growing at present, mainly due to the uncertain business environment, as a result of the on-going conflict, an increasing number of youth are going abroad for work (Table 2.8).

Table 2.8 Number of Nepalese workers going abroad

Year	Number
2001/02	104,739
2002/03	105,055
2003/04	106,660
2004/05*	107,438
2005/06**	123,393

Source: Department of Labor and Employment Promotion.

* First eight months only.

** First eight months figure quoted in The Kathmandu Post, March 30, 2006 (Vol. XIV No. 40)

3. Characteristics of youth in the sample survey

3.1 Introduction

There were a total of 2,400 respondents, 1,299 female and 1,101 male, between 15 to 29 years of age, in this school-to-work transition survey (SWTS) from three different districts of Nepal. The chosen age range includes youth who are still in school, who are in school and also work part time, and who have finished schooling and are looking for a job. The objective of SWTS is to find out what exactly is the employment situation of Nepali youth in the selected locations (Kathmandu Valley, Morang and Banke).

In this chapter we will provide a descriptive summary of the respondents and their families. This chapter will be divided into four sections consisting of: 'Respondent's family background', 'Respondent's personal background', 'Education' and 'Perceptions and work aspirations of youth'. The section on the respondent's family background covers topics such as parents' education and occupation, household income, number of family members involved in work. The section on the respondent's background will mainly cover their age, place of residence, ethnicity, marital status, number of children and number of siblings. On education, we will specifically discuss respondent's level of education, age of stopping education, and the reasons for stopping education. With regard to work aspirations and perception of youth, we will discuss the view of respondents about the level of education needed to obtain a good job, the goal of respondents, and preference of occupation and sector.

3.2 Family background

3.2.1 Parent's education and occupation

All the respondents were asked to state the level of schooling completed by each parent and their occupations.

There was a difference between fathers' and mothers' level of education, with the fathers attaining a much higher education level than the mothers. Twenty three per cent of the young respondents' fathers were illiterate, whereas over half (57 per cent) of their mothers were illiterate. Thirty two per cent of the respondents' fathers had completed secondary level, compared to only 14 per cent for their mothers. Thirty per cent of fathers and 27 per cent of mothers were either literate or had completed the primary level. Fifteen per cent of the fathers in comparison to 2 per cent of mothers had completed an intermediate or higher level (Table 3.1).

There were also differences in the occupations of fathers and mothers. A high percentage of fathers were agricultural workers (39 per cent) compared to 22 per cent of the mothers. The majority of mothers (62 per cent) were engaged in household responsibilities, but very few fathers reported this as an occupation. It should be noted that while less mothers had reported officially working in agriculture, in many rural families the extension of household responsibilities include unpaid family work in agriculture. So the reported figures here may underestimate women's involvement in agriculture. Fourteen per cent of the fathers' and 5 per cent of the mothers' occupation was business. Fourteen per cent of the fathers' occupations were professional, technical assistant, administrative work or managerial work, but only about 2 per cent of mothers had this occupation (Table 3.1).

Table 3.1 Parent's education and occupation

Characteristics	Female (%) (N=1299)	Male (%) (N=1101)	Total (%) (N=2400)
Father's Education			
Illiterate	24.1	22.2	23.2
Literate and Primary	28.3	31.2	29.7
Secondary	31.9	31.1	31.5
Intermediate or higher	14.9	14.4	14.7
Other/Don't know	0.8	1.2	1.0
Mother's Education			
Illiterate	58.3	56.2	57.3
Literate and Primary	25.0	26.6	25.6
Secondary	14.3	14.3	14.3
Intermediate level or higher	2.5	2.3	2.4
Other/Don't know	0	0.7	0.3
Father's Occupation			
Agricultural work	39.9	37.7	38.9
Professional, technical assistant, administrative or managerial	13.9	14.8	14.3
Business	14.0	14.0	14.0
Housework	0.1	0.9	0.5
Other*	32.2	32.6	32.4
Mother's Occupation			
Housework	60.0	64.6	62.1
Agricultural work	23.4	20.7	22.2
Business	6.2	4.5	5.4
Professional, technical assistant, administrative or managerial	1.4	1.5	1.5
Other*	9.0	8.6	8.8
Total	100.0	100.0	100.0

* Others include factory production worker, armed forces, home-based worker, teacher, unemployed, outside the labour force, parent deceased, daily wages, driver, works abroad, sewing, does nothing, don't know and other.

3.2.2 Household income

In terms of household income, the majority of the respondents came from non-poor households with a monthly income of more than Rs. 5,000 (Table 3.2). Slightly more than one-third of the respondents were from a poor household (< Rs. 5,000/month). Of the total respondents, a little over one tenth were from very poor households (< Rs. 2,500/month).

3.2.3 Number of persons in household

The majority of respondents were from average-sized families (4-6 members), which usually consisted of nuclear families. More than one-fourth of the respondents came from relatively large families with more than eight members, which often formed extended or joint families (Table 3.2).

Table 3.2 *Income and family size of the respondents*

Family Size	Female (%) (N=1,299)	Male (%) (N=1,101)	Total (%) (N=2,400)
Total Household Income Per Month			
Less than 2,500	11.9	14.1	12.9
2,500 to 5,000	26.9	24.3	25.8
5,000 to 10,000	36.0	36.7	36.3
10,000 to 15,000	12.9	12.4	12.7
15,000 or more	12.2	12.5	12.4
No. of Persons in Household			
1-3	7.8	6.0	7.0
4-6	51.7	53.7	52.6
5-7	12.5	13.4	12.9
8-10	19.2	18.9	19.1
11 or more	8.8	8.0	8.4
Total	100.0	100.0	100.0

3.2.4 *Number of persons involved in work*

Nearly one-half of the respondents were from a single earner (mostly flakers) family. However, a little over one-half (55 per cent) of the respondents were from families which had two or more earning members (Table 3.3).

3.2.5 *Number of household members seeking work*

In this survey the respondents had been asked about the number of persons in their household who were unemployed (without work and actively looking for work). Nearly two-thirds of the respondents replied there was no one in the family who was looking for a job. One fifth (21 per cent) responded that one household member was actively looking for work, and 14 per cent responded that two or more of the household members were looking for work (Table 3.3).

Table 3.3 *Distribution of youth by number of household members currently working and seeking work*

Characteristics	Female (%) (N=1,299)	Male (%) (N=1,101)	Total (%) (N=2,400)
Number of household members working			
0	1.1	1.5	1.3
1	45.6	41.6	43.8
2	35.5	37.9	36.6
3 or more	17.9	18.9	18.4
Number of unemployed household members			
0	66.3	63.4	65.0
1	20.2	21.5	20.8
2 or more	13.4	15.2	14.3
Total	100.0	100.0	100.0

3.3 Background of respondents

3.3.1 *Individual characteristics of the respondents*

In terms of age structure, as a consequence of the relatively high fertility rate of the country, the proportion of youth, both male and female, in the younger age groups was larger (Table 3.4).

As for the distribution of youth across districts, since an equal number of households had been selected from each district, the difference in the proportion of youth from each district may be indicative of the difference in the number of persons per household. It seems to be highest in Morang and lowest in Banke. With regard to the place of residence, the sample included almost an equal proportion of rural and urban females. However, the male sample included a higher proportion of urban residents. This is probably a reflection of more male youth migrating to urban areas for work or to seek work (Table 3.4).

The diversity of the Nepalese population in terms of caste and ethnicity was also reflected in the sample. However, Brahmin, Chhetri and Newars were slightly over represented compared to their proportion in the total population. On the other hand, ethnic groups, terai groups and dalits were under represented in the sample (Table 3.4). This was mainly due to the selection of the districts, and it should be reminded that this survey was not a national survey, intended to reflect the caste and ethnic diversity of Nepal.

Table 3.4 Distribution of youth by their individual characteristics

Background Characteristics	Female (%) (N=1,299)	Male (%) (N=1,101)	Total (%) (N=2,400)
Age			
15-19	43.2	44.9	44.0
20-24	36.6	35.9	36.3
25-29	20.2	19.3	19.8
District			
Morang	35.9	34.3	35.2
Kathmandu valley	33.6	34.3	33.9
Banke	30.6	31.3	30.9
Place of Residence			
Rural	50.7	43.6	47.5
Urban	49.3	56.4	52.5
Ethnicity			
Brahmin	20.9	19.3	20.1
Chhetri	25.0	23.3	24.7
Newar	15.0	14.9	15.0
Gurung/Tamang/Sherpa/Magar/Rai/Limbu	10.5	10.0	10.3
Tharu/Rajbanshi/Yadav/Ahir	5.6	6.4	6.0
Muslim/Churaute	7.6	7.1	7.4
Occupational caste	5.4	5.5	5.5
Other terai caste	7.7	11.9	9.6
Other hill caste	1.4	1.5	1.5
Total	100.0	100.0	100.0

3.3.2 Household characteristics of the respondents

Nearly two-thirds of the respondents were unmarried, but the proportion was much higher for male respondents than female respondents (Table 3.5). This is because women usually marry earlier. Their mean age of marriage was 17.7 years, while it was 20.2 for men in the sample.

With regard to the total number of children, 22 per cent of the married respondents did not have any child. Over two-fifths (42 per cent) had one child, followed by one-fourth (25 per cent) with two children and 8 per cent with three children. Respondents with four or more children were very low (only 3 per cent). Because women marry earlier than men, the proportion of women with children was higher in comparison to the male respondents, for all numbers of children.

The respondents' spouses' activities differed according to the sex of the respondents. Over half (52 per cent) of the female respondents reported that their spouse worked for a wage, but only 8 per cent of males gave this answer. As much as four in five (79 per cent) of the male respondents' spouses were engaged in home duties, compared to only 2 per cent for the female respondents' spouses. Similarly, 18 per cent of the female respondents reported that their spouses were self-employed, compared to only 2 per cent of the male respondents' spouses (Table 3.5). This reflects the fact that few women venture into self-employment in general, and they tend to be limited to traditionally ascribed jobs.

Table 3.5 Distribution of youth by marital status, number of children, spouse's activity and mean age at marriage

Characteristics	Female (%) (N=1,299)	Male (%) (N=1,101)	Total (%) (N=2,400)
Marital Status			
Unmarried	55.5	76.1	65.0
Married	44.5	23.9	35.0
Mean age at marriage (in years, only for those married)*	17.7	20.2	18.5
Number of Children (only for married respondents)*			
0	18.5	28.5	21.6
1	40.7	46.0	42.3
2	27.5	18.6	24.7
3	9.0	5.7	8.0
4 or more	4.3	1.1	3.3
Spouse's Activity (only for married respondents)*			
Work for salary or wage	52.0	7.7	38.1
Engaged in home duties	2.3	78.5	26.3
Work as self-employed worker	17.9	2.3	13.0
Looking for job	9.5	3.4	7.6
Work as unpaid family member	6.3	4.2	5.7
Works in foreign country	7.7	0	5.3
Attend education training	2.3	2.7	2.4
Other	2.0	1.2	1.6
Total	100.0	100.0	100.0

Generally, the respondents had two or three siblings. However, one-third of the respondents had four or more siblings, i.e. they were from relatively large families (Table 3.6).

Table 3.6 Distribution of youth by number of siblings

Siblings	Female (%) (N=1,299)	Male (%) (N=1,101)	Total (%) (N=2,400)
Do you have any brothers or sister			
Yes	98.7	98.2	98.5
No	1.3	1.8	1.5
Number of siblings			
0	1.3	1.8	1.5
1	8.3	14.5	11.2
2	23.8	26.6	25.1
3	22.6	21.1	21.9
4	15.8	15.3	15.5
5	12.9	10.4	11.8
6 or more	15.3	10.4	13.0
Total	100.0	100.0	100.0

3.4 Education level of respondents

3.4.1 *Schooling status*

Nine per cent of the respondents had never attended school. The majority of these were young women (74 per cent), revealing the persistence of a gender gap in education, especially in Terai. Over half (55 per cent) of the young women who had never attended school were from Banke district.

Nearly one-half (48 per cent) of youth were currently enrolled in school, 27 per cent had left education before completion, and 15 per cent reported that they had finished education (Table 3.7).

3.4.2 *Education level attained*

Secondary (31 per cent) or intermediate level (26 per cent) education was the most commonly attained level of education. Few had postgraduate (2 per cent) or vocational education (10 per cent). Few females had attained bachelor level or above. Proportionately more males had a higher level of education. Similarly, males were more likely than females to have received vocational education (Table 3.7).

By age group, one-half of the respondents (51 per cent) of the 15-19 years age group, 29 per cent of the 20-24 years age group, and one-fifth (20 per cent) of the 25-29 years age group had completed secondary-level education. Fifty six per cent from the 15-19 years age group, 31 per cent from the 20-24 years age group, and 12 per cent of the 25-29 years age group had completed intermediate level. Those completing the Masters level, quite naturally only from the older groups above 20 years of age, were very few.

3.4.3 *Age when stopped education/training and reasons for stopping*

Those respondents reporting to have had already left or had finished education were asked about the age when they stopped education. The sample mean age of stopping education was 16.62. There were no significant differences between females and males in terms of mean age at which they stopped education (Table 3.7).

One in four (24 per cent) respondents said that they stopped education because of economic reasons. However, such economic constraints seem to have affected young men more than young women (23 per cent versus 17 per cent). Following that, one fifth (20 per cent) reported that they stopped education because they did not enjoy schooling. Eighteen per cent of the respondents stopped education because they failed examination, and the other 18 per cent for getting married. Young men and young women seem to have different reasons for stopping education. Young women respondents seem to stop education to get married (29.9 per cent), while young men seem to leave education due to economic reasons (34.4 per cent). The second most important reason for stopping education for young women was failure in examinations (20.4 per cent), while for young men it was because they did not enjoy schooling (20.0 per cent) (Table 3.7).

Table 3.7 Distribution of youth by respondents' status in education, level of education, mean age at stopping education/training, and reasons for stopping

Education	Female (%)	Male (%)	Total (%)
Status of Education			
Never attended	12.8	5.4	9.4
Left before completion	30.3	23.9	27.4
Currently enrolled	42.0	55.9	48.3
Finished	14.9	14.9	14.9
Total	100.0 (N=1,299)	100.0 (N=1,101)	100.0 (N=2,400)
Level of Education Attainment			
Primary	10.8	8.1	9.5
Lower secondary	17.7	14.8	16.3
Secondary (9-10) ¹	32.2	30.6	31.4
Intermediate	25.9	25.0	25.5
Bachelor	11.4	17.7	14.4
Masters	1.4	2.3	1.8
Vocational school	0.6	1.5	1.1
Total	100.0 (N=1,133)	100.0 (N=1,042)	100.0 (n=2,175)
Mean Age of Stopping Education/Training (Yrs)			
	17	17	17
Reason for Stopping Education Training			
Economic reasons	16.8	34.4	24.1
Did not enjoy schooling	15.9	25.7	20.0
Failed examination	20.4	14.9	18.1
To get married	29.9	1.2	17.9
Wanted to start working	1.7	10.6	5.4
Other *	15.3	13.2	14.4
Total	100.0 (N=1,133)	100.0 (N=1,042)	100.0 (N=2,175)

¹ Secondary level refers to the completion of class 9 to completion of SLC.

* Others include: parents did not want to continue schooling, finished course, due to health problem, and due to insecurity.

3.4.4 Working status during education (schooling)

Those respondents who had ever attended school were asked whether they worked while they studied. Eighty eight per cent of youth reported that they did not work while they studied. Among the 12 per cent of youth who worked, its share was higher for male than for female respondents: 60 per cent for male and 30 per cent for female. Fifty per cent from the age group 20-24 responded that they worked while they studied, compared to 21 per cent from 15-19 and 28 per cent from the 25-29 years age group.

In terms of the type of work they did, one-fourth (25 per cent) of the respondents had paid jobs in a private company, 18 per cent as teachers, and 15 per cent in their family business. There was not much difference between young men and women in working for private companies while studying. The differences however existed among those who taught, as they were mostly female (Table 3.8).

Table 3.8 Distribution of youth by working status during study and type of work

Work status and type	Female (%)	Male (%)	Total (%)
Working Status During Study			
Worked	9.3	15.1	12.0
Did not Work	90.7	84.9	88.0
Total	100.0 (N=1,133)	100.0 (N=1,042)	100.0 (N=2,175)
Type of Work			
Paid work in registered private company	25.2	25.6	25.5

Work status and type	Female (%)	Male (%)	Total (%)
Teacher	27.2	11.5	17.8
Work in family business	8.7	19.9	15.4
Paid work in NGO	9.7	4.5	6.6
Internship/apprenticeship in private company	4.9	7.1	6.2
Work on farm	2.9	5.1	4.2
Paid work in public company	5.8	3.2	4.2
Worked in shop/house	1.0	6.4	4.2
Other*	14.7	16.5	15.9
Total	100.0 (N=103)	100.0 (N=156)	100.0 (N=259)

* Others include: internship or apprenticeship in public company, paid work in cooperation, community volunteer work, internship or apprenticeship in cooperation, and internship or apprenticeship in NGO.

3.5 Perceptions of youth and work aspirations

3.5.1 Educational requirement to get a good job

All respondents were asked about their perception of the lowest level of education or training needed to get a decent job. Thirty one per cent responded that this would entail a Bachelor's degree at the least. Another 26 per cent of the respondents reported that at least a Master's degree was needed to get a decent job. Finally, 21 per cent thought a secondary education was sufficient to get a decent job. Proportionately more males than females thought that a Master's level of education was needed to get a decent job. It should be noted that very few respondents (4.8 per cent) thought that undertaking vocational training would give them a decent job (Table 3.9).

Table 3.9 Youth perception regarding lowest level of education needed to get a good job

Lowest Level of Education Needed	Female (%)	Male (%)	Total (%)
Primary	1.0	0.5	0.8
Lower secondary	2.0	0.9	1.5
Secondary	23.1	17.7	20.6
Intermediate	15.1	12.0	13.7
Bachelor	31.3	31.1	31.2
Masters degree	22.7	30.5	26.3
Vocational training	3.9	5.8	4.8
Other/Don't know	0.8	1.5	1.1
Total	100.0 (N=1,297)	100.0 (N=1,100)	100.0 (N=2,397)

3.5.2 Goal in life

Young men seem to have a more materialistic view of life than young women. More young women aspired for a good life as a goal while more young men emphasized the need for money and success in work (Table 3.10).

Table 3.10 Most important goals of youth

Important Goal	Female (%)	Male (%)	Total (%)
Having a good family life	43.4	16.8	31.2
Having lots of money	14.3	36.3	24.4
Being successful in work	16.6	24.8	20.4
Making a contribution to society	17.4	13.2	15.5
Other*	8.2	9.0	8.6
Total	100.0 (N=1,298)	100.0 (N=1,100)	100.0 (N=2,398)

* Others include: participating in local community affairs and upholding religious faith.

3.5.3 Qualities in finding a good job

Respondents were asked about the three most useful qualities needed to find a good job. The following qualities ranked the highest in the total sample as one of the three most important qualities the respondents felt needed for finding a good job: good general education (79.8 per cent), followed by completion of appropriate training (56.3 per cent) and information technology skills (49.6 per cent). There was not much difference between male and female responses (Table 3.11).

Table 3.11 Qualities needed to find a good job

Qualities needed to find good job	Female (%)	Male (%)	Total (%)
Good general education	83.2	75.8	79.8
Having completed appropriate training	59.0	53.1	56.3
Information technology skills	46.0	53.9	49.6
Command of languages	26.1	24.6	25.4
Total	N=1,295	N=1,098	N=2,393

Note: Since the question was a multiple answer question, the percentages do not add up to 100.

3.5.4 Preference of type and sector of work

Government or public work was the most preferred work for both young women and men. This is probably due to job security and compensation packages. A little less than one-third of the respondents replied that they would like to start their own business. This attitude was more prevalent among males but also quite noticeable among females (Table 3.12). Of the types of work, young men seem to be more inclined towards working in private companies (11.3 per cent), whereas young women were more inclined to work on the farm (9.4 per cent) or in a family business (6.2 per cent).

Preferred sectors of work were quite varied. Female respondents tended to be more traditional in their preference of sectors, such as trade, education and health, than males (Table 3.12). This probably reflects the limited job opportunities available to females. In general, women have more limited job options as a result of prevalent social norms regarding acceptable work for women.

Table 3.12 Type of work and sectors preferred among youth

	Female (%)	Male (%)	Total (%)
Type of Work			
Work for Government or public sector	40.1	40.3	40.2
Start own business	27.6	32.2	29.7
Work for private company	5.6	11.3	8.2
Work on farm	9.4	3.0	6.4
Work for family business	6.2	2.4	4.5
Other*	11.1	11.0	10.9
Total	100.0 (N=1,299)	100.0 (N=1,101)	100.0 (N=2,400)
Sector			
Wholesale and retail, trade and repair	17.0	16.4	16.7
Education	15.5	11.0	13.4
Health	15.0	8.5	12.0
Public administration and defense	6.2	13.5	9.6
Agriculture, hunting, forestry and fishing	11.4	5.7	8.8
Finance/insurance	7.4	7.8	7.6
Construction, mining and manufacturing	2.8	12.4	7.2
Transport, storage and communication	2.1	7.0	4.3
Private household service	5.9	0.7	3.5
Other community, social and personal services	3.5	2.4	3.0
Don't know	6.2	3.2	4.8

	Female (%)	Male (%)	Total (%)
Other**	7.1	11.3	9.1
Total	100.0 (N=1,297)	100.0 (N=1,100)	100.0 (N=2,397)

* Others include: work for non-profit organization, work for multinational cooperation, happy with current type of business/would not change, do not wish to work, and not sure.

** Others includes: hotels and restaurants, happy with current sector/would not change, sewing, electricity, gas and water supply, real estate, renting, and business activities.

A further investigation by age group (Table 3.13) reveals that the younger groups preferred the Government/public sector jobs compared to the older ones who preferred starting their own business. Similarly, and this is related to age, the unmarried preferred the Government/public sector jobs in contrast to the married ones who preferred starting their own business. An interesting scenario also emerges from the level of educational attainment – the percentage of youth opting for government/public sector jobs increased with the level of educational attainment. The level of household income, however, did not seem to have any bearing on the choice between the two types of work.

Table 3.13 Selection of two major types of business by individual characteristics

	Type of business the youth would prefer to work in		Total	
	Start own business	Work for the Government/public sector	N	%
Age group				
15-19 yr.	29.8	70.2	773	100.0
19-24 yr	48.1	51.9	594	100.0
25-29 yr	63.3	36.7	311	100.0
Sex				
Female	40.8	59.2	880	100.0
Male	44.4	55.6	798	100.0
Marital Status				
Unmarried	33.8	66.2	1158	100.0
Married	61.9	38.1	520	100.0
Total Household Income				
Less than 2,500	37.3	62.7	204	100.0
2,500 to 5,000	44.8	55.2	440	100.0
5,000 to 10,000	41.8	58.2	631	100.0
10,000 to 15,000	38.3	61.7	201	100.0
15,000 or more	49.0	51.0	202	100.0
Level of Education				
Never attended	84.5	15.5	84	100.0
Primary	78.9	21.1	109	100.0
Lower secondary	52.7	47.3	245	100.0
Secondary (9-10)	43.2	56.8	521	100.0
Intermediate	27.1	72.9	443	100.0
Bachelor	27.2	72.8	232	100.0
Masters	40.0	60.0	25	100.0
Vocational school	47.4	52.6	19	100.0

3.5.5 Source of money

Two-thirds of the male respondents and over one-half of female respondents were dependent on their parents as the main source of money. This is to be expected as most of them were not working. For one-third of the female respondents, their partners were the source of money. For those who were working, their jobs were the main source of money (Table 4.14).

Table 3.14 Source of money

Source of Regular Money	Female (%) (N=1,298)	Male (%) (N=1,100)	Total (%) (N=2,398)
Parents or family	55.5	66.9	60.7
Regular job	9.6	32.0	19.8
Partner	34.4	0.4	18.8
Other*	0.6	0.8	0.7
Total	100.0	100.0	100.0

* Others include: work in informal economy and training allowance or educational grant.

3.5.6 Main activity last week

The main activity reported by the respondents in the last week shows that almost half of the respondents were still in school or training. This proportion was higher among males than females (Table 3.15). This may be reflecting the fact that male youth stay on in education longer than female youth. About one-fifth of youth were employed, but the proportion of employed youth was much higher among males (32.1 per cent) than females (9.9 per cent). Inactivity was more frequently reported by female youth (43.0 per cent) than male youth (2.2 per cent).

Unemployed youth was about 10 per cent of the total respondents, which was much higher than the findings of the Nepal Living Standard Survey 2003/04 conducted by the Central Bureau of Statistics. While this might imply that youth unemployment has become worse in the recent years, it cannot be said with certainty since the survey was not nationally representative.

Table 3.15 Main activity last week

Main Activity	Female (%) (N=1,299)	Male (%) (N=1,101)	Total (%) (N=2,400)	NLSS II
Attend education or training	39.3	52.7	45.4	NA
Unemployed	7.8	13.2	10.3	about 5
Employed	9.9	32.1	20.1	about 75
Inactive	43.0	2.2	24.3	about 20
Total	100.0	100.0	100.0	100.0

4. Transition status of youth and their transition experience

The school-to-work transition is defined by the ILO as the passage of a young person from the end of education to the first 'career' or 'regular' job. In the current survey, the stages of transition or passage of young people from the stage of completing education to the first career or regular job have been classified into three stages: 'transited' youth, those 'in transition' and those who have 'not transited'. 'Transited' refers to those who are currently employed in a career or regular job. Young people still 'in transition' refers to those who are i) currently unemployed, ii) currently employed, including self-employed, but are holding a non-career or a temporary job, or iii) currently inactive and not in school, but aim to look for work later. 'Not transited' refers to those who are either i) still in school or ii) currently inactive and not in school and has no intention of looking for work.

The transition status of youth may be influenced by various individual characteristics. For this reason, a simple analysis of the transition status by various individual characteristics is included in this chapter. Transition experiences of youth are also discussed in this chapter. The chapter is divided into five sections. The first section presents the overall situation of all youth in terms of their transition status. The second

and the third sections respectively describe the situation of youth who had transited and those who were still in transition. Section four presents the summary findings of major issues discussed in the Focus Group Discussions (FGDs). The last section presents the situation of those who had not transited.

4.1 Transition status of youth

Of the total sample of 2,400 respondents, about 12 per cent (N=286) had transited, 36 per cent (N=873) were in transition, and 52 per cent (N=1,241) had not transited. The individual characteristics of youth in each transition stage are presented in the following sections.

In terms of transition, there was not much difference between rural and urban youth (Table 4.1). However, a significant difference between female and male youth was noticed. Proportionately more males had already transited compared to females. Similarly, more females were still in transition compared to males. The proportion of youth who had not transited was similar for both females and males.

As would be expected, significant differences were noted among youth of different age groups. The proportions of transited and in-transition youth were higher for the older age groups. On the other hand, proportionately more youth in younger groups had not transited, mostly because they were still in school (Table 4.1).

An interesting relationship was observed between education level and transition stage of youth. Most of those who had never attended school had already entered the world of work, i.e. transited or in transition. Those who had not transited were mostly married women. A similar pattern was also observed among those with just a primary level of education, with most of them still in transition and still looking for a career or a regular job.

There was some similarity in the pattern of transition between youth with lower secondary and secondary level of education. About one-half of them had entered the world of work, but the other half had not transited. Most of the non-transited youth were in school, if they were in younger age groups or were married female youth.

Table 4.1 Transition status of youth by individual characteristics

Background Characteristics	Transited	In-transition	Not transited	Total	
	(%)	(%)	(%)	No.	%
Sex					
Female	6.5	43.1	50.4	1,299	100.0
Male	18.3	28.4	53.2	1,101	100.0
Age					
15 – 19	3.8	18.3	77.9	1,055	100.0
20 – 24	15.5	45.3	39.2	870	100.0
25 – 29	23.4	60.2	16.4	475	100.0
Residence					
Rural	10.2	37.6	52.2	1,139	100.0
Urban	13.5	35.3	51.2	1,261	100.0
Marital Status					
Unmarried	8.7	22.2	69.1	1,559	100.0
Married	17.8	62.7	19.5	841	100.0
Caste/Ethnicity					
Brahmin	8.3	27.5	64.2	483	100.0
Chhetri	8.8	34.6	56.7	593	100.0
Newar	15.6	28.7	55.7	359	100.0
Gurung/Tamang/Sherpa/Magar/Limbu/Rai	12.1	42.9	44.9	247	100.0
Tharu/Rajbanshi/Yadav/Ahir	16.0	44.4	39.6	144	100.0
Muslim/Chauraute	12.4	45.2	42.4	177	100.0

Background Characteristics	Transited	In-transition	Not transited	Total	
	(%)	(%)	(%)	No.	%
Occupational caste	11.5	49.6	38.9	131	100.0
Other Terai Caste	18.6	45.9	35.5	231	100.0
Other hill Caste	14.3	31.4	54.3	35	100.0
Education					
Never attended schooling	17.8	55.1	27.1	225	100.0
Primary	17.5	64.1	18.4	206	100.0
Lower secondary	13.0	46.6	40.4	354	100.0
Secondary	10.2	38.0	51.8	684	100.0
Intermediate	7.6	22.3	70.1	555	100.0
Bachelor	11.2	16.6	72.2	313	100.0
Masters	30.0	30.0	40.0	40	100.0
Vocational	21.7	17.4	60.9	23	100.0
Household Income					
Less than 2,500	7.4	41.9	50.6	310	100.0
2,500 – 5,000	10.0	43.4	46.6	618	100.0
5,000 – 10,000	12.1	34.4	53.5	871	100.0
10,000 – 15,000	16.1	29.3	54.6	304	100.0
15,000 or more	15.8	29.0	55.2	297	100.0
Total	11.9	36.4	51.7	2,400	100.0

Some similarity was also observed between youth with an intermediate level of education (12 years) and those with a Bachelor's degree. Although about one-third of these youth had entered the job market, a vast majority (over 70 per cent) had still not transited (Table 4.1). Even those who had entered the world of work were still looking for a regular or a career job, i.e. were yet to transit.

Since a Master's degree was the terminal degree for most of the youth, the majority of those with a Master's degree had already entered the job market (Table 4.1). Surprisingly, however, 40 per cent had still not transited; despite their higher educational attainment, they had still not found a job they were satisfied with. The majority of youth with a Master's degree, who were still in transition, were married females in urban areas.

Without a very detailed analysis, it is difficult to come to firm conclusions with regard to transition status in terms of caste/ethnicity, but a very broad pattern seems to emerge. The Brahmin, Chhetri and Newar youth⁸ tended to have a similar transition status. Most of them had not transited, and less than one-half had entered the world of work. This is in contrast to the case of youth who were from other caste or ethnic groups. Most of them had already entered the world of work, and less than one-half of them had not transited (Table 4.1).

The difference in transition status between married and unmarried youth was quite significant. Since younger youth are generally unmarried and also in school, a large proportion of unmarried youth had still not transited. On the other hand, most of the married youth, who were also generally from the older age groups, had already entered the job market. Most of the married youth who had not transited were female youth.

⁸ Traditionally these three castes occupy the top positions in the economic and social hierarchy of the Nepalese society. The Brahmins and Chhetries are the highest caste groups in the Hindu caste system. They generally dominate government/public service in Nepal. The Newars are the original inhabitants of the Kathmandu Valley, the capital city. In the past, the trade sector in Nepal was dominated by the Newars and many of them were also in government service. In general, the three castes are considered the advantaged groups in Nepal.

4.2 Transition experience of transited youth

For a young person who had transited, the important question is did he/she have an easy or a difficult time in getting the career job/regular job. The question introduces an element of retrospective analysis, which calls for an examination of the period of time between exit from school and entry into a career job/regular job.

The transition period could have consisted of the following (exclusive but not exhaustive) phases:

1. Direct transition – a young person’s first experience after leaving school was being hired in a career or a regular job.
2. Spells of temporary employment with no spells of unemployment.
3. Spells of unemployment with or without spells of temporary employment.
4. Other – a young person may fall into the other category if after leaving school he/she undertook a period of travel or was simply idle while waiting to take up future employment.

An **easy transition** is classified as one in which, before obtaining the current career/regular job, the young person underwent either:

- a direct transition;
- a spell of unemployment of less than three months (with or without spells of temporary employment); or
- [a spell of temporary employment of less than one year with no spell of unemployment].

A **middling transition** is classified as one in which, before obtaining the current career/regular job, the young person underwent either:

- a spell of unemployment between three months and one year (with or without spells of temporary employment); or
- [a spell of temporary employment between one and two years with no spell of unemployment].

A **difficult transition** is classified as one in which, before obtaining the current career/regular job, the young person underwent either:

- a spell of unemployment of one year or over (with or without spells of temporary employment); or
- [a spell of temporary employment of two years or over with no spell of unemployment].

In this survey, a very small number of respondents (only 12) reported having any temporary jobs during the transition period. It means that a vast majority either transited directly or after periods of unemployment of varied length. This number seems insignificant for inclusion in the above categorization of the ease of transition. Therefore, we have included only the time period taken to reach the current job and excluded the employment history (mentioned in the bracketed parts in the definitions above).

As Table 4.2 shows, among the youth who had transited to a career or a regular job (total of 286), slightly more than one-half had an ‘easy’ transition, about one-fifth a ‘middling’ transition, and a little more than one-fourth had ‘difficult’ transition.

Table 4.2 Ease of transition experienced by transited youth

Ease of Transition	Count	%
Easy	155	54.2
Middling	56	19.6
Difficult	75	26.2
Total	286	100.0

4.2.1 *Characteristics of youth with easy transition*

For about one-half of youth, the transition experience to a career job was easy. However, for certain groups of youth, the transition was easier than for the others. Youth who had experienced easy transition were more likely to be male and from urban areas (Table 4.3). Similarly, those with no education and those with a very high level of education (M.A.) experienced an easier transition. Youth with vocational education also reported an easy transition. It should be noted however, that very few young people (only 5 out of 286 transited youth) had vocational education.

Among youth from different caste/ethnic groups, proportionately more Newar youth and youth from occupational castes had an easier transition than others. Since most of Newar youth were urban based and better educated, their school-to-work transition was relatively easier.

It was also noted that those who were working in what is generally considered good jobs (administrative job, managerial, professional, business) reported an easier transition compared to others. These jobs require relatively high level of education and training. Since most of the young people aspired to such jobs, they represented career jobs.

Proportionately more youth from the poorest background (household income of less than Rs. 2,500) reported an easier transition than others. It could be because of economic compulsion these youth faced and a very low level of their education. Because of low levels of education, these youth could not have had high expectations to obtain more aspired-for jobs, and because of economic compulsion, they had to take whatever jobs came their way and tried to make it their career.

It was also observed that proportionately more youth working without any contract or working in unregistered enterprises reported an easier transition. These enterprises may be considered to be in the informal sector, and those who were forced or chose to work in this sector were likely to have been either those with limited options due to low level of education and/or those with low aspirations.

Finally, more young men than women experienced an easy transition (57 per cent compared to 48 per cent respectively). The reasons behind this could relate to girls' lower education levels and lower age of marriage.

4.2.2 *Characteristics of youth with a difficult transition*

About one-fourth of youth who had already transited, i.e. had a job which they considered a career job, reported their school-to-work transition as difficult. Transition was reported difficult by proportionately more youth who had just primary education. Similarly, more youth who were currently in junior administrative jobs had faced difficult transition (Table 4.3).

It is to be noted that very few of those who were in highly aspired-for jobs reported facing a difficult transition. As noted earlier, these jobs require good education and/or training and tend to be highly competitive. Furthermore, it may also be noted that none of those who had a Master's level of education reported a difficult transition.

It was also observed that relatively more rural youth, female youth and married youth experienced a difficult transition. Similarly, those experiencing a difficult transition were more among the Chhetris and Terai groups. Youth reporting a difficult transition were lowest among those from the poorest families but highest among those from the families which may be considered just poor (mostly household income between Rs. 2,500-5,000).

Table 4.3 Ease of transition of transitioned youth by individual characteristics

Residence	Ease of Transition (%)			Total	
	Easy	Middling	Difficult	No.	%
Residence					
Rural	47.4	17.2	35.3	116	100.0
Urban	58.8	21.2	20.0	170	100.0
Sex					
Female	47.6	22.6	29.8	84	100.0
Male	56.9	18.3	24.8	202	100.0
Age Group					
15-19 yr	57.5	22.5	20.0	40	100.0
20-24 yr	54.8	19.3	25.9	135	100.0
25-29 yr	52.3	18.9	28.8	111	100.0
Level of Education					
Never attended	67.5	7.5	25.0	40	100.0
Primary	38.9	11.1	50.0	36	100.0
Lower secondary	56.5	15.2	28.3	46	100.0
Secondary (9-10)	50.0	24.3	25.7	70	100.0
Intermediate	57.1	26.2	16.7	42	100.0
Bachelor	42.9	34.3	22.9	35	100.0
Masters	83.3	16.7	0.0	12	100.0
Vocational school	80.0	0.0	20.0	5	100.0
Caste/Ethnicity					
Brahmin	47.5	30.0	22.5	40	100.0
Chhetri	42.3	21.2	36.5	52	100.0
Newar	69.6	12.5	17.9	56	100.0
Gurung/Tamang/Sherpa/Magar/Rai/Limbu	46.7	20.0	33.3	30	100.0
Tharu/Rajbanshi/Yadav/Ahir	43.5	17.4	39.1	23	100.0
Muslim/Chauraute	63.6	13.6	22.7	22	100.0
Occupational caste	73.3	6.7	20.0	15	100.0
Other terai caste	58.1	25.6	16.3	43	100.0
Other hill caste	20.0	20.0	60.0	5	100.0
Marital Status					
Unmarried	58.1	19.9	22.1	136	100.0
Married	50.7	19.3	30.0	150	100.0
Monthly Household Income					
Less than 2,500	65.2	17.4	17.4	23	100.0
2,500 to 5,000	41.9	19.4	38.7	62	100.0
5,000 to 10,000	60.0	19.0	21.0	105	100.0
10,000 to 15,000	53.1	26.5	20.4	49	100.0
15,000 or more	53.2	14.9	31.9	47	100.0
Type of Work					
Manual/physical job	52.4	18.1	29.5	166	100.0
Assistant administrative job	33.3	20.0	46.7	15	100.0
Assistant technical job	40.0	33.3	26.7	15	100.0
Officer level higher administrative job	75.0	25.0	0.0	4	100.0
Managerial job	72.7	27.3	0.0	11	100.0
Professional	100.0	0.0	0.0	3	100.0
Business	81.0	4.8	14.3	21	100.0
Teaching	38.9	33.3	27.8	18	100.0
Other	57.6	21.2	21.2	33	100.0
Contract Status					

Residence	Ease of Transition (%)			Total	
	Easy	Middling	Difficult	No.	%
Yes	44.6	19.6	35.7	56	100.0
No	56.5	19.6	23.9	230	100.0
Status of Working Establishment					
Registered	49.1	26.7	24.2	161	100.0
Not registered	61.1	11.1	27.8	108	100.0
Status not clear	57.1	0.0	42.9	14	100.0
Total	54.2	19.6	26.2	286	100.0

4.3 Current activities of youth in transition

Youth “in transition” are those who are either currently unemployed, employed in temporary or non-career jobs, or those who are currently out of the labour force (i.e. not seeking work) or inactive but have an intention to work in future.

Table 4.4 Current activity of in-transition youth

Current Activity	No.	%
Unemployed	246	28.2
Employed	196	22.5
Out of Labor	431	49.4
Total	873	100.0

Of the total number of in-transition youth (873), almost one-half (49.4 per cent) were currently out of the labour force (i.e. inactive) but intended to work in the future. A little less than one-third (28.2 per cent) were unemployed (Table 4.4). Only a small proportion (22.5 per cent) of in-transition youth were currently employed in temporary or non-career jobs.

Analysis of the relationship between current activity and background characteristics of the in-transition youth showed the following:

- Majority of in-transition rural youth were currently out of the labour force. The proportions of both temporarily employed and unemployed youth were higher for urban youth compared to rural youth.
- Proportionately more in-transition female youth were currently out of the labour force compared to male youth.
- Among in-transition youth, unemployment was highest among the younger age groups. Conversely, employment was higher among in-transition youth in the older age groups.
- A proportion of those out of labour force among in-transition youth was higher among those with lower levels of education.
- A majority of those who had attained less than a secondary level of education tended to be out of the labour force, while those with higher than a secondary level of education tended to be active participants in the labour market.

Table 4.5 Current activity of in-transition youth by background characteristics

Background Characteristics	Current Activity (%)			Total	
	Unemployed	Employed	Out of Labor	No.	%
Residence					
Rural	25.2	17.1	57.7	428	100.0
Urban	31.0	27.6	41.3	445	100.0
Sex					
Female	18.0	8.0	73.9	560	100.0
Male	46.3	48.2	5.4	313	100.0
Age Group					

Background Characteristics	Current Activity (%)			No.	Total %
	Unemployed	Employed	Out of Labor		
15-19 yr	35.8	12.4	51.8	193	100.0
20-24 yr	28.7	24.1	47.2	394	100.0
25-29 yr	22.4	26.9	50.7	286	100.0
Level of Education					
Never Attended	11.3	16.1	72.6	124	100.0
Primary	23.5	25.0	51.5	132	100.0
Lower Secondary	24.2	16.4	59.4	165	100.0
Secondary (9-10)	31.5	18.8	49.6	260	100.0
Intermediate	44.4	23.4	32.3	124	100.0
Bachelor	30.8	59.6	9.6	52	100.0
Masters	41.7	50.0	8.3	12	100.0
Vocational school	75.0	25.0	0.0	4	100.0
Total	28.2	22.5	49.4	873	100.0

Youth who were currently unemployed were asked about the steps they had taken for a job search. Seeking assistance of their personal network (friends, relatives, colleagues and unions) was the most common (76.5 per cent) method of job search (Table 4.6). Checking at worksites and answering advertisements were the other two frequently mentioned job search methods. The method of job search was similar among female and male youth who were in transition (Table 4.6). A similar breakdown for the method of job search by residence (not shown) revealed similar preference/practice of the methods among rural and urban youth.

Table 4.6 Steps taken by unemployed youth for job search

Steps Taken for Job Search	Female (%) (N=53)	Male (%) (N=83)	Total (%) (N=136)
Through education/training institution	1.9	4.8	3.7
Attending job fairs	1.9	2.4	2.2
Registration at a public employment office	5.7	6.0	5.9
Registration at a private employment office	11.3	19.3	16.2
Direct application to employers, participation in a competition	9.4	14.5	12.5
Checking at worksites or other assembly places	41.5	39.8	40.4
Placing newspaper advertisements	9.4	6.0	7.4
Answering advertisements	35.8	38.6	37.5
Seeking assistance of friends, relatives, colleagues, unions	79.2	74.7	76.5
Looking for land, building, machinery, equipment to establishment	0.0	4.8	2.9
Arranging for financial resources	1.9	7.2	5.1
Applying for permits, licenses	1.9	2.4	2.2
Other	3.8	1.2	2.2

Note: Unemployed youth were given the option to identify as many job search methods as necessary, therefore, the total across steps does not add to 100.

The most often perceived obstacle in finding a good job by unemployed youth was lack of education (Table 4.7). It may be noted that about 10 per cent of surveyed youth, especially female, had never attended any school (Table 3.7). Existing discriminatory prejudices of employers and unsuitable general education were the other two often cited obstacles in finding a good job. The pattern of obstacles cited by male and female unemployed youth was very similar. This is quite a significant finding since normally women are confined to a more limited range of “acceptable” occupations which normally limits their operations.

As a result of an on-going conflict in the country economic growth has slowed down from about 5 per cent in 1990s to about 2 per cent at present. Many sectors such as manufacturing and tourism have actually contracted. There was not much appreciation of these facts among youth. Only about 10 per cent of youth felt ‘not enough jobs available’ as the obstacle. It may also be noted that ‘no work experience’ is more of a concern for female unemployed youth than male.

Table 4.7 Obstacles faced by unemployed youth in finding a good job

Obstacles	Female (%) (N=55)	Male (%) (N=83)	Total (%) (N=138)
No education	30.9	38.6	35.5
Unsuitable general education	14.5	18.1	16.7
No suitable training opportunities	1.8	3.6	2.9
Mismatch between education requirements and that received	3.6	2.4	2.9
No work experience	12.7	4.8	8.0
Not enough jobs available	9.1	8.4	8.7
Discriminatory prejudices	23.6	19.3	21.0
Low wages in available jobs	3.6	0.0	1.4
Poor working conditions in available jobs	0.0	2.4	1.4
Other	0.0	2.4	1.4
Total	100.0	100.0	100.0

4.4 Not transited youth

Youth “not transited” refers to those who are either still in school or those who are currently inactive and not in school and also have no intention of looking for work. Basically this group is considered as not currently in the labour force. In the current survey, information on various aspects related to education and employment was collected from both of these groups of youth. This section presents the findings of the survey regarding different aspects of youth who have not yet transited.

4.4.1 Background characteristics of not-transited youth

Overall, among the not transited youth, very high percentages (close to 90 per cent) were in school and the rest were inactive. Among the three study areas, about 90 per cent of the not transited youth in Morang and Kathmandu Valley were in school while the same was about 80 per cent in Banke. By sex, nearly all male youth (90 per cent) were in school while about three-quarters (78 per cent) of the female youth were in school. Similarly by age, very high percentages (96 per cent) of the respondents in their adolescence (15-19 age groups) were in school while higher percentages of youth in higher age groups were inactive. Similarly, very high percentages (77 per cent) of married youth were inactive while only 2 per cent of unmarried youth were inactive (Table 4.8).

Table 4.8 Background characteristics of not-transited youth

Background Characteristics	Not transited youth		Total No.	Total	
	In school (%)	Inactive (%)		No.	%
Study Areas					
Morang	91.3	8.7	413		100.0
Kathmandu Valley	91.4	8.6	463		100.0
Banke	79.5	20.5	365		100.0
Sex					
Female	77.9	22.1	655		100.0
Male	99	1.0	586		100.0
Age					
15 – 19	95.7	4.3	822		100.0
20 – 24	80.4	19.6	341		100.0
25 – 29	37.2	62.8	78		100.0
Marital Status					
Unmarried	97.7	2.3	1077		100.0
Married	23.2	76.8	164		100.0
Caste/Ethnicity					
Brahmin	97.1	2.9	310		100.0
Chhetri	92.0	8.0	336		100.0
Newar	94.0	6.0	200		100.0

Background Characteristics	Not transited youth		No.	Total	
	In school (%)	Inactive (%)			%
Gurung/Tamang/Sherpa/Magar/Limbu/Rai	91.9	8.1	111		100.0
Tharu/Rajbanshi/Yadav/Ahir	70.2	29.8	57		100.0
Muslim/Chauraute	49.3	50.7	75		100.0
Occupational caste	70.6	29.4	51		100.0
Other Terai Caste	72.0	28.0	82		100.0
Other hill Caste	94.7	5.3	19		100.0
Education					
Never attended schooling	--	100.0	61		100.0
Primary	28.9	71.1	38		100.0
Lower secondary	79.7	20.3	143		100.0
Secondary	92.9	7.1	354		100.0
Intermediate	98.5	1.5	389		100.0
Bachelor	98.7	1.3	226		100.0
Masters	100.0	--	16		100.0
Vocational	100.0	--	14		100.0
Total	87.8	12.2	1,241		100.0

By caste/ethnicity, very high percentages (greater than 90 per cent) of Brahmin, Chhetri and Newar were in school. The percentages of youth from other caste groups who were in school were relatively low. In particular, only about half of the Muslim/Churaute youth were in school and the rest were inactive. On the question of educational attainment, all youth who reported having never attended school were inactive. The great majority of those who had attended lower secondary or a higher level were still in school at the time of the survey (Table 4.8).

4.4.2 In-school youth

Most important goal in life

The overall results of the survey show that nearly 8 in every 10 young students (78.4 per cent) either wanted to make a contribution to society (24.6 per cent), to be successful in work (27.1 per cent), or to have lots of money (26.7 per cent). The most popular goal of male youth (32.1 per cent) was earning lots of money while the most important goal of female youth (32.5 per cent) was making some contribution to society. Only a slight variation is observed by age. By place of residence, however, the percentage of rural females with the goal of making a contribution to society was the highest, while that for male youth was about 20 per cent. Not much variation is observed in the other goals of youth living in urban and rural areas (Table 4.9).

Table 4.9 In school youth's most important goal in life

Background Characteristics	Most important goal in life					Total	
	Contribution to society	Successful in work	Having lots of money	Having good family life	Others	N	%
Sex							
Female	32.5	23.9	20.6	11.0	12.0	510	100.0
Male	17.6	29.9	32.1	7.4	13.0	580	100.0
Age							
15 - 19	26.1	26.3	27.2	8.9	11.4	787	100.0
20 - 24	20.4	28.8	25.5	9.5	15.6	274	100.0
25 - 29	24.1	31.0	24.1	10.3	10.3	29	100.0
Residence							
Rural	30.2	27.2	24.2	9.2	9.2	500	100.0
Urban	19.9	27.0	28.9	9.0	15.3	590	100.0
Total (%)	24.6	27.1	26.7	9.1	12.5	1,090	100.0

*Others include: participating in community affairs, upholding religious faith, having leisure time, acquiring lots of different experiences, finding purpose and meaning in life and goal not yet decided.

Plans after completion of education

The overall results of the survey show that a large majority of both male and female youth planned to attain a higher level of education/training after completing the on-going education/training programme. About two-thirds (64.1 per cent) of female youth were planning for a higher education. The largest group of these females (69.3 per cent) was in the youngest age group (15-19 years). Most of the rest of the female respondents (31.6 per cent) were planning to look for work, and the tendency was more noticeable in the age groups of 20-24 and 25-29 years (Table 4.10).

A similar result is observed for male youth as well. A majority (52.8 per cent) was planning for further education, and it was more prominent amongst the youngest 15-19 age group. Most of the rest (42.8 per cent) were planning to look for work. As was the case with female youth, the percentages of youth who were planning to look for a job after finishing their education increased with age (Table 4.10).

Table 4.10 Plans of in-school youth after completing current education/training by age and sex

Future Plans	Age Group						All Age Groups		
	15-19 Yrs		20-24 Yrs		25-29 Yrs		Female	Male	Total
	Female (N=381)	Male (N=406)	Female (N=116)	Male (N=158)	Female (N=13)	Male (N=16)	(N=510)	(N=580)	(N=1090)
Look for a job	26.5	35.5	43.1	58.2	76.9	75.0	31.6	42.8	37.5
Stay at home for personal/ family responsibilities	2.6	1.7	3.4	--	--	--	2.7	1.2	1.9
Immediately go for further education/training	69.3	61.1	51.7	35.4	23.1	12.5	64.1	52.8	58.1
Others	1.0	1.5	1.7	6.3	--	12.5	1.2	3.1	2.2
Do not know	0.5	0.2	--	--	--	--	0.4	0.2	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

This result is probably due to the fact that the younger youth were still likely to be in the middle of their education paths and thus wanted to complete their education, while those in the older age groups were in their last stages of education and therefore wanted to look for work immediately after finishing on-going education/training.

The future plans of the in-school youth have also been analyzed on the basis of their place of residence. The overall results show quite a different scenario in terms of future plans of in-school youth from urban and rural areas. A very high percentage of youth in urban areas, irrespective of their sex, planned to look for a job after completing on-going studies while a very high percentage of female and male youth currently residing in rural areas planned to pursue higher education immediately after finishing their on-going studies. Overall, a higher percentage of males (42.8 per cent) were planning to look for a job while a higher percentage of females (64.1 per cent) were planning for further studies (Table 4.11).

The survey results further show that the majority of the female and male youth had not yet started to look for a job. Only about 10 per cent of the male (N=56) and female (N=54) youth reported having already started looking for work, more so in the oldest age group (38.5 per cent for females and 31.4 per cent for males). For those who had already started looking, the main method of job search consisted of answering advertisements (68.5 per cent) for females and through seeking assistance from friends and relatives (75.0 per cent) for males (Table 4.12).

Table 4.11 Plans of in-school youth after completing current education/training by place of residence

Future Plans	Rural		Urban		Male (N=580)	Total Female (N=510)	Total (N=1,090)
	Female (N=267)	Male (N=259)	Female (N=236)	Male (N=304)			
Look for a job	16.9	32.0	47.0	52.0	42.8	31.6	37.5
Stay at home for personal/ family responsibilities	0.4	0.8	5.5	1.3	1.2	2.7	1.9
Immediately go for further education/training	82.0	66.8	44.9	40.8	52.8	64.1	58.1
Others	0.7	0.4	1.7	5.6	3.1	1.2	2.2
Do not know	--	--	0.8	0.3	0.2	0.4	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 4.12 Job search status of in-school youth by age and sex

Job Search Status and Method	Age Groups			Total	
	15-19 yrs.	20=24 yrs.	25-29 yrs.		
Whether Started Looking for Job					
Female					
Yes		5.5	24.1	38.5	10.6
No		94.5	75.9	61.5	89.4
Total		100.0	100.0	100.0	100.0
		(N=381)	(N=116)	(N=13)	(N=510)
Male					
Yes		3.4	23.4	31.4	9.7
No		96.6	76.6	68.8	90.3
Total		100.0	100.0	100.0	100.0
		(N=406)	(N=158)	(N=16)	(N=580)
Ways of Looking for Job					
Female					
Through education/training institution		14.3	10.7	40.0	14.8
Attending job fairs		0.0	7.1	0.0	3.7
Registration at public employment office		0.0	7.1	0.0	3.7
Registration at private employment office		4.8	7.1	20.0	7.4
Direct application to employers, participation in competition		4.8	10.7	20.0	9.3
Checking at work sites or other assembly places		9.5	17.9	20.0	14.8
Placing newspaper advertisements		9.5	10.7	20.0	11.1
Answering advertisements		61.9	78.6	40.0	68.5
Seeking assistance of friends, relatives, colleagues, unions		71.4	53.6	40.0	59.3
Looking for land, building, machinery to establish business		0.0	3.6	0.0	1.9
Applying for permits, licenses		0.0	7.1	0.0	3.7
Total		100.0	100.0	100.0	100.0
		(N=21)	(N=28)	(N=5)	(N=54)
Male					
Through education/training institution		7.1	18.9	0.0	14.3
Registration at public employment office		7.1	16.2	0.0	12.5
Registration at private employment office		0.0	27.0	0.0	17.9
Direct application to employers, participation in competition		7.1	18.9	20.0	16.1
Checking at work sites or other assembly places		0.0	18.9	40.0	16.1
Placing newspaper advertisements		14.3	13.5	20.0	14.3
Answering advertisements		42.9	45.9	80.0	48.2
Seeking assistance of friends, relatives, colleagues, unions		92.9	70.3	60.0	75.0
Applying for permits, licenses		0.0	2.7	0.0	1.8
Total		N=14	N=37	N=5	N=56

* Percentages may not add up to 100 due to multiple responses.

The study results indicate that youth in urban areas were more likely to have initiated a job search while they were still in school than youth living in the rural areas. The percentage of youth who had already started looking for a job was double (13.2 per cent) that of those in rural areas (6.4 per cent). The method of job search, however, was similar in both rural and urban areas (Table 4.13).

Table 4.13 Job search status of youth by place of residence

Whether Started Searching for a Job	Rural (%)	Urban (%)	Total (%)
Yes	6.4	13.2	10.1
No	93.6	86.8	89.9
Total	100.0 (N=500)	100.0 (N=590)	100.0 (N=1090)
Ways of Looking for a Job*			
Through education/training institution	21.9	11.5	14.5
Attending job fairs	0.0	2.6	1.8
Registration at public employment office	6.3	9.0	8.2
Registration at private employment office	0.0	17.9	12.7
Direct application to employers, participation in competition	6.3	15.4	12.7
Checking at work sites or other assembly places	21.9	12.8	15.5
Placing newspaper advertisements	18.8	10.3	12.7
Answering advertisements	68.8	53.8	58.2
Seeking assistance of friends, relatives, colleagues, unions	75.0	64.1	67.3
Looking for land, building, machinery to establish business	0.0	1.3	0.9
Applying for permits, licenses	0.0	3.8	2.7
Total	N=32	N=78	N=110

* Percentages may not add up to 100 due to multiple responses.

Work history

A very small proportion of young women (1.2 per cent or 6) and young men (2.4 per cent or 14) had ever stopped their education to work or to look for full-time work and then re-entered school. Of these, two females had re-entered school because they had now enough money to pay for education and another two needed different training to get a job. Each of the females either could not find suitable work or had re-entered school for other reasons. The male youth also gave similar reasons for re-entering school.

Similarly, youth were also asked whether they worked while continuing their studies. Again, a very small proportion of in-school youth (12 female and 24 male) reported working while studying. Among these who were working, the highest number of females were working for more than 20 hours and the highest number of male youth were working for 10 to 20 hours and for more than 20 hours a week. Moreover, only about one-third of these youth hoped to continue the same job after completing their education/training.

Highest level of education/training expected to attain

The overall survey results indicate that the majority of in-school female and male youth (more than 80 per cent) aimed for a higher university education. For example, 35 per cent of in-school female youth expected to complete a Bachelor's degree and another 47 per cent a Master's degree. The results also show that a very low proportion of these females (2.4 per cent) expected to complete vocational education/training (Table 4.14).

Table 4.14 Highest level of education/training expected to be completed by youth

Level of Education	Age Groups			Total
	15-19 Yrs.	20-24 Yrs.	25-29 Yrs.	
Female Youth				
Secondary level	5.8	0.9	--	4.5
Intermediate level	13.1	5.2	--	11.0
Bachelor's level	37.3	29.3	15.4	34.9
Master's or higher level	41.7	62.9	69.2	47.3
Vocational education/training	2.1	1.7	15.4	2.4
Total	100.0 (N=381)	100.0 (N=116)	100.0 (N=13)	100.0 (N=510)

Male Youth				
Secondary level	6.4	1.3	--	4.8
Intermediate level	13.3	3.8	--	10.4
Bachelor's level	32.8	25.9	18.8	30.6
Master's or higher level	45.7	63.9	81.3	51.6
Vocational education/training	1.7	5.1	--	2.6
Total	100.0 (N=405)	100.0 (N=158)	100.0 (N=16)	100.0 (N=579)

Similarly, over 80 per cent of male youth expected to complete higher university levels. Of them just over half (51.6 per cent) expected to complete a Master's level and another 31 per cent expected to complete a Bachelor's level. By age, a higher percentage of male youth in the age group 20-24 and 25-29 expected to complete a Master's level. As was the case with females, a very low percentage (2.6 per cent) of male youth expected to complete vocational education/training (Table 4.14).

It is to be noted that a proportion of youth aspiring to attain a Master's level of education was higher for higher age groups. This may be because older youth had already acquired or were studying at the preceding level of education.

The information analyzed on the basis of place of residence shows some variation in the youth's aim for educational attainment. Overall, a slightly higher percentage of male and female youth living in rural areas than those living in urban areas expected to attain a Bachelor's level of education. Similarly, a higher percentage of youth living in urban areas expected to attain a Master's or higher level of education. Not much variation is observed among rural and urban youth in terms of attaining vocational education/training (Table 4.15).

Table 4.15 Highest level of education/training expected to be completed by youth by place of residence

Level of Education	Rural		Urban		Total		Total
	Male	Female	Male	Female	Male	Female	
Secondary level	5.2	4.6	3.0	4.6	4.8	4.5	4.7
Intermediate level	10.1	13.1	12.3	7.3	10.4	11.0	10.7
Bachelor's level	36.3	30.9	32.2	29.7	30.6	34.9	32.6
Master's or higher level	45.7	49.8	50.4	55.1	51.6	47.3	49.6
Vocational education/training	2.6	1.5	2.1	3.3	2.6	2.4	2.5
Total	100.0 (N=267)	100.0 (N=259)	100.0 (N=236)	100.0 (N=303)	100.0 (N=579)	100.0 (N=510)	100.0 (N=1089)

Art/social sciences and commerce/business studies appear to be the most favoured areas of study among both female and male youth. About 38 per cent each of the female youth reported that they would like to study art/social science/education and commerce/business studies. While the same areas of studies were favoured also by male youth, a high proportion (44.3 per cent) mentioned commerce/business studies as compared to those reporting art/social science/education as their desired field of study (25 per cent). By age, for both male and female youth, the oldest age group of 25-29 years, tended to choose art/social science/education (54.6 per cent for female and 43.8 per cent for male), while the younger groups favoured commerce/business studies (Table 4.16). The preference for studying commerce/business was more pronounced for males in the 20-24 and 15-19 age groups (50.7 per cent and 42.3 per cent respectively).

Table 4.16 Youth's choice of special field they would like to study

Type of Education	Age Groups			Total
	15-19	20=24	25-29	
Female Youth				
Art/social science/education	33.3	49.2	54.6	37.5
Science	7.7	2.7	--	6.3
Commerce/business studies	38.2	41.1	27.3	38.6
Engineering	1.1	0.9	--	1.1
Medicine/health sciences	16.2	4.5	--	13.1
Others	3.5	1.8	18.2	3.3
Total	100.0 (N=351)	100.0 (N=112)	100.0 (N=11)	100.0 (N=474)
Male Youth				
Art/social science/education	24.6	24.4	43.8	25.0
Science	16.4	9.5	6.3	14.2
Commerce/business studies	42.3	50.7	31.3	44.3
Engineering	7.0	6.1	--	6.5
Medicine/health sciences	7.6	4.8	6.3	6.8
Others	2.1	4.8	12.5	3.2
Total	100.0 (N=371)	100.0 (N=148)	100.0 (N=16)	100.0 (N=535)

4.4.3 Inactive youth

A more pronounced number of females (144) compared to males (6) was enumerated as inactive at the time of the survey. One of the reasons for the high number of females being inactive may be because they were housewives and thus not working. This is also substantiated by the fact that nearly 6 in every 10 (58.8 per cent) female youth reported personal/family responsibilities as the reasons for neither working nor currently looking for work. Very low percentages of females (ranging from 0.7 to 10.0 per cent) gave an array of reasons for not working, such as lacking employers' requirements, believing no suitable work available, not yet started to seek work, and could not find suitable work (Table 4.17).

Table 4.17 Inactive youth by reasons for inactivity

Background characteristics	Reasons for Inactivity							Total	
	Personal/family responsibilities	Believe suitable work not available	Lack employer's requirements	Couldn't find suitable work	Don't know how or where to find suitable work	Not yet started to seek work	Others	N	%
Sex									
Female	65.3	6.3	9.7	2.8	0.7	3.5	11.8	144	100.0
Male	16.7	33.3	--	--	--	--	50.7	6	100.0
Age									
15 – 19	48.6	2.9	17.1	--	--	8.6	22.9	35	100.0
20 – 24	65.2	7.6	7.6	3.0	1.5	3.0	12.1	66	100.0
25 – 29	71.4	10.2	6.1	4.1	--	--	8.1	49	100.0
Residence									
Rural	64.2	7.4	10.5	2.1	1.1	3.2	13.8	95	100.0
Urban	61.8	7.3	7.3	3.6	--	3.6	19.9	55	100.0
Total	63.3	7.3	9.3	2.7	3.3	6.7	7.4	150	100.0

Discouraged youth can be defined as those in the following four categories: believe no suitable work is available, lack employer's requirements, could not find suitable work and do not know where or how to find it. By this definition, 22.6 per cent of inactive youth can be considered discouraged. The share was higher for males in the sample (33 per cent) than for females (19.5 per cent).

4.5 Findings of the focus group discussions

Focus Group Discussions (FGD's) were also conducted to capture qualitative responses from selected groups of youth in both urban and rural areas. The issues discussed in the FG sessions mainly focused on the following five broad areas:

- Causes of youth unemployment in Nepal
- Problems being faced by youth in either finding a job or establishing own work
- Problems being faced by women in either finding a job or establishing own work
- Problems being faced by youth from poor and disadvantaged groups in either finding a job or establishing own work
- Policy/programme of actions needed to be adopted and who should be responsible for the actions.

Major findings

The results do not show much variation in the perception of youth from rural and urban areas with regard to the various issues discussed. Some variation in the perception, however, was observed among youth belonging to disadvantaged and non-disadvantaged groups. Detailed findings of the discussions have been presented in Annex 1. The following sections briefly present the views and perceptions of these two groups of participants.

Issue 1: Causes of youth unemployment in Nepal

Most of the participants in the FGD sessions in all study areas, irrespective of their social groupings, living place or gender perceived that poverty, lack of quality education/skill development training, high population growth, on-going conflict/political instability and low level of economic activities were the major causes of youth unemployment in Nepal. Youth belonging to non-disadvantaged groups also perceived that discriminatory practices (such as social discrimination and favouritism) of employers were one of the reasons for high unemployment of disadvantaged youth in Nepal. Similarly, youth from disadvantaged groups perceived that unfair recruitment practices of employers, low access of disadvantaged youth to the urban economy and deep-rooted traditional beliefs among the disadvantaged youth had also resulted in high youth unemployment, notably of the disadvantaged groups in Nepal.

Issue 2: Problems faced by youth to find a job or establishing own work

Youth belonging to non-disadvantaged groups pointed out two main problems/constraints faced in either finding a job or starting their own work: frequent strikes and bandhs/on-going conflict and unstable political situation; and lack of financial resources/loan facilities. In addition to the obstacles/problems pointed out by non-disadvantaged youth, disadvantaged youth also mentioned the following problems they faced:

- High level of illiteracy/lack of good education/lack of vocational training
- High social discrimination practices in their areas
- No access to information and communication
- Rural areas being sidelined while initiating economic activities

A number of solutions to address the unemployment problem were suggested by youth from disadvantaged as well as non-disadvantaged groups. These include: youth should be encouraged to find self-employment rather than trying to find salaried jobs;

easy access to loan facilities should be made for starting own work; and provision should be made for adequate training facilities. In addition to these, youth from disadvantaged groups also gave other solutions to address the unemployment problem in their areas. These include: existing social discriminatory practices should be eliminated; The Government should come up with appropriate policies and programmes to address youth unemployment; and employers should eliminate discriminatory practices in providing employment opportunities for male and female youth.

Issue 3: Problems being faced by women in finding employment or starting their own work

Discrimination between sons and daughters within the family, low level of education or lack of education, and lack of self confidence among women were regarded by both disadvantaged and non-disadvantaged youth as the main problem/constraints being faced by women in getting a job or starting their own work. In addition, the low age of marriage for women was also perceived as one of the main problems/obstacles being faced by women.

Regarding solutions to the problem/obstacles, both groups of young people agreed that society should change their discriminatory practices between young males and females. Implementation of special educational programmes to raise women's status and provision for an employment quota for women was suggested as the solution by youth from non-disadvantaged groups. Youth from disadvantaged groups also suggested the following steps for addressing the problems:

- Programmes aimed at raising the status of women should be implemented
- The Government should promote equal participation of males and females in economic activities
- Eliminate discrimination between males and females at the family level
- Women should have easier access to loans for starting own work

Issue 4: Problems being faced by youth from the poor and disadvantaged groups in getting employment or starting their own work

In response to the question regarding the problems being faced by the poor and disadvantaged youth in getting employment or starting their own work, most of the participating youth of both groups in three study areas perceived lack of access to resources as the root cause of the problem faced by them. The participants felt that due to poverty and lack of access to resources, these youth have not been able to acquire an adequate level of education or training to compete in the labour market. The participants also felt that due to high illiteracy/lack of education, youth from poor and disadvantaged groups are still deeply rooted in their traditional value system. Thus due to lack of education on the one hand and limited or no access to financial resources on the other, these youth have also not been in a position to start their own work.

Overall, most of the FGD participants in all three study areas felt that the Government should urgently come up with adequate policies and programmes that are focused on improving the current educational status and employment opportunities for these youth. Most participants also felt that in order to improve the current situation, the Government should implement programmes such as, special education/training for youth from poor and disadvantaged groups, making provision for easy access to loans and other financial benefits and creating an environment that enables youth from these groups to freely participate in social and economic activities.

Issue 5: Organizations responsible for improving the current employment status of youth

First and foremost, nearly all participants agreed that the Government should take responsibility for the formulation of adequate policies and programmes that could effectively address the youth unemployment problem. The participants also felt that political parties should also take initiatives to address the problem. Similarly, instead of relying only on the Government, most of the participants thought youth themselves, whether from poor and disadvantaged or not disadvantaged groups, should also take initiatives on their own to address the problem.

5. Creating jobs for young people: Employers and managers

In order to assess issues related to labour demand for young people, information was also collected from the selected employers and managers on recruitment and training practices and problems faced by the employers in the expected skills and capabilities of young job seekers. This chapter, therefore, presents the general findings of the survey regarding these issues.

5.1 Background characteristics of the enterprises

A total of 120 employers/managers from the three regions – 25 each from Morang and Banke and 70 from the Kathmandu Valley – were selected for information collection. The selected enterprise/institutions represented diverse operating sectors that included industrial establishments, trading houses, banking, finance and insurance, educational institutions and health (hospitals and nursing homes) and institutions that are involved in social works (primarily national level NGOs). Thus, of the total employers/managers contacted, 35 per cent represented manufacturing and about 17 per cent represented education sectors. A relatively higher percentage of the enterprise/institutions was also from transport, storage and communication (13 per cent) and the bank, finance and insurance sectors (10 per cent) (Table 5.1).

Of the total employers/managers, slightly more than one-half (55 per cent) were providing their products/services to private individuals and households. Similarly, two in every ten of these institutions (20 per cent) were serving large shops or enterprises in the domestic markets. Nearly 10 per cent of the institutions were serving international markets or dealing with export products and another 8 per cent to small businesses, traders and farmers. The rest of the institutions were serving middlemen, agents or the contractors and government agencies/public sector enterprises.

About two-thirds (65.8 per cent) of the selected institutions were private limited companies, followed by private or proprietor owned companies (11.7 per cent). A small number of these institutions represented joint ventures (6), non-profit organizations (3) and family businesses (2).

Table 5.1 Enterprises by region, operating sector, main clients they serve and type of ownership

Characteristics	Number	Per cent
Study Site		
Morang	25	20.8
Kathmandu Valley	70	58.3
Banke	25	20.8
Operating Sector		
Agriculture, hunting, forestry and fishing	1	0.8

Characteristics	Number	Per cent
Manufacturing	42	35.0
Construction	3	2.5
Hotels and restaurants	9	7.5
Transport, storage and communication	16	13.3
Bank, finance and insurance	12	10.0
Education	20	16.7
Health and social work	9	7.5
Other community, social and personal services	1	0.8
Others	7	5.8
Main Clients		
Private individuals or households	66	55.0
Small business, traders, farmers	9	7.5
Middlemen, agents, contractors	6	5.0
Large shops or enterprises in domestic markets	24	20.0
International market, export products	11	9.2
Others	4	3.4
Type of Ownership		
Family business	2	1.7
Private limited company	79	65.8
Joint venture	6	5.0
Non-profit organization	3	2.5
Private company	14	11.7
Other	15	13.3
Total	120	100.0

Others include: Government/public sector enterprise.

5.2 Problems faced by the employers/managers

In the current survey, the selected institutions were asked to mention the *first most important* and the *second most important problems* that they were currently facing in operating their services. Results show that political and related unrest was regarded by more than half of the institutions as the first most important problem. For example, about 28 per cent cited political uncertainties and another 26 per cent mentioned vehicle strikes and uncertainties as the first most important problem they were currently facing. Other notable first most important problems faced by the institutions were competition in the domestic market (10.8 per cent) and legal regulation (10.0 per cent). Among the rest, only a few institutions (4) were not facing any problems in particular while the others cited problems such as unavailability or quality of raw materials, poor marketing services and quality of labour not being up to the expected standard (Table 5.2).

Similar observations can be made on the question of the second most important problem. About 23 per cent and another 18 per cent of the employers/managers respectively regarded vehicle strikes and other uncertainties and political uncertainties as the second most important problem they were currently facing. Similarly, 10 per cent of the institutions also regarded tough competition in the export market as the second most important problem.

In the current survey, one of the issues discussed with the sampled employers/managers was whether they were currently facing problems in staff recruitment. Overall results of the survey show that the majority of the employers/managers (71.7 per cent) had not faced any particular problems in staff recruitment. Of the institutions that faced problems (28.3 per cent), all except one employer/manager regarded lack of manpower (with skill/abilities they desire) as the main problem they were facing in staff recruitment (Table 5.3).

Table 5.2 Operation problems faced by the enterprises

	Number	Per cent
First Most Important Problem		
No problem	4	3.3
Marketing services	3	2.5
Financial services	2	1.7
Legal regulations	12	10.0
Competition in local market	13	10.8
Quality of labour force	3	2.5
Political uncertainties	34	28.3
Inefficient raw materials	7	5.8
Vehicle strikes and uncertainty	31	25.8
Lack of qualified manpower	3	2.5
Others	3	6.5
Second Most Important Problem		
No problem	8	6.7
Marketing services	3	2.5
Financial services	2	1.7
Legal regulations	8	6.7
Competition in local market	8	6.7
Competition in export market	12	10
Quality of labour force	2	1.7
Labour shortages	3	2.5
Political uncertainties	21	17.5
Access to technology	3	2.5
Inefficient raw materials	4	3.3
Vehicle strikes and uncertainty	27	22.5
Lack of qualified manpower	7	5.8
Others	9	9.9
Total	120	100.0

Others include: Lack of business information, competition in export market, labour shortages, productivity, cost of raw materials/energy.

The above reveals that problems related to human resources needs do not transpire as a major concern among the employers. Yet it has to be mentioned that most employers seem to have been affected by the conflict situation, and as such labour demand was limited during this time and employers' priorities were the overall survival of their enterprises rather than their human resources problems.

Table 5.3 Problems faced by the enterprises in staff recruitment

Description	Number	Per cent
Whether faced problems in staff recruitments		
Yes	34	28.3
No	86	71.7
Total	120	100.0
Type of problem faced		
Lack of manpower/manager	33	97.1
Others	1	2.9
Total	34	100.0

5.3 Affiliation with trade associations

A very high number of institutions (95 or 79.2 per cent) included in the survey belonged to a trade association or an employers group. It is, however, worth noting that less than one-quarter (23.3 per cent) of these institutions' workers belonged to a trade union. The survey results further show that the majority (85.7 per cent) of the institutions whose workers belonged to a trade/worker's union also practiced collective bargaining with these unions (Table 5.4).

Table 5.4 Status of affiliation in trade union/employers association

Description	Number	Per cent
Membership in Trade Association or Employers Group		
Yes	95	79.2
No	25	20.8
Total	120	100.0
Workers Affiliated to a Trade Union		
Yes	28	23.3
No	92	76.7
Total	120	100.0
Practice of Collective Bargaining		
Yes	24	85.7
No	4	14.3
Total	28	100.0

5.4 Current vacancy status and the recruitment process

The overall result of the survey indicates low demand for new workers. This is probably a result of economic stagnation resulting from the conflict. The majority of the sampled institutions (83.3 per cent) did not have any staff positions vacant at the time of the current survey. Of those that had vacant positions, most (11) had only 1-2 vacancies. The highest number of vacancies (seven or more staff positions) was reported by only a small percentage (3.3 per cent or four enterprises) of the employers/managers (Table 5.5).

These findings also support the concern expressed by the young people who participated in the Focus Group Discussions (FGDs). In the various FGD sessions, the young people perceived that the population (especially of young people) is growing rapidly, resulting in a high demand for jobs while there are very few job opportunities. Most of the young people further thought this situation came about due to a number of factors. According to them, in recent years, there has been slow growth in establishment of new institutions/enterprises that can absorb the growing number of young people in the labour force. At the same time, due to the political and economic situation, the existing business/industrial establishments are also crumbling down. Thus, the result has been a low demand for young people in the labour market, leading to a high level of unemployment (Annex 1). The survey results further show that a majority of the employers/managers (60.8 per cent) recruited their administrative and professional staff positions through advertisements. Furthermore, a relatively large number of institutions (23 or 19.2 per cent) also utilized their informal networks, i.e. family and friends, while filling-in the vacant administrative and professional positions. In the case of recruitment of manual and production staff, however, a very low percentage of institutions (25 per cent) relied on public advertisements while about half were relying on informal networks, such as relatives and friends (32.5 per cent) and company contacts (18.3 per cent) (Table 5.5).

To some extent, the above findings also support the views expressed by most of the young people who participated in the FGD sessions. These young people strongly felt that they did not have easy access to the labour market now-a-days. According to them, the recruitment procedures by most of the institutions were not fair or transparent. Most vacancies were not advertised in the media and thus one needed very strong connections to get a job.

Table 5.5 Current vacancy status of the establishments and recruitment methods

	Number	Per cent
Vacant Positions		
No vacancies	100	83.0
1-2	11	9.2
3-4	3	2.5
5-6	2	1.6
7+	4	3.3
Recruitment of Administrative/Professional Staffs		
By advertisements	73	60.8
Through relatives or friends	23	19.2
Promotion of current employees	12	10.0
Own network/contacts	9	7.5
Others*	3	2.5
Recruitment of Manual/Production Staffs		
By advertisements	30	25.0
Through public employment services	12	10.0
Through relatives or friends	39	32.5
Promotion of current employees	10	8.3
Own network/contacts	22	18.3
Others	7	5.8
Total	120	100.0

*Others include: through public employment services.

On the question of the characteristics looked for in a potential employee, the survey results show that most of the institutions (50.8 per cent) preferred to recruit mature persons (29 plus years) in administrative and professional positions. In terms of sex and marital status, employers did not seem to have special preferences. For administrative and professional occupations, as many as 58 per cent of the employers had no preference based on sex, and 82 per cent of them had no preference based on marital status. In terms of educational status, however, the majority of the employers/managers preferred to recruit persons with higher qualifications in administrative and professional positions. More than 7 in every 10 of these institutions preferred to recruit either people with Bachelor's (50 per cent) or Masters (22.5 per cent) degrees (Table 5.6).

Table 5.6 Preferred characteristics of a workers in an administrative/professional position

Description	Number	Per cent
Age Group		
15-24	4	3.3
25-29	39	32.5
29+	61	50.8
No special preference	5	4.2
Other age groups	11	9.2
Sex		
Female	6	5.0
Male	44	36.7
No preference	70	58.3
Marital Status		
Unmarried	2	1.7
Married	20	16.7
No special preference	98	81.7
Educational Status		
Secondary level	5	4.2
Intermediate level	16	13.3
Bachelor's level	60	50.0
Master's level	27	22.5
Others	12	10
Total	120	100.0

In the case of manual and production workers, a majority of the institutions preferred to recruit people either aged between 25-29 years (55.5 per cent) or those above 29 years (21.9 per cent). A majority of the employers/managers had no special preference in terms of marital status or educational attainment. However, one half of these institutions preferred to recruit males (52.9 per cent). This confirms the perception that men perform better in manual work due to their physical strength and that such a work environment is usually male dominated and unacceptable for women (Table 5.7).

Table 5.7 Preferred characteristics of a worker in a manual/production position

Description	Number	Per cent
Age Group		
15-24	10	8.4
25-29	66	55.5
29+	26	21.9
No special preference	5	4.2
Other age groups	12	10.1
Sex		
Female	6	5.0
Male	63	52.9
No preference	50	42.0
Marital status		
Unmarried	2	1.7
Married	20	16.7
No special preference	98	81.7
Educational status		
Primary	5	4.2
Lower secondary	9	7.5
Secondary level	22	18.3
Intermediate level	3	2.5
Vocational education	3	2.5
No special preference	71	59.2
Others	7	5.8
Total	120	100.0

The employers/managers were also asked about the most important characteristic that is looked for while recruiting administrative/professional and manual/production staff. The overall results from the survey indicate that a majority of the institutions/employers emphasized the educational level and the work experience (both 45.8 per cent). Apparently, very few (4.2 per cent) of the employers/managers emphasized the training status of the potential staff. In case of manual/production staff, however, most of the institutions/employers (69.2 per cent) emphasized work experience (Table 5.8).

Table 5.8 Most important characteristics that are looked for while hiring administrative/professional staff and manual/production staff

Characteristics	Number	Per cent
Administrative/Professional Staff		
Age	3	2.5
Education	55	45.8
Training	5	4.2
Work experience	55	45.8
Others	2	1.7
Manual/Production Staff		
Sex	3	2.5
Age	17	14.2
Education	5	4.2
Training	5	4.2
Work experience	83	69.2
Caste/ethnicity	2	1.7
Others	5	4.2
Total	120	100.0

5.5 Perception of the employers/managers on job preference and general aptitude of job seeking youth

Information on the perception of the employers/managers regarding the preference and general aptitude of young people while they are seeking employment was also collected in the survey. In this connection, the employers/managers were asked to mention what, in their opinion, was the *first most important* and the *second most important* aspects that young people look for while seeking employment.

According to the perception of the employers/managers, young people mainly sought a high salary (24.2 per cent), good promotion prospects and clear career paths (20.8 per cent), jobs that are steady or secure (16.7 per cent) and jobs that utilize their skills and capabilities (15 per cent). These findings indicate that it is not only good salaries but also other aspects of work, such as a career track or job security, which were also considered important by young people. A similar perception was expressed in the case of the second most important aspect as well. The only slight difference was that the high percentage of the employers/managers (28.3 per cent) perceived that young people regarded security as the second most important aspect of a prospective job (Table 5.9).

Table 5.9 Perception of employers/managers on the first and second most important aspect that young people look for while applying for a job

Employers' Perception on Important Aspects of Work Young People Look For	Number	Per cent
First Most Important Aspect		
Interesting job to do	13	10.8
High status job	5	4.2
Can earn a lot of money	29	24.2
Good career/promotion prospects	25	20.8
Jobs that use skills/abilities	18	15.0
Secured/steady jobs	20	16.7
Having an easy pace of work	3	2.5
Others	6	5.8
Second Most Important Aspect		
Interesting job to do	10	8.3
High status job	5	4.2
Can earn a lot of money	16	13.3
Good career/promotion prospects	13	10.8
Jobs that use skills/abilities	14	11.7
Secured/steady jobs	34	28.3
Having a role in decision making	8	6.7
Having an easy pace of work	3	2.5
Work independently/without supervision	7	5.8
Job that is family friendly	3	2.5
Others	3	5.8
Total	120	100.0

Based on their experience, the employers/managers were also asked to rate the general aptitude level of young job applicants, both in administrative/professional as well as in manual/production related, in terms of their skills such as writing skills, oral communication skills, commitment and discipline and so on. The survey results on these issues are presented in Table 5.10.

Generally, the employers/managers rated their new job applicants favourably, i.e. adequate, good or excellent, in virtually all listed skills.

Table 5.10 Perception of employers/managers regarding the general aptitude of the job applicants

Description	Number	Per cent
Writing Skills		
Excellent	8	7.1
Good	59	51.7
Adequate	45	39.5
Poor	2	1.7
Technical Skills		
Excellent	19	16.7
Good	69	60.5
Adequate	24	21.0
Poor	2	1.7
Oral Communication Skills		
Excellent	15	13.2
Good	75	65.9
Adequate	21	18.4
Poor	3	2.6
Breadth of Education/Training		
Excellent	17	14.9
Good	58	50.9
Adequate	38	33.3
Poor	1	0.9
Ability to Apply Knowledge Learned		
Excellent	17	14.9
Good	61	53.5
Adequate	33	28.9
Poor	3	2.6
Commitment and Discipline		
Excellent	24	21.0
Good	74	64.9
Adequate	14	12.3
Poor	2	1.7
Realistic Expectation about the World of Work		
Excellent	7	6.1
Good	71	62.3
Adequate	34	29.8
Poor	2	1.7
Overall Skill and Aptitude		
Excellent	7	6.1
Good	88	77.2
Adequate	19	16.7
Poor	0.0	0.0
Total	114	100.0

5.6 Education and training of workers

The overall results of the survey indicate that most (88 or 73.3 per cent) of the establishments did not arrange for education/training of their staff. Of the total establishments that provided training to their staff, all but one provided job related education/training. About one-third of the establishments (36.4 per cent) had provided training on their own premises while half of these had provided it off the premises. Similarly, about 40 per cent of the establishments had provided training themselves and another 40 per cent through private sector training institutions. Half of the establishments had provided training with a duration of less than one week and about one-third for a duration of one week to one month. Moreover, most of the institutions (85.2 per cent) had paid for their staff's education/training. The survey results further show that most (63.6 per cent) of the institutions did not participate in the experience sharing/internship programmes with educational/training institutions. Only about one-third (36.4 per cent) of the institutions reported participating in any such programmes (Table 5.11).

Table 5.11 Details of training provided to the staff by the establishments

Description	Number	Per cent
Main Type of Education/Training		
Job related education/training	87	98.9
Non job-related education training	1	1.1
Training Venue		
On-the-job informal	10	11.4
Classroom - on own premises	32	36.4
Classroom - off premises	44	50.0
Others	2	2.3
Training Given by		
Enterprise itself	35	39.8
Private sector training institution	36	40.9
Government sector training institution	7	7.8
Others	10	11.4
Training Duration		
< 1 week	44	50.0
1 week – 1 month	31	35.2
1 – 3 months	7	7.9
3 – 6 months	2	2.3
6 months – 1 year	3	3.4
> 1 year	1	1.1
Training Sponsor		
Enterprise itself	75	85.2
Government	3	3.4
Other	10	11.4
Participation in Work Experience/Internship Programme		
Yes	32	36.4
No	56	63.6
Total	88	100.0

6. Findings and conclusions

The SWTS survey findings reveal the particular dimensions of the youth employment challenge in Nepal. The opportunities for young people to obtain decent work are influenced by a number of factors some of which are inappropriate education and training outcomes, lack of information about the labour market, lack of work experience, poor quality of available jobs, and employers' preferences for older workers. Despite these specificities, however, youth employment is determined by employment in general. In general, job creation and labour demand has been stagnant in part as a result of the recent conflict. Therefore, one of the overall conclusions is that youth employment difficulties relate to both the supply *and* the demand for labour. Youth employment outcomes are also related to the overall social and economic stability of the country.

The survey revealed the following specific findings relating to the youth labour market in Nepal:

6.1 Main findings

General background of youth and their preferences

- Youth in general attend school but about one-tenth of them were still deprived of educational opportunities. Deprivation of school opportunities was higher among female youth.
- Youth generally stopped education/training at about 17 years. They usually stopped education because of economic reasons. Lack of an enjoyable environment in the school was also a significant reason, especially for male youth.

Quite a few female youth stopped education because of marriage or failure in examinations.

- Very few youth had the opportunity to study full time. Most of them worked while they studied. Employment while in school was usually in private enterprises or as teachers, especially for female youth.
- Vocational training was still not perceived by youth as education that will help them get a good job. Youth generally felt a higher academic degree was required to obtain a good job. The importance placed on the education level is not misguided; employers also listed the education degree as the most important qualification for young jobseekers of professional posts. For manual/production-level posts, however, the level of education is much less of a determining factor in the job match process.
- Female youth gave more emphasis to good family life whereas male youth gave priority to earning money or success at work.
- The most frequently mentioned quality identified by youth as necessary to obtain a good job was a good general education.
- Because of job security, government or public sector work was the most preferred type of work. However, there were no clear preferred sectors. The agriculture sector, which is the largest employment sector in the country, was one of the least preferred sectors identified by youth. In general, youth preferred to work in the non-agricultural sector.
- Unemployment was quite rampant among the youth. Almost one-third of the youth in the surveyed labour force were unemployed. The unemployment rate was higher among female youth. Female youth usually withdraw from the labour force after marriage. As a result, almost one-half of female youth were out of the labour force.

Transition status and transition experience of youth

- Very few youth (15-29 years) had transited to a regular or career job. The proportion of transited youth increased with age. A very high level of academic education and vocational education were helpful to youth to obtain career or regular jobs.
- Slightly over one-half of youth were not in transition and slightly over one-third were still in transition.

Transited youth

- Only about one-half of the transited youth had an easy transition. More than one-half of the transited youth experienced a difficult transition. It was workers in the informal economy who reported an easier transition than workers in the formal economy.
- A very high level of general education or vocational training helped to make the transition to a regular or career job easier. On the other hand, those with just a primary level of education experienced more difficult transitions, as their aspirations are relatively high but are not matched by the reality of a job market that places weight on a high level of education or training.
- Men experienced an easier transition than women. The transition seemed to be easiest for urban male youth as opposed to male youth in rural areas or women in both rural and urban areas. Urban youth have relatively easier transitions probably because of their better access to information, higher levels of education/training and networking connections. Male youth experience easier transitions probably because they are better educated/trained, are more demanded in the job market and because they put in more persistent effort on account of the traditional societal pressure on them to earn the family livelihood.

Youth in transition

- Almost one-half of youth still in transition were currently out of the labour force but intending to work in the future. Of the in-transition youth who are currently in the labour force, more than one-half were unemployed. Unemployment among in-transition youth was higher among females, the younger youth (15-19), and those with only secondary-level education (lower to higher).
- In looking for work, unemployed youth generally rely on their personal network (friends, relatives, etc.), checking directly with potential employers and answering advertisements. Among these three methods of job search, personal networking was the most often relied-upon method.
- Lack of education/training and discriminatory prejudices were perceived by the unemployed youth as the strongest obstacles to finding a good job.

Not yet transited youth

- The three most important goals in life for in-school youth were success in work, making a lot of money and contributing to society. Female youth showed more altruistic goal than males.
- Not yet transited youth were mostly those who were still in school and in the younger age groups. Not yet transited youth in the 25-29 years age group were mostly female and married.
- Of the not yet transited youth who were inactive, most were rural female who were already married. Many of them had never attended school and virtually none of them had education beyond the secondary level.
- Generally, in-school youth irrespective of their gender or age, want to attain a higher level of education/training after completing their current level of education/training. In the event of dropping out of school, most of these youth opt for finding gainful employment.
- The majority of youth in urban areas, irrespective of their sex, expressed their intention to look for employment after school, while youth residing in rural areas aspired to pursue higher education immediately after finishing their current studies. The reason behind this could be the limited employment options available for youth in rural areas as compared to urban youth.
- Youth in urban areas were more likely to have initiated the job search while still in school.
- The majority of youth aimed to achieve higher university education. Only a small number of youth expected to go for vocational education/ training.
- Arts/social sciences and commerce/business studies appeared to be the t favourite areas of study among both female and male youth.

Employers and managers

- Political and related unrest was the most important problem that the employers were currently facing.
- The majority of the employers/managers did not face any particular problems relating to staff recruitment.
- The majority of employers belong to a trade association or an employers' group.
- The workers of most of the enterprises do not belong to unions. However, in enterprises where workers do belong to unions, management generally do practice collective bargaining.
- Demand for additional workers by surveyed enterprises was low possibly as a result of low economic demand in the time of conflict.
- The employers/managers felt that the employment-seeking youth place a high value on salary, good promotion prospects and clear career paths, job security and

utilization of their skills and capabilities. Salary is no longer the only consideration of young people when making employment choices.

- Generally the employers/managers rate their young job applicants' skills/aptitudes favourably (i.e., adequate or good or excellent) in skills such as writing, technical expertise, oral communication, breadth of education/training.
- Most of the establishments do arrange for the education/training of their staff/employees. However, they usually do not participate in the experience sharing/internship programmes with educational/training institutions.

6.2 Conclusions

- Youth unemployment is a serious problem and needs to be addressed urgently. The Government should urgently form a high-level commission to chart a plan of action to address the problem of youth unemployment. The assistance of specialized agencies such as the International Labor Organization should be sought in developing such a plan of action. Successfully addressing the youth unemployment problem would also help mitigate the current on-going conflict in the country and the poverty problem.
- The results of the Focus Group Discussions (FGDs) reveal that prevailing discriminatory practices towards women, the poor and disadvantaged groups have resulted in limited access to employment opportunities for youth of these groups. The Government should, therefore, take immediate action to make equity and social inclusion an integral part of the social and economic development plan/programme.
- The employer survey reveals that one main problem in the labour market is the lack of demand for labour. Demand for labour can be increased by stimulating the currently moribund economic activities of the country. For this, a quick resolution of the conflict is sine qua non. Only then will there be an environment for investment which will generate employment.
- The study reveals that lack of an adequate level of education/training has resulted in limited access to employment opportunities of youth in general and those from poor and disadvantaged groups in particular. Therefore, efforts should be made to raise the educational level of the youth. Further, it should be ensured that the type of education being provided to the youth match the skills that are in demand in the labour market.
- The study reveals that although vocational education/training helps in the ease of transition of youth to a regular or career job, vocational education/training is still held at low esteem by the youth. Therefore, efforts need to be made to change the views held by youth toward vocational education/training.
- Generally youth prefer non-agricultural jobs to jobs in the agricultural sector. Non-agricultural sectors are so far more productive (in terms of labour productivity) than agricultural sector. Therefore, future emphasis should be in promoting non-agricultural sectors, especially in the formal sector, as they are more productive and offer better working conditions and compensation packages to their workers. The informal sector, on the other hand, has a very low productivity and thus, employment in this sector may not be very helpful in reducing poverty in the country.

6.3 Policy recommendations

Achieving decent work for young people is a critical element for Nepal. Currently, national priority areas are to ensure peace and security, increase economic growth, reduce poverty and unemployment and achieve sustainable development. Additionally,

Nepal is undergoing a period of peace building which will hopefully result in economic stability and growth. There will be a considerable need for adaptability of both workers and employers to these new circumstances.

Policymakers in Nepal have recognized the political urgency of responding to the challenge of youth employment. To confirm the Government's political will and translate it into practical actions, the Government is currently in the process of developing a National Action Plan for Youth Employment. Here, it is important to recognize that there is no one approach or 'prescription' for addressing the youth employment challenge. Indeed there are a variety of interventions which are needed and which involve many actors. Some of these interventions will relate specifically to youth but many others relate to improving the functioning of the labour market in general. Additionally, while government commitment and policy coordination are essential, the Government cannot do it alone. There is a need for a strong involvement of the social partners, youth groups and the mobilization of all other relevant actors within civil society.

The following provides some suggestions for review and consideration by the national actors:

Strengthening the policy environment

Nepal needs to make employment promotion more central to economic policy making. This can be done through adopting a more employment-intensive growth since job creation and job quality are not usually addressed directly but are seen as a hoped for effect of economic growth. Sectoral development policies have an important role in employment creation. Certain sectors are important to youth employment because of the type of skills required (e.g. information technology, industry, construction) and for their high elasticity in creating new jobs. Employment promotion policies need to put equal emphasis on labour demand and labour supply as well as bridging the supply of labour with demand.

The current effort of the Government to develop a National Action Plan for Youth Employment is geared towards strengthening or developing concrete action on youth employment in accordance with the ILO's integrated approach to youth employment. The National Action Plan intends to provide a set of policy objectives that can contribute to the creation of decent jobs, thereby reducing unemployment, underemployment and the numbers of young people living and working in poverty. It also intends to link youth employment to other national-level policy issues (e.g. the PRSP) and practically demonstrate how youth is a cross-cutting issue which is integrated within all policies.

Making education and training more market relevant

Very few students in the survey have benefited from vocational training. Young people can be encouraged to consider vocational training courses by improving its image and enhancing the quality of training provided. Vocational training streams within the school system should not be viewed as for those who are not able to continue with the academic streams, but rather, as a choice and based on an awareness of future employment options.

It is important to modernize the national qualifications framework and skills certification procedures in order to facilitate flexibility through life-long learning or mobile training units as examples. Additionally, it is essential to introduce portable skills and competencies as part of the national qualifications framework. In terms of gender equality in skills development, it is important to diversify the courses offered to women

in the vocational training field. Both women and men should be free to choose their training rather than be bound by an institutional set up based on social stereotypes of acceptable jobs for either men or women.

Another area is strengthening the role of the private sector in guiding vocational training policies and programmes in order to make them more market driven and introduce new forms of training which involve employers such as on-the-job training and apprenticeship programmes.

Equipping young people for labour market integration

It is essential to support activities that help bridge the output of the educational system and labour market demands. This includes introducing mentoring programmes, training on soft skills, job search methods, as well as placing career counsellors both at schools and universities. Students and job seekers are not always informed about their options of either study fields or jobs. Hence, the role of a counsellor can prove to be vital in supporting young men and women to make decisions about their future.

Promoting job creation programmes

Direct short-term job creation can compensate for shortcomings in the private sector to create jobs. Wage subsidies or paid apprenticeship programmes are one way to achieve this. Such measures can be introduced by the Government. These types of measures do not only support young people through job placement but also support the employers who have been badly affected by the conflict. One of the intended results of such programmes is therefore to encourage the private sector to grow and to also invest in young employees' development and training.

Another form of short-term direct job creation is through public works programmes. These programmes can target disadvantaged young people with limited skills. Public investments in infrastructure remain one of the few means at the disposal of the Government to directly create jobs and opportunities. Worldwide experience has shown that greater employment content can be achieved without increasing the level of investments, and the resulting products can be of the same quality and delivered a time. Public investments provide a great opportunity to improve participation and governance through appropriate local-level planning, improved contracting and procurement systems and procedures for transparent management and implementation. Additionally, these programmes are the cornerstones for building capacity at decentralized levels and thus assisting the Government's decentralization process.

Promoting self employment

The informal economy in Nepal is the refuge sector for the marginalized, the unskilled and unplaced young workers who are all attempting to survive through petty trading and production of goods and services. It is also the sector where poverty and the working poor are concentrated. Promoting self employment through institutional, financial, and capacity-building support is crucial for improving productivity, incomes, and other decent work deficits.

Measures to expand small-scale enterprise and micro finance opportunities within sectors with a potential for employment and income generation include the following (i) creating an enabling regulatory environment for the growth of small enterprises; (ii) developing business development services which include access to finance and

information, training, information on technology, improving market access among other support services; (iii) putting in place institutional mechanisms for finance and management; and (iv) strengthening national and local capacities to undertake policy reform and to provide expanded services for starting and expanding micro and small enterprises.

Nevertheless, it is important to highlight here that not all young people can be suitable for this type of job generation since it requires continuous support and an enabling policy environment. Therefore, unskilled and vulnerable young women and men may face additional burdens if they do not succeed. As such, while promoting this type of job generation may be attractive it is important not to look at it as the panacea of job generation, and to carefully develop programmes to identify the right target groups and develop the appropriate supportive environment.

Ensuring inclusion and equal opportunity

The results of this survey confirmed the serious gap in employment rates and transition to decent work between males and females. While labour force participation rates of women have increased over the last decades this has not necessarily been matched by equity in job quality. In addition, as this survey has shown that the early age of marriage for women seriously hinders transition to work and that women tend to be constrained by a limited choice in occupations.

There is increasing evidence that increasing equity can produce major economic dividends and contribute towards greater efficiency, poverty reduction and economic growth. Conversely, inequality slows economic growth. Active measures to promote equality on the part of Nepal can help to make full use of the country's human capital and unleash untapped creativity and innovation. In Nepal, there are currently many short- and long-term measures aimed at promoting equality at work, yet more efforts are needed. Some of these are in the following areas:

- Addressing job segregation, gender stereotyping, including through reforming the education curriculum;
- Increasing education and training opportunities for women, including through setting targets and incentives for courses;
- Providing gender-sensitive career guidance information in schools;
- General awareness raising of the population on the impact of inequality;
- Profiling successful women business people and professionals as role models for younger women;
- Awareness raising of employers so that they are more willing to provide employment opportunities for young women. Investing in young women and men can reap important gains in productivity and innovation;
- Engaging trade unions to play a greater role in giving young people, in particular young women, a voice, through recruiting and representing more young workers;
- Increasing young women's access to productive resources including property, wealth, credit, business development services, information, labour market information systems, etc.;
- Setting gender targets for participation in public and private sector employment-intensive schemes and other active labour market measures;
- Establishing support to ease women's household responsibilities such as childcare;
- Technical support can be provided to relevant ministries, vocational training institutions and labour market information systems on gender mainstreaming and how these institutions can be transformed to promote equality.

Annex 1 Focus Group Discussions

Table A1.1 Summary of findings of Focus Group Discussion among general groups and disadvantaged groups in Banke district

Issues discussed	Findings of FGD among general group	Findings of FGD among disadvantaged group
1. Causes of unemployment in Nepal	<ul style="list-style-type: none"> • Poverty • Lack of infrastructural base (e.g., education, transport, communication etc.) • Lack of quality education/skill development training - youth are not in a position to compete in the labour market/no access to vocational training facilities • No access to media such as newspapers where most of the vacancies are announced; no access to internet • Employment opportunities confined within the capital city and some major urban areas • High growth of population/no development activities taking place to accommodate the rapidly growing labour force • Quality of education provided by the government colleges is not as good as private education institutions • Ongoing conflict and unstable political situation (the number of displaced population is rising and most of them have migrated to the major urban centres and this has also resulted in high unemployment • New economic activities are virtually non-existent and existing business/industrial establishments are also crumbling down) • Very difficult to find a job without strong recommendation of someone in high places • Social discrimination 	<ul style="list-style-type: none"> • Lack of education/high level of illiteracy • Poverty • High population growth • Ongoing conflict and political instability • Lack of skill development training • Lack of technical know-how • Lack of basic infrastructure • Very low level of new economic activities • Closing down of the existing industries • Employment opportunities centered around the capital and few market areas • The recruitment process adopted by the employers is not fair • Low level of access to urban centres • Youth are still deeply rooted in traditional beliefs
2. Problem being faced by youth of this area either to find a job or establishing own work	<ul style="list-style-type: none"> • Frequent strikes and bandhs • Lack of loan facilities, lack of collateral to draw loan from banks to start own work • Ongoing conflict and unstable political situation has resulted in high unemployment of youth <p>What should be done?</p> <ul style="list-style-type: none"> • Self-confidence should be built up among youth • Youth should be encouraged to be self employed rather than looking for salaried job • Easy loan facilities should be made available for youth to start their own work • Provision of adequate training facilities • Access to market for the products 	<ul style="list-style-type: none"> • Lack of education/high level of illiteracy/ lack of vocational training • Lack of financial resources • Lack of infrastructures like roads, etc. • Ineffective advisory support and market system • High discriminatory practices in the society • No access to information and communication facilities • Lack of industrial and other entrepreneurial activities • Rural areas being sidelined in economic activities • Lack of self confidence among youth • Lack of vocational training/skills • Lack of agricultural technology (e.g., irrigation, fertilizers etc.) • Lack of loan facility for agricultural activities

Issues discussed	Findings of FGD among general group	Findings of FGD among disadvantaged group
	<p>(whether agricultural or industrial products)</p> <ul style="list-style-type: none"> • Priorities should be set for local production • Settlement of ongoing conflict and political instability • Priorities for employing youth in their own locality 	<p>What should be done?</p> <ul style="list-style-type: none"> • Education/training should be employment generative/vocational training to youth • Eliminate discriminatory practices in the society • Raise the level of confidence of youth • Provision of information and communication facilities • Easy access to market to dispose of own products • Initiation of cooperative savings facilities • Provide easy access to loans to start self employment • Appropriate government policies and programmes addressed at youth employment • Provision of agricultural technology • Training to youth on modern agriculture techniques • Reduce high population growth rate • Employment opportunities should match youth skill • Encourage youth for self employment • Promote the establishment of medium and small-scale industries • Eliminate social discrimination in employment opportunities
<p>3. Problems faced by the poor and disadvantaged groups</p>	<ul style="list-style-type: none"> • Discrimination between sons and daughters • Low level of education and employment • Lack of self-confidence • Lack of resources • Too busy with household chores • Discrimination between men and women by the employers <p>What should be done?</p> <ul style="list-style-type: none"> • Discrimination should be eliminated • Priority should be given to female employment • Provision of employment quota for women job seekers • NGOs should implement programmes that are beneficial to women • Special educational programmes should be implemented for women that will also boost their self confidence 	<ul style="list-style-type: none"> • Social discrimination between men and women • Lack of programme directed at raising the status of women • Women being too busy with household chores • Lack of economic independence • Lack of self confidence • Lack of access to employment opportunities • Lack of education • Marriage of women at very young age (women end up being too busy with their household chores including in bearing and rearing children) <p>What should be done?</p> <ul style="list-style-type: none"> • Raise the level of self confidence among women • Women should be unified to achieve the common cause • Society should change their discriminatory attitude towards women • Programme aimed at women should be prioritized • Women should have easy access to loans to start their own work • Make provision of compulsory education to girls • Promote equal participation of men and women in economic activities • Initiate programme to create

Issues discussed	Findings of FGD among general group	Findings of FGD among disadvantaged group
		<p>awareness among women</p> <ul style="list-style-type: none"> • Make provision for quota system for women who want to work in the organized sector • Families should encourage their women members to participate in economic activities • Women should be provided with skill development training
<p>4. Problems faced by the poor and disadvantaged groups</p>	<p>Poor</p> <ul style="list-style-type: none"> • Inability of the Government to identify people who are really poverty stricken • Inability to compete in the labour market • Lack of education/training • Strong belief in traditional values • Lack of access to resources <p>What should be done?</p> <ul style="list-style-type: none"> • Provide special education/training (free of charge) • Access to market for marketing their products • Make provision for easy loans • Raise the level of self confidence <p>Disadvantaged group</p> <ul style="list-style-type: none"> • Lack of education • Strong belief in traditional values • Still following traditional life style • Lack of resources to adopt new technology • Discriminatory practices among themselves <p>What should be done?</p> <ul style="list-style-type: none"> • Raise consciousness • Create education/training opportunities/make provision for scholarships, free text books etc • Government should adopt policies and programmes to create employment opportunities and to raise the living condition of disadvantaged groups 	<p>Poor</p> <ul style="list-style-type: none"> • Lack of education • No access to economic resources • High level of discrimination among poor • No specific government policies for employment of poor <p>What should be done?</p> <ul style="list-style-type: none"> • Government should identify poor groups for policy and programme implementation • Poor people should be provided with appropriate training/vocational skills • Poor people should have access to loan facilities <p>Disadvantaged group</p> <ul style="list-style-type: none"> • Lack of education/training • Lack of resources • High level of discrimination in society • No special employment programmes aimed at disadvantaged groups • No access to information/communication facilities • Dalit groups lag far behind the general population in terms of training/education etc. <p>What should be done?</p> <ul style="list-style-type: none"> • Improve educational status of poor and marginalized groups • Provide loans/capital resources for creating self employment • Provide education/skill development training that promotes higher employment • Eliminate social discrimination • Implement awareness creating programmes against discrimination • Implementation of programmes specially aimed at dalit groups • Create accessibility to resources for dalits • Make provision for modern agricultural technology • Make provision for information and communication facilities • Introduce development programmes solely aimed at dalit population • Conduct training and skill

Issues discussed	Findings of FGD among general group	Findings of FGD among disadvantaged group
		<ul style="list-style-type: none"> development activities for dalit youth • Make provision for easy access to loans for dalits to start their own work • Promote late marriage of girls • Dalits should be encouraged to continue their traditional work providing different facilities including a market for their products • Dalits should be encouraged to freely participate in social and economic activities of the community • Dalit youth should be provided with free scholarships
5. Who should be responsible?	<ul style="list-style-type: none"> • Youth themselves should take initiative • Family members • Government should take initiatives to formulate appropriate policies and programmes for youth employment • I/NGOs 	<ul style="list-style-type: none"> • Poor and marginalized group themselves should take initiatives • Family and society • Government • Political parties • I/NGOs • Employers

Table A1.2 Summary of findings of Focus Group Discussion among general groups and disadvantaged groups in Kathmandu

Issues discussed	Findings of FGD among general group	Findings of FGD among disadvantaged group
1. Causes of unemployment in Nepal	<ul style="list-style-type: none"> • Widespread poverty • Inability to create employment opportunities as per prevailing demand • Education system does not provide appropriate skills (suitable to labour market) • Ongoing conflict has limited the movement of youth to obtain employment • Employment opportunities centered only in district/regional headquarters or in the urban areas • Only limited number of youth have the capacity to go to district/regional headquarters or in the urban areas to look for employment • Employers discriminate when selecting youth for employment • The recruitment process is not transparent in most of the institutions • Government policies and programmes are more focused on urban youth • Crumbling down/closure of industries and other economic activities • Youth hesitate to start work because they think the proposed work is not up to their standard • Government's inappropriate policy/legal provisions for youth employment 	<ul style="list-style-type: none"> • High population growth • Ongoing conflict • Limited mobility of youth to look for employment within the country • Instead of the growth of the industrial/economic activities, these are crumbling down • Type of education being provided to youth is not appropriate • Discriminatory practices of employers in the recruitment and selection of youth • No lower or upper age bar for eligibility for vacant job/available economic activities • Information about available employment opportunities is not easily accessible
2. Problem being faced by youth of this area either to find a job or	<ul style="list-style-type: none"> • Lack of transport facilities for day-to-day movement to carry out economic activity/work • Lack of right connections in high 	<ul style="list-style-type: none"> • Lack of capital resources • Very low return from producing traditional handicrafts/or traditional occupation (e.g., tailoring etc.)

Issues discussed	Findings of FGD among general group	Findings of FGD among disadvantaged group
establishing own work	<ul style="list-style-type: none"> places Absence of right policies and programmes for youth employment Youth do not take initiatives for self employment Lack of appropriate skills and resources among youth Society still has discriminatory attitude towards male and female population Education being provided is not suitable for the demand in the labour market (practical) Financial institutions do not encourage/cooperate with youth in generation of self-employment <p>What should be done?</p> <ul style="list-style-type: none"> Youth themselves should take initiatives for self employment Family members should encourage both men and women to take part in economic activity Appropriate skills should be provided to youth that are suitable for current economic activities 	<ul style="list-style-type: none"> Low or no access to information and communication media No access to government institutions Lack of consciousness about their rights Government regulation regarding equal rights has not been translated into action More youth are indulging in alcoholism Local production has no access to the market Youth do not have appropriate education or training (this is also the result of poor economic condition of disadvantaged youth) <p>What should be done?</p> <ul style="list-style-type: none"> Youth themselves should be more conscious about their responsibilities Government should also take responsibility in taking appropriate action NGOs and the political parties should also take initiatives to resolve the problem at the grass-roots level Provide education/skill development training and take necessary steps to create suitable employment
3. Problems faced by the poor and disadvantaged groups	<ul style="list-style-type: none"> Discrimination between sons and daughters in the family Social discrimination among women that has resulted in a low level of education and employment of women. This has resulted in low confidence among them. Lack of economic resources Lack of higher level of education Lack of self-confidence Discrimination by the employers when giving jobs to women Lack of capacity to compete with men in economic activity <p>What should be done?</p> <ul style="list-style-type: none"> Discriminatory practices between men and women should be eliminated Priority should be given to women education/vocational training Priority should be given to female employment 	<ul style="list-style-type: none"> Women are discriminated against by society Women also do not have confidence/self esteem; they regard themselves as second-grade citizens Widespread practice of female marriage at a young age They cannot work outside home due to traditional thinking of society Women are too busy with their household chores Women have no access to information and communication facilities <p>What should be done?</p> <ul style="list-style-type: none"> Government should create special employment opportunities Strong rules and regulations should be implemented in women's favour Government should have a system of regular monitoring of the status of implementation of rules/regulations and policies introduced for the benefit of women
4. Problems faced by the poor and disadvantaged groups	<p>Poor</p> <ul style="list-style-type: none"> Lack of economic resources Inability to compete in the labour market Lack of education/training Lack of resources for acquiring education/training and seeking/generating employment opportunities 	<p>Poor</p> <ul style="list-style-type: none"> Widespread poverty Lack of appropriate skills <p>What should be done?</p> <ul style="list-style-type: none"> Create more access to resources Increase income-generating skills

Issues discussed	Findings of FGD among general group	Findings of FGD among disadvantaged group
	<p><i>What should be done?</i></p> <ul style="list-style-type: none"> • Implement special programme to raise the economic situation of poor groups • <p><u>Disadvantaged group</u></p> <ul style="list-style-type: none"> • Lack of economic resources • Prevailing system of discrimination in society based on caste/ethnicity <p><i>What should be done?</i></p> <ul style="list-style-type: none"> • Eliminate discriminatory practices in society 	<p><u>Disadvantaged group</u></p> <ul style="list-style-type: none"> • Lack of economic resources • High discrimination based on caste/ethnicity • Lack of society's support for the upliftment of disadvantaged groups • Availability of economic opportunities for disadvantaged youth is even more difficult compared to other groups <p><i>What should be done?</i></p> <ul style="list-style-type: none"> • Eliminate discriminatory practices in society • Disadvantaged groups should be treated equally while providing economic opportunities • Youth from disadvantaged groups should be provided with appropriate skills/training
<p>5. Who should be responsible?</p>	<ul style="list-style-type: none"> • Government: should take initiatives to formulate appropriate policies and programmes for youth employment • Financial institutions: should make provision for special loans • I/NGOs: should support youth with appropriate programmes 	<ul style="list-style-type: none"> • Government: should take initiatives to formulate appropriate policies and programme for youth of disadvantaged group • I/NGOs: should support youth of the disadvantaged community with appropriate programmes at the grass-roots level

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