

PROMOTING ENTERPRISE-LED YOUTH EMPLOYMENT FOR SUSTAINABLE DEVELOPMENT OF NEPAL

A study conducted as a part of the Daayitwa Nepal Public Policy Fellowship 2022,
under the able supervision of Hon. Gokarna Bista.

Researcher:

Rakshya Silwal, Daayitwa Nepal Public Policy Fellow 2022

Supervisor: Hon. Gokarna Bista

Mentor: Dr. Tejesh Pradhan,

Consultant, World Bank



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Sincerely yours,

Rakshya Silwal

Daayitwa Nepal Public Policy Fellow 2022

Abstract

Young people are the most important asset of any nation. They hold tremendous potential to steer a nation towards a better and brighter future. Thus, building and investing in young people should be a priority for any nation. A global pandemic, economic recession and a war has worsened the problems of unemployment. Thus, in such a situation, understanding what are the existing patterns and mechanisms that hinder employment opportunities and which sectors of employment have the potential of increasing youth employment is very important. This research carried out several Key-Informant Interview (KII) and case study in Gulmi district to answer the above questions. This is a qualitative study that has employed quantitative methods to analyze and infer available data from secondary sources. Finally, this research provides policy recommendations based on the findings.

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1. INTRODUCTION

1.1 Background

Young people are the most important asset of any nation. They hold tremendous potential to steer a nation towards a better and brighter future. Thus, building and investing in young people should be a priority for any nation. The quote, “We cannot always build a future for our youth, but we can always build our youth for the future” by the 32nd American president Franklin D. Roosevelt, emphasizes the need to invest in the youth for a better future. The youth do not only hold tremendous potential for the future but are an important resource of the present. Hence, promoting youth through a youth leadership is vital for the sustainable development of any nation.

The United Nations defines youth as people between the ages of 15 and 24. Although the UNCRC (UN Convention on the Rights of the Child, 1989) defines individuals under the age of 18 as children, the UN definition includes children of ages 15 to 18 as youth. According to the UN, there are 1.2 billion young people between the ages of 15 to 24 at present and they account for 16 percent of the global population (UN World Youth Report). The present generation of youth is the largest generation of youth in history (UNICEF, 2020). Hence, the potential the youth hold is not only dependent on the attitude and energy of young people but it is also dependent on the number of young people present today.

The definition of youth varies in different contexts based on demographics, socio-cultural beliefs, and financial, economic and political factors. In Nepal, people aged 16 to 40 years of age are defined as the youth by the National Youth Council Act, 2072(2015). 40.35% of Nepal's population fall under the category of youth as recognized by the Government of Nepal. Nepal ranks 94th in the Global Youth Development Index OF 2020. According to the 2011 census, the total youth population in Nepal is 10,689,842 (40.3% of the total population). This data further suggests that most of the population in Nepal, based on age, is young. While many developing countries are seeing a decline in percentages of young people and most of their population is aging. The fact that the Nepali population is young is an added advantage in terms of human potential and human resources.

Employment for youths is one of the pressing issues for today's generation. As mentioned in the above quote by Roosevelt, building youth is a milestone for a better future. Increasing youth employment is not only pertinent for the future but is a part of solution for today's problems. The resources that go into youth development along with the relevant type of education and training affect the rate of youth employment. Inflexible labour market and inadequate policies also factor to high rates of unemployment in youth. Higher rates of youth unemployment are an indication of the inability to mobilize young people. It has also been linked with political and societal upheaval and conflict (Bay & Blekesaune, 2003). Therefore, addressing youth unemployment to address present social and economic problems is a priority.

1.2 Nepali Youth Demographics

The literacy rate for the age group of the age group of 16 to 25 years of age is 82% and that of 26 to 40 years is 61.3% (CBS, 2011). The total absentee population of Nepal is 1,921,494, of which nearly 72% (1,400,000) have been abroad for employment. 61% of those who have gone abroad for employment are from the age group of 16-25years (UNFPA, 2014).

According to the National and Population Housing Census 2011, nearly 163 thousand youth have some form of disability.

The usual activities for youth in Nepal are as follows. The population of males aged 16-25 are engaged in studying (50.6%) and males of 26-40 years are engaged in waged/salaried work (37.21%). Whereas female population of age groups 16-25 and 26-40 reported to being engaged in study (37.53%) and household chores (39.21%) as the highest proportion of engagement respectively. The Census defines usual activity as work being carried out by individuals for the past 12 months before census is taken. Usual activity is categorized under headings like own agriculture, wage/salary, own non-agriculture, extended economic work, seeking job, household job, study and no work.

The population that described their usual activity as economic work or extended economic work or seeking economic work before the last 12 months prior to census is defined as Economically Active Population (EAP) (for the purpose of census). They are regarded as usually active population.

People engaged in economic work or extended economic work in addition to people who are seeking jobs for lesser time than the period of their engagement in economic or extended economic work are considered as employed population. The majority of males (94%) in the age group of 26-40 years are economically active whereas only 66% of females of the same age group are economically active. However, 50% of the total male population aged 16-25 years is economically active whereas for females of the same age group, this figure is around 42%.

The census study defines occupation to the kind of specific work executed by a person of usually active population during a year prior to the census. The occupation categories used in the Census 2011 are: (i) Armed forces (ii) Managers (iii) Professionals (iv) Technicians and associate professional (vi) Office assistants (vii) Service and sale workers (viii) Agriculture, forestry and fishery workers (ix) Craft and related trades workers (x) Plant and machine operators and assemblers, and (xi) Elementary occupations. The highest proportion of youth population are engaged in the occupation category of agriculture, forestry and fishery workers. The percentage of male population aged 16-25 and 26-40 years involved in this category is around 40% whereas this figure is 70% for females of both age groups.

Census 2011 used four categories of employment status for employed persons. Those categories are employer, employee, own account worker, and unpaid family worker. Among male population of age group 16-25 years, more than 40% work as employee and own account worker each, whereas proportion of females in that age category working as employee and own account worker are 18% and 70% respectively. Likewise, the own account workers are 52% and 74% in the male and female population age groups of 26-40 years.

For purpose of the census, economically inactive population is defined as the population who did not engage in any economic/ extended economic or seeking economic work at all during the last 12 months prior to the census. According to the National Population and Housing Census 2011, the reason for inactivity were categorized as follows: (i) Study (ii) Household work (iii) Pension/income (iv) Disable (v) Aged (vi) Sickness/chronic illness, and (vii) Others. The major reason for not being active in male and female of age group 16-25 years (93.56% and 60.67% respectively) and male of 26-40 years (50.58%) is due to study but for the female of age group 26-40 years, the major reason for not being active is household work (91.73%).

1.3 Statement of the Problem

According to the World Bank (2021), Nepal is seeing a rise in unemployment rates and has the unemployment rate of 5.1 percent. The unemployment rate for the younger population compared to the older population is higher and the unemployment rate for the age group of 15-29 is 19.2% (CBS, 2017/18). On top of the existing problems of decades of political instability, which affected economic and social growth leading to massive unemployment, COVID-19 pandemic also had a huge impact on employment status. According to an International Labour Organisation (ILO) estimate, 1.6 to 2 million jobs have been disrupted in Nepal in sectors like wholesale and retail trade, manufacturing, construction, transport, accommodation, food services, real estate and administration (The Himalayan Times, 2020). The affected enterprises that are not able to bounce back from the effects of the pandemic will further the rate of unemployment in Nepal.

Unemployment on such a huge scale forces young people to immigrate to other countries in search of employment opportunities. When a huge number of young people that have not had opportunities to acquire skills are forced to enter the labor market in foreign countries. They are forced to take menial jobs without much security. This huge problem of the government not being able to provide employment in one's own country puts its people in a precarious state. It also causes the loss of potential human resources due to the state's inability to create employment opportunities in the country.

Promotion of enterprises and creation of a conducive environment for growth of enterprises could be a potential solution to curb the problems caused by unemployment. According to the enterprise survey data (World Bank, 2022), major problems reported by enterprises were political instability and lack of sufficient electricity supply. In addition to these structural problems, accessing finance was another major problem that enterprises were facing. Problems such as these require research and evidence-based policy reform that allows more people to access resources like finance.

1.4 Objectives

This research aims to achieve the following objectives:

1. To explore the employment creation potential of various sectors in Gulmi
2. To identify existing employment, underemployment and unemployment patterns
3. To recommend policies that address any underemployment and unemployment patterns and policies encourage sectors with employment creation potential.

1.5 Research Questions

The following research questions have been posed to address the objectives of this research:

1. What are the existing patterns and mechanisms that hinder employment opportunities in Gulmi?
2. Which sectors of employment have the potential of increasing youth employment?

1.6 Scope and Limitation

The scope for this study is defined below:

- i. This study is based on Gulmi district. The primary data for the research is yet to be collected. However, the secondary data for the analysis has been drawn from the raw data of the Living Standard Measurement Survey (LSMS) 2011. Household level, individual level and community level data have been analyzed of the LSMS. The LSMS is the third volume of the Nepal Living Standards Survey (NLSS). This survey consists of a nationally representative sample which included 5,988 households which was the cross-sectional sample of the previous two rounds of the NLSS and a smaller panel sample which included 1,032 households.
- ii. The secondary data analyzed for the purpose of this research was from 2011. The new data for the same should have been published in 2019 but due to COVID19 global pandemic, the report is yet to be published. Due to unavailability of the present data, the previous data that was available has been used. This study also has a limited scope. Therefore, the findings and recommendations are reflective of Gulmi district. However, similar study can be replicated.

2. UNDERSTANDING THE MACRO-ECONOMICS OF GULMI

2.1 District Profile Gulmi

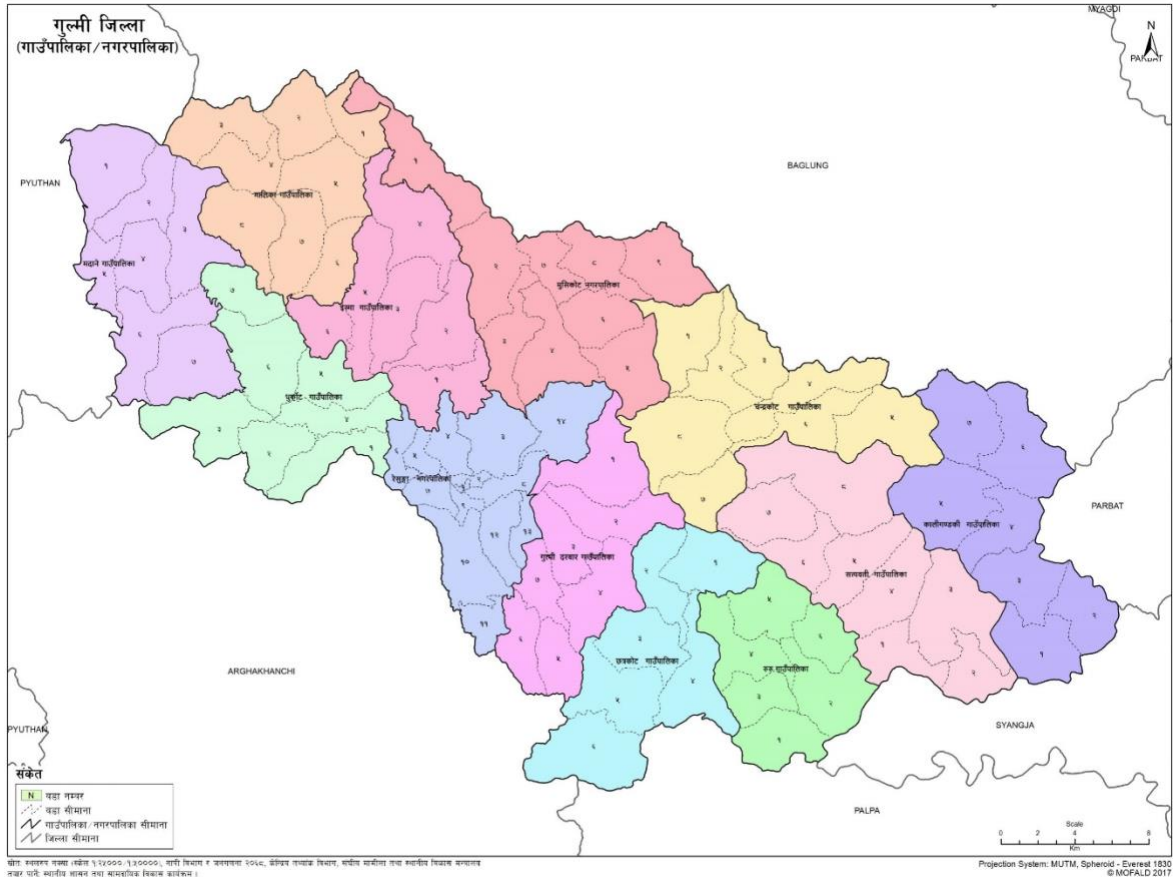


Figure 1Map of Gulmi

[Image source: MOFALD, 2017]

Gulmi district lies in the western hills of Nepal. It is located in Lumbini province. Gulmi covers an area of 1,149 km² and has a population of 280,160 (CBS, 2011). Out of the total population 57% are female and 43% are male. The district headquarter of Gulmi is Tamghas. Gulmi is surrounded by Syangja and Parbat district on the east, Palpa, and Arghakhanchi on the south, Baglung on the north, and Pyuthan on the west. It is divided into total 12 local level bodies of which two are municipalities and ten are rural municipalities.

The majority of people 92.61% of people in Gulmi speak Nepali, while 1.92% and 0.94% people reported Magar and Newari respectively, as their first language. The literacy rate of the district is 75.5%. Bahun and Chhetri are the major caste/ethnic groups with 28.55% and 23.15% people

respectively followed by Magar 19.95%, Kami 9.55%, Sarki 3.45%, Damai 3.25%, Kumal 2.55% and 1.85% Newar. Hinduism is predominantly followed by 96.8%, whereas 2.8% people follow Buddhism.

2.2 Gulmi demographics

The following data has been derived from the household surveys and individual surveys conducted by CBS for the purposes of Living Standard Measurement Survey 2011.

Table 1: Gulmi age statistics and population change

Population change from 1975 to 2015	+546.1%
Population change from 2000 to 2015	-17.3%
Median Age	20.3 years old
Male Median Age	17.2 years old
Female Median Age	22.7 years old

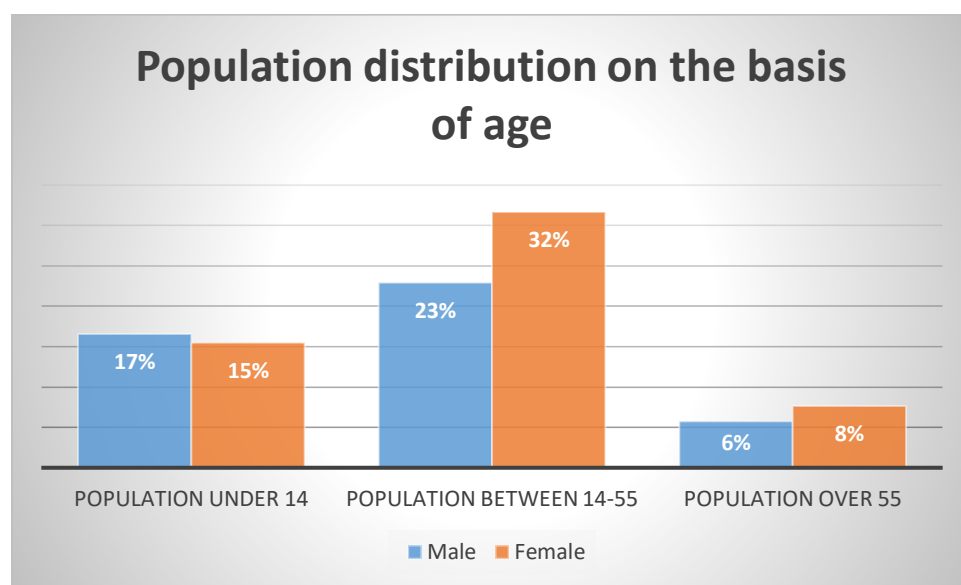


Figure 2: Population distribution on the basis of age

The population had declined by 17.3% from 2000 to 2015. The median age for Gumi is 20.3% which indicates that the majority of population in Gulmi falls under the youth category. Similar insight is also given by figure 2, which indicates that population between the ages of 14-55 make up to 55% of the total population of Gulmi.

2.3 Gulmi Employment statistics

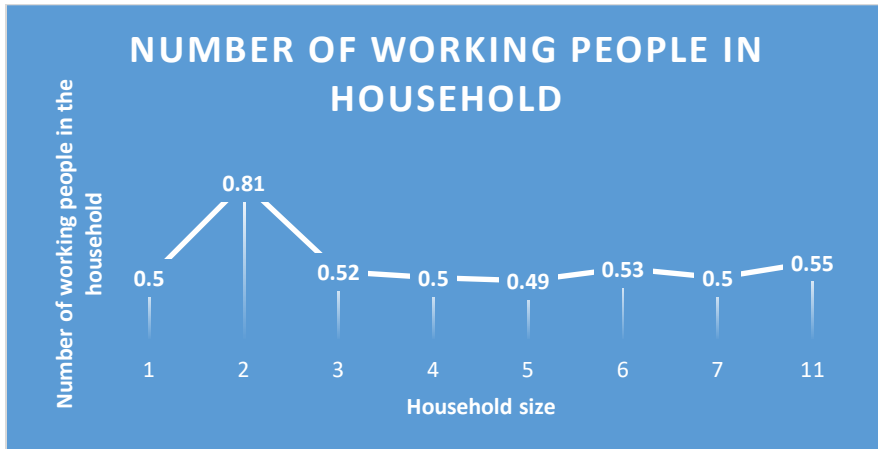


Figure 3: Number of working people in the household

The above figure shows the number of people that work in any given household. The above data shows that almost half of single person household work, whereas more than 80% of two member household are working population. In households of size 3 and above almost half the members of the household size are working population.

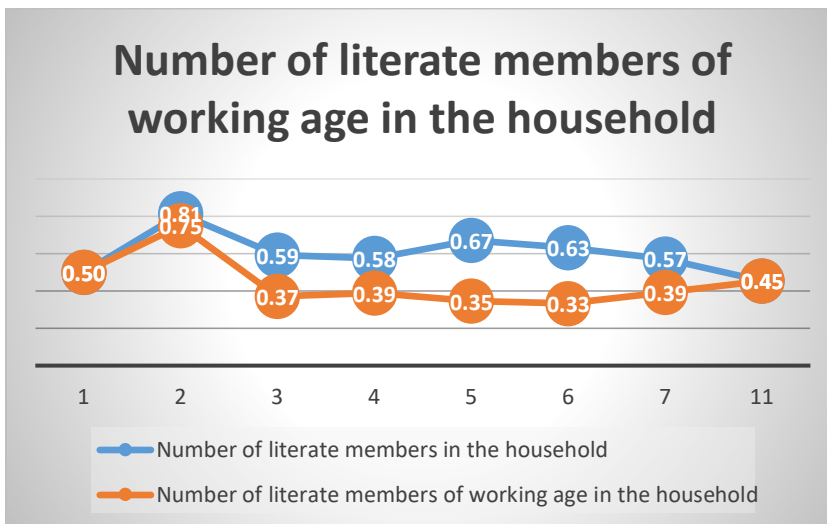


Figure 4: Number of literate members of working age in the household

The number of literate family members in all household is 50% or more. In households of two people, almost 75% of the literate 81% members are of working age.

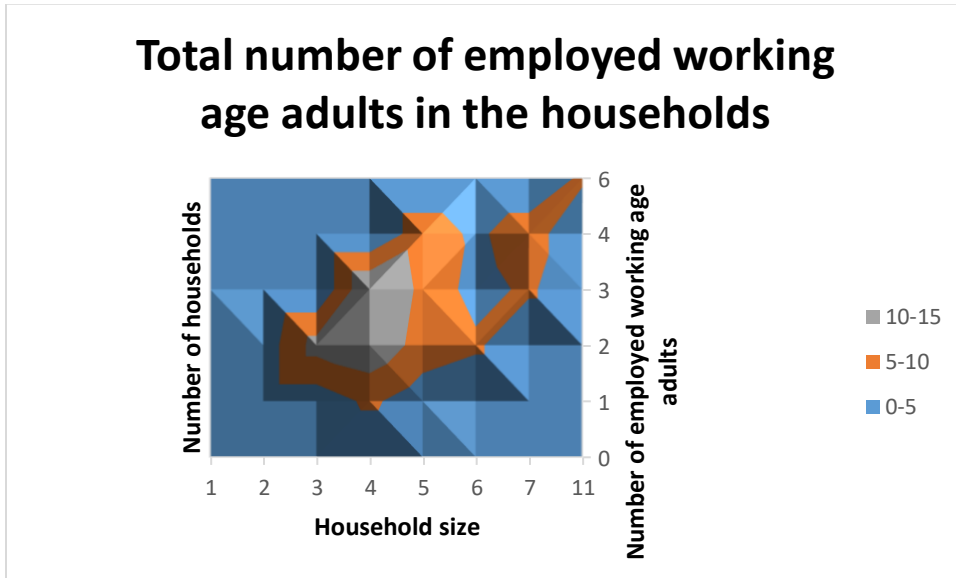


Figure 5: Total number of employed working age adults in the households

This hit chart represents the household size, number of working age adults and the frequency of the household size.

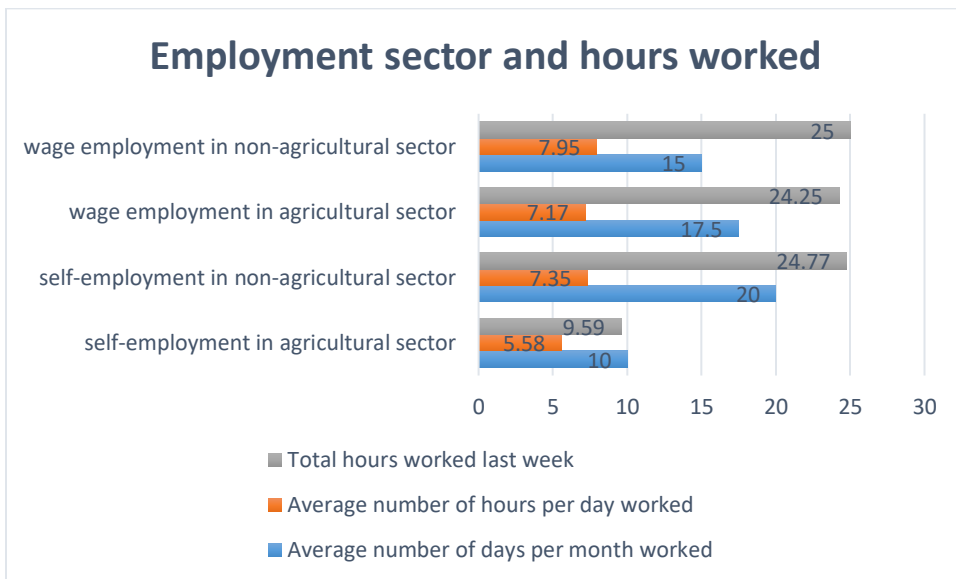


Figure 6: Employment sector and hours worked

The highest (7.58) number of hours worked per day in average was in the non-agricultural wage employment and the lowest average of hours worked per day was in self-employment in the

agricultural sector. Self-employment in agricultural sector had the lowest number of hours worked per month as well.

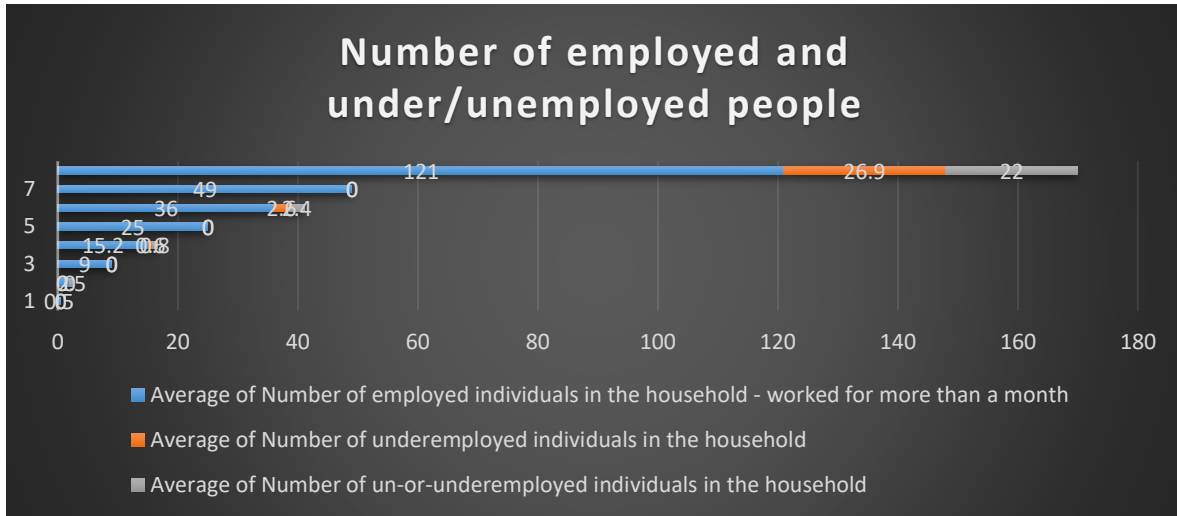
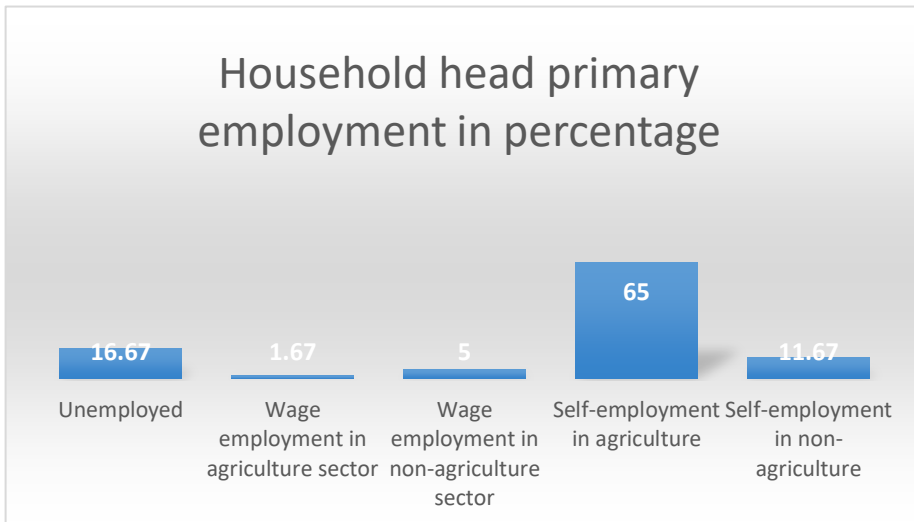


Figure 7: Number of employed and under/unemployed people

Of the sampled Primary Sampling Unit (PSU) of the household survey, an average of 26.9 individuals of a household were underemployed in a household size of 11 people. Rates of unemployment or underemployment was lesser than 10% in all households. Some households did not have any number of underemployed or unemployed individuals.



The highest number of engagements of household heads as primary employment was in self-employment in agriculture which was 65%. Similarly, 1.61% of household head's primary employment was in wage employment in the non-agricultural sector.

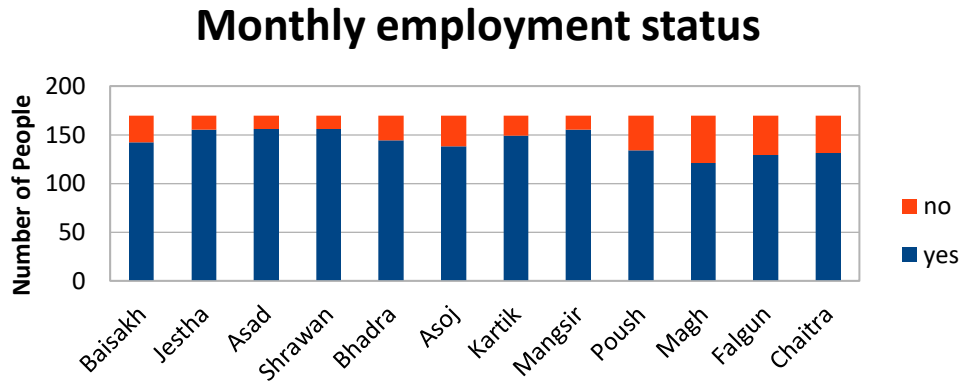


Figure 9: Monthly employment status

More than 80% of the people are engaged in employment activities throughout the year. The rate of unemployment is seen to increase in the later months of the year.



Figure 10: Employment over months: Self-employment in agriculture

Fig. 10 also shows that the rate of employment is especially declining during the winter months or the last four months of the year. People engaged in self-employment in agriculture have less activities to engage on after harvest months of major crop like paddy.

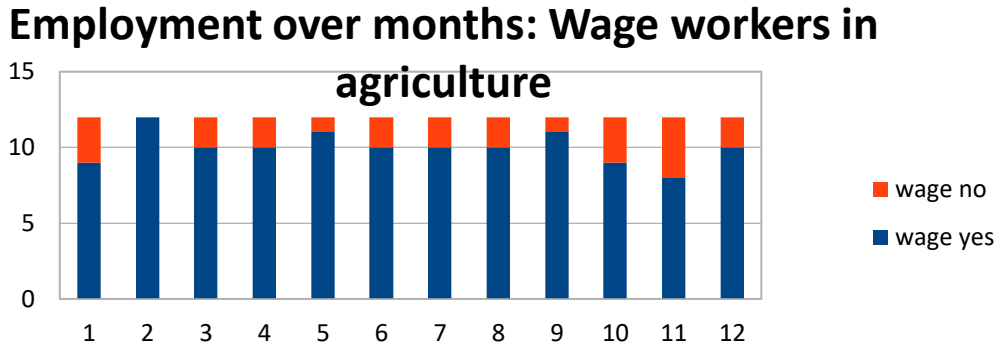


Figure 11: Employment over months: Wage workers in agriculture

Wage workers in agriculture too are engaged mostly in the monsoon when it is rice planting time in the months of Jestha. Similarly, working number of people declines after harvest season.

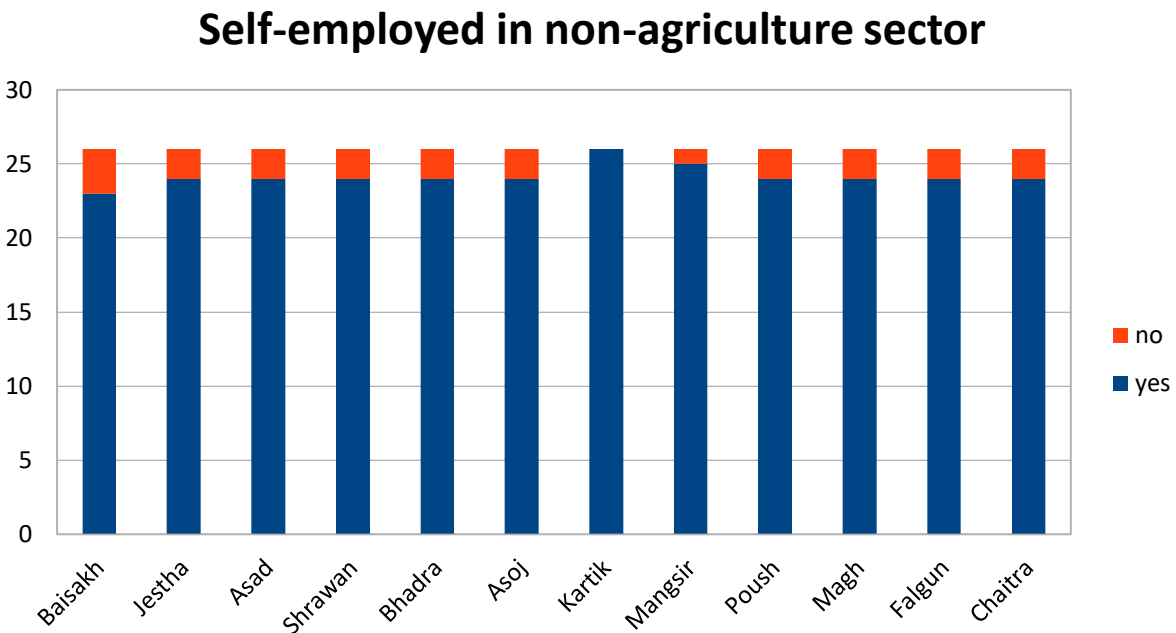


Figure 12: Self-employed in non-agriculture sector

People that are self-employed in the non-agriculture sector are seen to have consistent number of engagements in most of the months. There is no person left unemployed or

underemployed during the month of Kartik during which month major Hindu festivals of Tihar is often observed. It is also the beginning of winter months, when most people seem to be engaged the most in this sector.

Hence, the data analyzed seems to indicate that most people are engaged in self –employment in agriculture. Higher engagement in this sector means many people are busy during some months of the year whereas there is nothing much to engage in in other months. It depicts a high case of agricultural unemployment which if addressed could lead more people to engage in work activities in other months of the year as well, subsequently increasing the people’s income and productivity.

Agriculture thus is seen as an important sector of engagement. The problems seen by the agricultural sector need to be explored and addressed. For hundreds of years, agriculture had been a major source of income for a majority of the Nepali population, however, the popularity of agriculture is declining at a steady rate. Traditional ways of cultivation and a large investment yielding in low results has demotivated people to engage in agriculture. For a small country like Nepal, agriculture is important not only as a source of income and employment but is a means to aid self-sustenance. Thus, looking at trends in agriculture with a relation to the youth of a country and employment can be effective to not only address problems related to youth engagement but also to address bigger issues of self-reliance and sustenance.

3. RESEARCH METHODS AND METHODOLOGY

3.1 Research Design

This research is descriptive and exploratory in nature. It seeks to understand the macroeconomic context of Gulmi and the characteristics of youth demographics in order to explore potential areas for increasing employment opportunities for youth.

3.2 Research Methods

This study uses mixed research methods with the use of both qualitative and quantitative. The combination of quantitative and qualitative approaches is known to provide a better understanding of research problems and complex phenomena than when using a single approach (Creswell & Clark, 2017). This study uses secondary micro-data from the Living Standard Measurement Survey (LSMS) 2011. In addition, information was also collected from Center Bureau of Statistics (CBS), Ministry of Youth and Sports (MoYS), Economic Survey data of Nepal from World Bank and data published by various UN agencies. Secondary data was also collected from relevant journals and articles.

3.3 Research Methodology

The research design adopts a qualitative approach. However, this research used Microsoft Excel for the tabulations of raw data of Living Standard Measurement Survey (LSMS). Key Informant Interviews (KII) were conducted with several stakeholders in Gulmi district. The interviews were conducted with representatives of local government and local youth in Gulmi. The interviewees were selected in the basis that they provided a first-hand information about the community. The representatives were sampled from random municipalities in Gulmi, based on convenience sampling. Local government representatives from the employment department of Resunga Municipality. Representatives of agriculture department of Resunga Municipality and Gulmi Durbar Rural municipality were also done to get a key perspective on youth involvement in agriculture and exploring encouraging youth in agriculture to create employment opportunities.

For the primary data collection, six KII were conducted for the data collection. KIIs are an important tool to find out information from key demographic in any given place. Two youths were interviewed to get their perspective on the situation of youth from Gulmi in relation to employment were interviewed. Similarly, one KII from the CTEVT School located at Resunga Municipality was done to know about what kinds of skills and trainings were available to youth in Gulmi. One

KII was conducted with the agricultural officer of Gulmi Durbar Rural Municipality. Another was conducted with the representatives of Resunga Municipality. The individuals interviewed were also the employment department of the municipality. They informed about the municipality's current projects and investment in youth. The agriculture officer of Gulmi Durbar Rural Municipality talked about the scope of agriculture in regarding to creating employment. The interviews also informed about what kind of trainings were conducted and how the trained youth have been employed in the job market. A case study of an enterprise that has been successful to create numerous job opportunities was also conducted, to analyse and understand methods that work to create employment.

The research used a quantitative analysis which was first carried out to find the macro-economic status of Gulmi such that an informed hypothesis about the existence of problems related to youth and unemployment in Gulmi. Microsoft Excel was used for statistical analysis and for graphic depiction of the data. The interviews were conducted to get an idea of youth demographics, trends relating to movement and engagement in the market.

The interviews were conducted with representatives of local government and local youth in Gulmi. The interviewees were selected in the basis that they provided a first-hand information about the community. The representatives were sampled from random municipalities in Gulmi, based on convenience sampling. Local government representatives from the employment department of Resunga Municipality, representatives of agriculture department of Resunga Municipality and Gulmi Durbar Rural municipality were also interviewed to get a key perspective on youth involvement in agriculture and exploring encouraging youth in agriculture to create employment opportunities.

3.3 Area of study

The area of the study is Gulmi district. Gulmi was chosen as the area of the study because Gulmi is the constituency of Hon. Gokarna Bista who is the research supervisor for this research. The reason for selection of Gulmi was also because of over-saturation of research studies being focused on areas like Kathmandu. Whereas, data from Gulmi will be more representative of people of western hill area of Nepal.

3.4 Sample and sampling design

This study uses the convenience sampling method. Due to the availability of limited resource and time constraints, the above-mentioned method was applied when sampling respondents for primary data collection.

3.5 Data Source

The study includes both primary and secondary data. The primary data is collected through a case study and KIIs, while the secondary data is used from LSMS 2011 and National Housing and Population census 2011.

3.6 Data Collection

Data was collected in-person. As travelling had been permissible after the decrease in surge of the corona virus, data was collected through field visit with proper observation of COVID19 safety protocols.

3.7 Data analysis

The micro-data collected from LSMS was analyzed using Ms. Excel and Stata. The findings from which are presented in following chapters. The qualitative data analysis has been done thematically.

4. FINDINGS

4.1 Current Status of Youth in Gulmi

The youth population of Gulmi is 246,836 (CBS, 2021). According to the 2021 census the literacy rate of the district is 75.5%. While the literacy rate is 75.5%, the number of people that attend higher education is decreasing.

“Earlier there were more young people who were interested to pursue high school education after completing their SEE examinations. Now many (youth) want to leave after SEE to find employment that helps them make a quick buck.”- Youth representative, 30-years-old

This information is also supported by the census data, the higher the level of education, the lesser the number of students. In recent years, the literacy rate is increasing but the number of people that are able to complete their education till high-school or upper level has not increased in the same rate.

4.2 Sectors of Youth Engagement

The youth are involved in both formal and informal sectors. There is high migration rate in the district. Among them, the reason for migration is either for employment, seeking employment or education. The number of men who leave is higher than that of women (MOLESS, 2020).

“Enterprising youth that have not gone abroad work in furniture business, shops, plumbing and stone/marble cutting. Many actively work in commercial vegetable farming”- Youth representative, 30-years-old

The youth in Gulmi work in various sectors. Engagement in agricultural activities is high, but youth are lenient towards commercial agricultural activities. Commercial vegetable farming has been deemed as a profitable venture (Rai, Nepal, Rai, & Paudel, 2019). It was an activity that was mentioned by several of the key informants who were interviewed. Other activities under agriculture included farming of crops like fruits, especially oranges, and animal husbandry. Many youths had their own enterprises and worked in trade. Vocations such as masonry, electric wiring, plumbing and carpentry were mostly practiced by men. Women were trained more in commercial vegetable farming and animal husbandry.

4.3 Migration: trends

There is a high rate of migration in Gulmi. The major reasons for youth mobility are finding work or attaining higher education. This information was mentioned by several participants of the KII.

“Those who are a little bit better (financially and socio-economically) than others aspire to go to developed countries like Japan or USA or to Europe. Those who have lesser socio-economic standing opt to go to gulf countries.”- Youth representative, 24 years old

The migration of youth is not limited to foreign countries. Many youths from Gulmi go to neighboring cities of Palpa, Butwal, Pokhara and even Kathmandu, for the purposes of seeking employment or education opportunities.

The major reasons for migration are to seek education and to find employment. Many of the respondents also factored social trends and the mindset that there are more benefits of working abroad, as reasons as to why youth are leaving the villages to move to places where things are lesser difficult.

4.4 Problems faced by youth in Gulmi

“This main problem is lack of investment in and for youth. Even if there are provisions many young people are unaware of it.”- Youth Representative, (24 years old)

“Youth who have access to capital have it far easier. For many of us, we have skill but we do not have access to finance.”- Youth Representative, (30 years old)

One of the major problems that all KII participants emphasized on was lack of investment for youth. Many young people are unaware of the provisions that the government has for investment. Many youths do not have any resources to even access facilities that may help them to get to capital. There is also a high-risk factor. Even if youth were able to bring in capital, given the existing market conditions there is a risk to fail and lose the capital. Many would rather spend the money and secure an employment opportunity abroad where there is security of a salary from a long-term engagement.

4.4.1 Training success and Irrelevant training or incomplete training

“I had heard about the training of making soap and weaving muda (traditional woven footstool) but I was not interested this time. I had taken other training and I got to learn a little but I did not have access to learn more or level up. It was a waste of my time.”- Youth Representative, (24 years old)

Trainings to encourage employment have been long since practiced in Gulmi. Trainings are carried out by the government agencies as well as non-government organizations. Youths in Gulmi have had access to trainings. Training on becoming beauticians, tailoring, doll making, weaving training were targeted towards women whereas trainings on electrical and wiring, plumbing, masonry are catered to men. Many trained youths have had success after training and have started to work in their respective field. Men who have trained to become plumbers and electricians have had more success in gaining employment after the trainings. Similarly, some success has also been seen with vegetable farming. Some individuals have been able to do extremely well with vegetable farming and other agricultural activities. However, not all or majority of individuals have been able to reap similar successes from training (Rai, Nepal, Rai, & Paudel, 2019). Lack of access to better technology, seeds, lack of proper market and business acumen are reasons for failure of vegetable farming ventures.

One of the main problems post-trainings for people was not having any connection to employment providers, another problem encountered was not having access to finance or training in business management to start their own ventures. Belief system and motivations to create such opportunities for self were other reasons why some trainings were not successful.

“I did not learn enough from the given basic trainings to have the confidence to start something of my own. I also do not have access to loans as I do not own anything. It is really tough to have motivation to start anything.” Youth Representative, (24 years old)

Due to lack of resources, many of the trainings provided are basic. Individuals without resources are not able to fund themselves to get the intermediate training or basic training after that. Also, on the part of training providers, training a lot of individuals on basic programs and not having resources or plans to train them further is another problem.

4.4.2 Dissatisfaction with reimbursement and situation and belief that things are certainly abroad better

“Many of my friends have left the country despite having a degree and a job in Kathmandu. Despite having a formal job, they still were not able to earn a decent living. They’d rather struggle abroad and earn in dollars there than get paid in dimes here”. Youth representative, 30 years old

In our social system, a person’s caste and socio-economic factors also factor in the level of motivation. While there are individuals who find success despite these factors being at odds in

their favor, the social system should still be evaluated and adverse effects of such disparity should be eliminated.

“Even as children we do not see the difference between ourselves as Dalit and the others but as we grow older, we start to realize the differences and the injustices. The caste system is completely installed in us by the time we are adolescents and as we grow older, the more frustrating it becomes. It becomes a great factor for us to quit school.” Youth representative, 30 years old

“Five years ago, I used to work in Butwal. It was in a press office. The pay was really good. The manager there had told me to lie about my caste but had told the cook my caste. The cook would stack the dishes I used separately. He would show subtle signs of discrimination. Those actions did not have any physical effect but they had a bad effect on my psychology. After that, I quit my job. Our people cannot do what we want in our preferred place/job.” Youth representative, 30 years old

Values of difference and demotivation are instilled from a young age. It creates barriers for certain caste groups to achieve even the minimum and keeps those group in a cyclical form of poverty and oppression. This leads to fewer opportunities to grow and get out of the cycle. Similarly, these beliefs even become barriers for trained youth of backgrounds that have been marginalized to get fair reimbursements for the work they do.

4.5 Employment initiatives from the government level with local interventions

One of the key informants was the employment coordinator of the department of employment of Resunga Municipality in Gulmi. The interviewee shared the details of the Prime Minister Employment Program. A “१०० दिने रोजगारी” (100 days employment program) was conducted under the Prime Minister Employment program. There are 753 employment centers across the country. This program was developed with the aim of tackling unemployment at a national level. The benefactors of this program in Resunga were mostly women. Of the youth present, mostly women were benefactors because many young people (especially men) have left their homes for work. Women are not able to take jobs in faraway places as they also have caretaking duties at home. Thus, more women were available for this program.

“Trained masons with skills are highly demanded workers here but skilled workers do not join this program as the remuneration here is very low than what they would earn outside. We only pay half of what they earn outside.”

The process to get employment through this program is to first identify the unemployed. Not all the people who meet the requirements are qualified. Due to limited amount of budget, those who

are deemed to be the most vulnerable and economically disadvantaged are given priority for the available work. Applications or registration of unemployed in Resunga 1840 but only 161 selected for the program due to limited positions.

Types of work the employees, of 100 days employment program, do are to clear debris from landslides, clean roadside and schools and temples. Even though they are involved in these small activities, their impact is barely visible. They clean and clear up some places and it goes back to the same situation in a couple of days and so it seems like they did not do the work but that is not the case.

4.6 CTEVT school and trainings

The polytechnic institute offers a three-year diploma course in geomatic engineering. It also provides short-term trainings in different places in Gulmi. The short-term trainings are run based on the recommendation of the representatives from the municipalities and wards based on what is felt to be needed in the community. Below are the quotes from the representative of the CTEVT school in Gulmi:

“Many are interested but many are also disinterested as we do not provide daily stipend for the duration of the training. Short term trainings have been conducted in building/construction, wiring, plumbing and vegetable farming. Trainings have been completed in Isma, Dhurkot and Malika. The screening for qualification in the training is very rigorous.”

One of the main challenges for agriculture is that youths who have had opportunities for higher education are not interested in the agricultural sector.

“Even the young people who study agriculture prefer a formal job than working on the fields. Parents too encourage youths to choose other profession than agriculture as it entails laborious work in the field.”

The main demographic that joins the agricultural trainings are women who are in their thirties or forties. Many of the trainees were involved in commercial farming after the training. They had even built plastic tunnels for tomatoes and cauliflower. However, due to lack of market, they have discontinued.

“We have trained farmers to produce quality vegetables in larger amounts but the problem is those produce do not find market.”

“It is expensive to grow vegetables here. It is rather cheaper to bring vegetables with high content of inorganic fertilizers and pesticides from India.”

The graduates from the electrical training also have been able to gain employment but outside of Gulmi. Many go to find work in other cities and some even find employment abroad. The plumbing training is focused on places where projects of water and sanitation are running. In Dhurkot, the village has many drinking water projects and the graduates have found work in those projects. Women have not joined plumbing, electricity trainings, maybe because this work requires a person to go to different places. Some graduates (men) of both electrical and plumbing have started their own business.

Gulmi is going towards rapid urbanization and there is a lot of construction work. There is a high demand of tile market and electrical and plumbing. Some stone cutters from Dharan are being employed here as there are no trained stone cutters here in Gulmi.

“Even if people decide to go abroad after training, we still encourage youth to get training and then leave but even then, youth do not come for the training.”

Being a government run training organization, the school does not provide stipend. Due to this, people who could benefit from training and get a higher wage for their work, are not able to attend the trainings. The household head of a sole-income families are not able to provide for their family while attending trainings. So, they do not attend.

“Sometimes we cannot provide some trainings as it is difficult to bring experts from outside with the budget that has been allocated. It is expensive to bring trainer from other cities.”

“If we could run training with trainers who had experience alone then we could run the trainings but CTEVT requires the trainers to NSTB board qualified and in the second level. It is also difficult to find certified trainers with a limited budget.”

Some have started their agri-businesses but are also primarily affected by the problem of migration.

“One returnee from Japan has started a cow farm. The major challenge he faces is of not having a proper workforce. Those who could have done the job have left and even the new ones do not stick around for long as they believe that they would have a better future in bigger cities or abroad.”

4.7 Challenges in agriculture

Agriculture on a small scale is expensive. It can only be enough for sustenance. Policies should help considerable agricultural growth on a large scale. - Youth representative, 24 years old

While agriculture has been deemed as a high growth sector for creation of employment (Christiaensen, 2017) the agricultural sector has many challenges of its own. One of the major

challenges for agriculture in Gulmi is the prominence of monkeys and boars that destroy the crop yield. Another obstacle that the farmers have to overcome after they have saved their crops from the havoc of monkeys and boars is finding a market for their products. Not having a market also forces farmers to cut down on their prices and function at a loss. Similarly, individuals involved in agriculture also face pressure in finding the right skilled worker, as the number of young people that are leaving is going higher. Lack of fertilizers in the market also has had adverse effect in the agricultural sector.

4.8 Learnings from good practices

One of the activities a cooperative in Gulmi Durbar Municipality has initiated is a “Koseli Ghar”. The agricultural products are turned into other items that can essentially serve as a gift from Gulmi. This has helped to preserve their agricultural yield and has helped farmers find market for their products. Similarly, cooperatives serve as a collection center and help the produce reach the markets. This combined effort has certainly helped farmers find a market even if it is a faraway one.

One of the examples that the agricultural officer had given of a successful practice was that of the “Current” noodle factory in Palpa. Due to the success of Current noodles in the market, the sale of “Akbarey Khursani”, and ginger has gone tremendously high. This even led to the sale of 100 quintal of “Akbarey Khursani” from Gulmi. Similar, anecdotes of successful enterprise can also be derived from the case study that was conducted for this research.

Case Study

I started Gaurav Dugdha Udhyog in 2071, after I came back to Nepal after working there for 5 years. I remember a time when there was an abundance of milk products that we had to throw away the skimmed milk. There were milk products but there was no market. But I also knew of people who did not have access to dairy products. Thus, I had decided to start my dairy shop in Ruru. Ruru area being a place of religious importance and being near the place where three dostricts of Gulmi, Palpa and and Arghakhanchi intersect, this place was a good location to start. Similarly, there was another problem of lack of trust from the villagers of the dairy. We have fully gained the trust of our customers by selling them quality products. We do not have our own cow farm but we have several collection centers. There are two collectors in Chhatrakot, and one in Satyawati in Gulmi and one collector in Argholi, Palpa. Thus, this venture has helped collectors find direct employment opportunities and has helped farmers find market for their products.

When I started, I was not aware that there were provisions for loan facilities by the government. Only after working for two years, did I realize that there could be assistance. I received fifty thousand from District Veterinary for business improvement. Similarly, I received ten lakhs from Hybrid Seeds for farmers, which helped the shop to grow. I also acquired technical and economic support from Daayitwa in 2015.

There was only one outlet in the beginning. Now there are four branches which were opened as needed. Thus, this venture not only provides opportunities for those involved but also the indirectly involved.

The milk collection center mentioned in the above story depicts how an individual saw an opportunity in the location and the culture and used this to his advantage. Similarly, the above-mentioned case study also sheds light onto the matter of creating the market. Initially, he had some difficulty as people did not have access to cow and hence there was lesser amount produced to be consumed. But now, due to encouragement and availability, the mind-set is slowly changing and the market for the dairy industry is expanding. Thus, it is important for all stakeholders involved to encourage local community to use locally produced materials, products from outside should only be used in cases of lack of availability of local alternatives.

5. DISCUSSIONS

5.1 Low investment in youth and economic activities

It has been long-since established that there are youth are the building block of any given society. This investment in the growth of youth should be of utmost priority. There have been provisions of policy to improve and strengthen the youths but it has not been enough. For instance, the trainings that have been provided by various organizations have been successful in training certain individuals but many of those who attend are not there with the motivation to start working after the training. More number of people trained in basic level causes the expense to rise and intermediate and advanced trainings options are neither readily available or accessible.

Investment for youth through policies for loan assistance and low interest rates also could be helpful for youth to have longer term of employment. However, the concerned authorities should ensure that the youths are aware of such provisions.

Additionally, while allocating resources the concerned authorities should identify the possible places of inefficiency and make changes accordingly.

The gendered nature of training provided:

Some of the vocational training provided mentioned of training where mostly men were engaged in roles that paid better and were traditionally considered very masculine. Due to existing socio-economic disparities and belief systems, men have more freedom to move due to lesser familial burden. However, such opportunities are not always open to women as they are seen as primarily responsible for care taking activities. This creates a cycle. Women are not able to take trainings or higher paying jobs (in specific contexts) due to their gender and because they have not received such training, they are not aware of the required skills.

5.2 Saturation in the job market

Men who have trained to become plumbers and electricians have had more success in gaining employment after the trainings. This is because even if more individuals receive training, there is no market saturation as men have more decision-making power to move their family for work because the jobs would pay well. Or they would also have option to move independently for work to other cities and come back to their families from time to time. The same independence for mobility is not experienced by women in terms of seeking employment. Also, the trainings that

women receive have traditionally been associated with women and can cause them to earn less. Because of this, moving away for employment becomes expensive than staying so their opportunities are limited. Also, women are expected socially for the care work and often are the ones to stay behind and look after the children and the elderly. Thus, specific trainings, due to market saturation of a particular skill, creates wastage of training resources.

Suppose a specific skill is seen in the market, then a proper study of how many skilled resources should be produced and for how many upcoming years should be analyzed and trainings and courses should be provided based on such research. Or else, it creates more drainage of resources. As young people would have to spend valuable resources to get trained and by the time they are trained, the market may have already fulfilled its required quota.

Similarly, the challenges seen in the agricultural sector should be dealt with dynamically such that its growth is able to produce more employment opportunities. Market has a tremendous role in boosting economy. Production of products alone is not enough anymore. Marketing the produce and critically analyzing consuming habits and using such data to market products should be practiced. However, this should be done with proper study and analysis. The example of the case study where people did not have the habit of consuming dairy as they did not have the practice had to be changed in order for the venture to succeed. Similarly, market study and promotion should be done without causing adverse effects in the consumers.

5.3 Limitations

Exploring the relationship between higher education and employability in Gulmi or somewhere else after attaining higher education is outside the limit of this research. Further research on the matter and exploration of employability after attaining higher education, the cost of higher education versus pay earned should also be done so that other dimensions of youth employment and employability, along with potential growth areas, can be known.

Similarly, this research has not encapsulated the full effects of migration on employment. At the same time, findings like the effect of migration on the workforce were visible. There is a vast workforce missing in the villages. Its direct impact on the market and its effect on the development

path should be studied through further research. The result of migration on the socioeconomic pattern should be explored.

While this research was qualitative and could find the general areas of youth engagement in Gulmi, it has not been able to determine the exact number of youths abroad, in Gulmi or other cities and their involvement in the formal and informal sectors. Such information would be valuable to get insights into trends of movement and the linkages between factors that increase employability and youth characteristics.

6. RECOMMENDATIONS

1. Research should be done to analyze growth rate and trends, along with the analysis that can predict the need of several skilled people required, and the sector of skill requirement. Based on the factual findings, several training and education programs should also be provided in the required numbers.
2. Knowledge regarding policies that cater to the youth should be disseminated such that even those in the margins are aware of such provisions. Those with access to information should not be the only group to take advantage of such provisions.
3. Provisions to carry out farming on a larger scale with the diversification of produce should be made to foster local markets and create more opportunities in the country. Policies that promote the collaboration of farmers by allowing more accessible access to loans and subsidies should be implemented to increase large-scale farming.
4. Policies to encourage local production should be incorporated. While approaches to limit the import of goods produced in Nepal have been put in place, it should also be ensured that the farmers and consumers are not adversely affected by such policies. Policy intervention through farmer's groups and cooperatives should decrease the monopoly and role of intermediaries.
5. Motivating youth with successful examples and creating a conducive growth environment should encourage youth to stay in the country and be a medium of transformation. Programs of mentorship should be introduced in collaboration with local bodies such that youth that attempts to make a living in Nepal are supported and such that they are led to success.

6. Workers are scarce, but some people are unemployed in large numbers. Steps to bring those unemployed youth force towards employment that are experiencing a scarcity of workers should be taken. The problems of wage gaps, poor working conditions and job insecurity of different jobs should be addressed through policies such that youth are motivated to work in those sectors and stay in Nepal.
7. This study saw that various projects were being implemented at a national level. There should be a feasibility study and exploration of ways to make the process more efficient. Similarly, monitoring and evaluating such projects should be timely, and the lessons learned should be implemented in the following tasks.

7. CONCLUSION

The youths play a crucial role in shaping the country and hold the ultimate power for change. Thus, motivating youth and providing them with a conducive growth environment is essential to tackle more significant social and economic problems. The results of the projects and the activities being carried out for youth to tackle unemployment problems are yet to be seen.

Interventions and policies designed should also factor in the changing nature of our socioeconomic and cultural environment because of technology in our lives. Technological advancements should be incorporated in all steps of youth motivation and mobilization so youths are informed of their choice and choose their profession based on informed evaluations.

This study was carried out with limited resources on a small scale in Gulmi. Despite the limitations, this study's findings represent the country's situation regarding youth and their employment status. While policies and provisions are crucial, motivating youth and creating dynamic leadership that encourages youth to be better lies at the heart of tackling youth-related problems. Similarly, it has been shown that the effects of migration in large numbers are affecting the potential of our own country to grow. The process of massive migration should be tackled with the insurance of better living conditions and facilities in our own country.

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ANNEX

The analysis is based on the following sub questions that seek to address the main research questions

Consent form

‘Promoting Enterprise Led Youth Employment for Sustainable Development of Nepal’

Consent form for participants

I have had the purpose and nature of the study explained to me and I have had the opportunity to ask questions about the study.	Yes	No
I understand that participation involves a face-to-face interview format.	Yes	No
I understand that the information I provide may be used in future research.	Yes	No
I understand that I will not benefit financially from participating in this research.	Yes	No
I understand that anonymized extracts from my interview may be quoted in the future presentations and publications.	Yes	No
I understand that I am free to contact any supporting organizations in case of emotional, psychological or informational support, if I require such assistance regarding the project.	Yes	No
I understand that, if I decide to take part and later change my mind, I can choose to leave the project within two weeks after the interview has taken place.	Yes	No
I agree to take part in the Daayitwa Public Policy Fellowship Research “Promoting Enterprise-led Youth Employment for Sustainable Development of Nepal”.	Yes	No

If yes – I agree with the recording of audio of the interview.	Yes No
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Name of the participant (in BLOCK letters): _____

Signature of the participant: _____

Questions for Agricultural Department Representative

1. How is the youth engagement in the agricultural sector in Gulmi?
 What percentage of youth work directly in the agriculture sector? What percentage of youth are engaged in agriculture in secondary ways?
 What is practiced more? Sustenance farming or farming for cash crops?
2. What kind of training, resources and aid does DADO provide to people in Gulmi? With what objectives?
3. What role does the agriculture department have in promoting production, processing and marketing of cash crops in Gulmi? How would this affect youth engagement and youth entrepreneurship?
4. Has the agriculture department taken any initiative to engage youth in agriculture? If yes, did DADO collaborate with other government or non-government agencies?
 In what ways? (Loan assistance, training, capacity building)?
5. Has the agriculture department taken any steps to engage migrant returnees in the agricultural sector?
6. What are the challenges present in the agriculture sector?
7. What are the challenges in increasing youth employment in agriculture?
8. What has been done to tackle challenges of seasonal unemployment? What else can be done in your opinion?
9. What can be done to increase youth employment in agriculture in Gulmi?

Questions for CTEVT school Representative

1. Introduction
2. What is the background or demographic characteristics of youth that attend this CTEVT school?

3. What kind of programs are offered in this school?
4. What type of courses are popular in demand? If those courses are not provided, do you plan to provide those courses in the near future?
5. What kind of graduates/ trained professionals are in demand in Gulmi?
6. Is there an ample supply of required professionals in Gulmi?
7. What is the graduate employment rate of this school?
8. Do you do anything to link graduates to employers?
9. What problems are faced by youth upon graduation, in terms of seeking and obtaining employment?
10. Have you collaborated with government and non- government agencies to connect graduates with jobs?
11. Have you collaborated with employers that are in search of trained individuals?
12. In your opinion, what sectors have high employment potential in Gulmi?
13. What can be done to increase employment in those sectors?
14. In your opinion, what are the challenges to youth employment in Gulmi? How can these challenges be overcome?

Questions for Local Government Unit Representative

1. What are the characteristics of the youth demographic in Gulmi?
2. In what sectors are there trained individuals present in Gulmi?
3. What kind of workers are in demand?
4. What sectors have employment potential in Gulmi? Why do you think so?
5. What has been/ or can be done to increase youth employment in those sectors?
6. What kind of programs and initiatives are you taking for youth development in your tenure?
7. What steps have you taken to increase employment opportunities?
8. What steps have you/ can be taken to address challenges to youth employment?
9. What are the challenges brought about by COVID pandemic regarding youth employment? How are you tackling those challenges?

Questions for Youth Representatives

1. What are the characteristics of the youth population in Gulmi regarding education and gender?

2. What are the characteristics of the absentee youth population in Gulmi?
3. Do youth mobilize themselves to address the challenges? What initiatives have they started?
4. What kind of support do youth-led enterprises receive from youth organizations, LGU or NGOs?
5. What tendencies do youth have while seeking employment? Do they prefer to stay in Gulmi or go to other cities/abroad? What are the reasons for these tendencies?
6. What are the challenges faced by youth in Gulmi?
7. What are the challenges faced by youth in regards to employment?
8. What is being done or can be done to address these challenges?

CASE STUDY – 1

CHECKLIST FOR CASE STUDY

- The enterprise has been in existence since 2015 (pre/during covid/ has been affected by the transition into the federal government)
- The enterprise employs more than 5 youths

Questions

1. A brief introduction to the enterprise (the sector of employment/ date of establishment/ its work/ USP/ Ownership)
2. What are the major challenges faced during COVID? What steps were taken to overcome the challenges?
3. How do you foster youth employment?
4. What kind of youths do you require for your enterprise? (skilled/semi/unskilled worker)? How do you prepare the youth for work?
5. What are your future plans for the enterprise? Are you planning to scale up? Elaborate.
6. In your opinion, what are the challenges that can be addressed by the government?
7. What do you think has to be done for enterprises to grow?
8. What do you think can be done to promote youth employment and youth entrepreneurship?
9. What can be done to bring unemployed youth into the workforce?
10. What lessons have been learnt that could be beneficial for other enterprises?

