International Labour Organization

Government of Nepal
National Planning Commission
Central Bureau of Statistics

Nepal Child Labour Report 2021

(Based on the data drawn from Nepal Labour Force Survey 2017/18)

Nepal Child Labour Report 2021

(Based on the data drawn from
Nepal Labour Force Survey 2017/18)

First published 2021

ISBN 9789220345207 (Print)
ISBN 9789220345191 (PDF)

This material has been funded by UK aid from the UK government; however, the views expressed do not necessarily reflect the UK government's official policies.

Information on ILO publications and digital products can be found at: www.ilo.org/publns.

Cover photo: © ILO Consultant/Mr. Omar Havana 2015

Printed in Nepal

Government of Nepal
National Planning Commission

Foreword

It is my immense pleasure to write few words on the publication of the Nepal Child Labour Report prepared on the basis of Nepal Labour Force Survey 2017/18. The disaggregated data on child labour and its sectoral dimensions provide great scope through various indicators for the users at the national and provincial levels. The report includes detailed statistical information on child labour and its associated characters. The results play a key role in planning, monitoring and evaluation of development programs related to the elimination of child labour carried out by three tiers of the government. The findings from the report will be instrumental in the monitoring of the fifteenth periodic plan, provincial and local level plans, Sustainable Development Goals (SDGs) and other development initiatives. I hope that this report will also be a good source of data for planners, policy makers, private sectors, development partners, researchers, academia, civil society, media and the general public in formulating policies, managing development programmes, civic information and studies related to child labour.

Central Bureau of Statistics (CBS) is thankful for the effort in implementing Nepal Labour Force Survey 2018/19 and carrying out this thematic report on child labour. I would like to extend my sincere thanks to honourable Vice-Chairman Prof. Dr. Puspa Raj Kandel in leading the survey steering committee. All the members of steering committee, technical committee and thematic committees are also thankful for their valuable guidance throughout the survey process. I am also grateful to all concerned staff of CBS for bringing out this report on time. I also want to sincerely acknowledge the International Labour Organization (ILO) for the technical support in implementing the survey and drafting this report. I would like to extend my appreciation to all the government stakeholders who contributed in the smooth implementation of the survey and preparation of this report.

March 2021

Dr. Ram Kumar Phuyal
Member

International Labour Organization

Government of Nepal
National Planning Commission
Central Bureau of Statistics

Preface

The report on child labour is the second national and comprehensive report on child labour in Nepal that the International Labour Organization (ILO) Nepal has published in collaboration with the Central Bureau of Statistics (CBS). It had published the first Nepal child labour report in 2011 using the 2008 Nepal Labour Force Survey data. This report is derived by analyzing the data sets of the second Nepal Labour Forced Survey of 2017/2018. The report covers data of child labour including its prevalence in hazardous occupations at national as well as provincial levels.

The report shows a declining trend of overall child labour in Nepal, reaching 1.1 million in 2018 from 1.6 million in 2008. A significant decline is observed in the number of children in hazardous occupations (0.62 million in 2008 to 0.20 million in 2018). Nepal has ratified most of the key international conventions concerning child labour such as the ILO Conventions on Minimum Age No 138 (in 2003), Worst Forms of Child Labour Convention No 182 (in 2004) that prohibit child labour and its worst forms. However, a significant number of children engaged in child labour shows a gap of proper implementation of laws and policies on child labour and child protection in Nepal.

The country has recently approved the National Master Plan (NMP)-II on Child Labour (2018 – 2028) that aims to amend and formulate national child labour policies and legislations based on evidences. The Government is highly committed to achieving the Sustainable Development Goals (SDGs) targets 8.7 and 16.2 that specifically contribute to ending child labour in all its forms. This comprehensive report is expected to assist in achieving this target of the government. The report presents disaggregated statistics of child labour and children engaged in hazardous work mainly by provinces, regions, sectors, ethnicities, and occupations. The report also includes the parental and household characteristics of the children engaged in child labour. For the first time, the report presents empirical results on the determinants of child labour, useful to policy makers in formulating evidence based policies to eliminate child labour in the country.

We would like to thank Dr. Ganesh Thapa, ILO Consultant and former economist of the World Bank for analyzing the data and preparing this report and Mr. Prithivi Bijaya Raj Sijapati, Statistical Officer from the CBS for finalizing the results. We are grateful to Dr. Hem Raj Regmi, the Deputy Director General of the CBS for reviewing the draft and providing

comments and suggestions. Our special thank goes to Mr. Peter Buwembo, ILO Senior Statistician, DWT/New Delhi for the technical comments and validation of the method and figures; and to Ms. Deepa Rai, Communications Consultant, ILO/Nepal office for language editing and to Mr. Narayan Bhattarai, the NPC of the ILO/FCDO ARC Project for overall liaison and coordination of the tasks.

The results of this study is expected to guide the development partners and other concerned agencies in prioritizing areas for immediate interventions to eliminate child labour, and take actions to review policies and programs on child protection. Overall, the results of the report will be important to monitor the progress in reducing child labour at federal and provincial levels, and in devising policies to reduce child labour in the country.

Nebin Lal Shrestha
Director General
CBS

Richard Howard, PhD
Director
ILO

March, 2021

Table of contents

Tables

Figure

Annex

Abbreviations

CCWB	Central Child Welfare Board
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
COVID	Coronavirus Disease
CRC	Conventions on the Rights of the Child
DCWB	District Child Welfare Board
EA	Enumeration Areas
GoN	Government of Nepal
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
ILO	International Labour Organization
MOLESS	Ministry of Labour, Employment and Social Security
NCRC	National Child Rights Council
NLFS	Nepal Labour Force Survey
NMP	National Master Plan
NSIC	Nepal Standard Industrial Classification
PPS	Probability Proportional to Size
PSU	Primary Sampling Units
SDG	Sustainable Development Goal

Executive summary

The Government of Nepal (GoN) respects the rights of children as stipulated in its federal constitution, and is highly committed to end all forms of child labour. The Ministry of Labour, Employment and Social Security (MOLESS) has recently approved the National Master Plan (NMP)-II on Child Labour (2018 – 2028). The NMP-II aims to amend and formulate national child labour policies and legislations based on evidence related to eliminating child labour. Moreover, GoN is committed to achieving the Sustainable Development Goals (SDGs) targets 8.7 and 16.2 that specifically relate to ending child labour in all its forms.[1] Therefore, clarity on the current status of child labour in all forms, and across all sectors, ethnic groups, gender, age and locations is crucial to monitor the progress in reducing child labour.

Data on child labour with age/sex/sector disaggregation are instrumental for GoN in formulating effective strategies and interventions through its federal structures. However, there is an absence of updated and comprehensive national data on child labour, except for the almost decade old report of the National Child Labour Report (in 2011) based on the Nepal Labour Force Survey (NLFS II) conducted in 2008. The much-awaited NLFS III (2017/18) disseminated by the Central Bureau of Statistics (CBS) did not have an extensive section on child labour and its worst forms given the severity of the problem but only included a small section on working children. This report uses data from the NLFS III (2017/18) and estimates the aggregated as well as disaggregated statistics (provinces, sectors, socio-economic characteristics etc.) on child labour. Further, the report presents results from the empirical analysis on factors influencing the probability of children engaged in child labour and those not attending school. The report is intended for the use by provincial governments to initiate appropriate action plans towards addressing issues on child labour. The report findings will also assist in monitoring relevant SDG indicators through the National Planning Commission (NPC) and guide the line Ministry – MOLESS in implementing the NMP-II on child labour in the country.

Major findings of the report are summarized below:

1. Among seven million children (total children) between the ages of 5 and 17 in Nepal, 1.1 million children (15.3%) were found to be engaged in child labour which is a significant decline in child labour in comparison to 2008 (1.6 million).
2. The child labour prevalence for children between age of 5 and 13 years is 18% while it is 10% for the children between age of 14 and 17.

[1] The target 8.7 aims to take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms. Similarly, the target 16.2 aims to end abuse, exploitation, trafficking and all forms of violence against and torture of children.

3. Female children are more likely to be engaged in child labour (17%) than that of male children (14%).
4. Child labour is the highest in Karnali (24.6%) followed by Sudurpashchim (20.9%), Province 1 (17.6%), Gandaki (16.1%), Lumbini (15.8%), Province 2 (11.5%), and the lowest in Bagmati (8.9%).
5. The child labour prevalence is higher in rural areas (20.4%) than that of urban areas (12.1%).
6. Among the total children engaged in child labour, about 87% are engaged in the agriculture sector while 13% are in other sectors.
7. The highest child labour prevalence is found among Dalit (19.4%), followed by Janajati (18.1%), Brahmin/Chhetri (14.5%), Terai caste (12.7%), Muslim and other caste categories (12.8%) and the lowest is among Newar (9.9%).
8. The sectors with the highest child labour were found in 'own-use production' (13.2%) followed by elementary occupation (1.3%), service and sales worker (1.2%), skilled/ semi-skilled agriculture occupation (1%), crafts and trade workers (0.5%), and plant and machine operators (0.1%).
9. Child labour figure amounts to 14.1% for children attending school while it is 25.1% for children not attending school.
10. Children working as child labourers earned NPR 3116 per week which is Nepali Rupees (NPR) 959 more than that of the working children not in child labour (NPR 2157).
11. Among occupations, children engaged in the elementary occupation earned higher average weekly wages (NPR 3379) followed by craft and trade workers (NPR 2980), plant and machine operators (NPR 2527, skilled/semi-skilled workers in agriculture (NPR 2377) and service and sales workers (NPR 2078).
12. Children engaged in child labour worked an average of 15 hours per week while working children not in child labour worked for 10 hours per week. The maximum hours per week for children engaged in child labour is more than double (96 hrs) of those not involved as child labour (36 hrs).
13. About 0.2 million (3.2%) children are found to engage in hazardous work which is a significant decline in comparison to 2008 (0.62 million). More males (3.7%) are engaged in such work in comparison to females (2.6%).
14. The highest number of children working in the hazardous sector is from Lumbini (4%) followed by Province 1 (3.9%), Province 2 (3.4%), Gandaki (3.1%), Bagmati (3.1%), Karnali (1.9%), and Sudurpashchim (1.4%).
15. There is a higher prevalence of children from urban areas (3.3%) compared to rural areas (2.9%) in the hazardous sector.
16. About 62.3% of the children engaged in hazardous work come from the agriculture sector while 37.7% come from other sectors.
17. About 74% of children engaged in the informal sector work in hazardous conditions.
18. Child labour prevalence is 4.4% for parents with at least the intermediate level education followed by secondary level (grade 9 and 10) education (10.4%) and lower secondary level (grade 6, 7 and 8) education (12.9%).

19. Children of unemployed household head has the highest prevalence (21.4%) of child labour followed by the household head who works in their family business (18.7%), are employed (14.5%) and self-employed (14.2%), respectively.
20. Female headed households have higher child labour prevalence (16.4%) compared to male headed households (14.7%).
21. The percentage of children engaged in child labour decreases as the wealth index increases - the first, second, third, fourth and fifth quintiles of the wealth index are about 25%, 18%, 16%, 10% and 5%, respectively. This indicates the importance of increasing household income in reducing the prevalence of child labour.
22. Results from the empirical analysis indicate that a number of factors influence the likelihood of children between the ages of 5 and 13, to be engaged in child labour and not attending school, such as having more number of siblings below 5, coming from subsistence households (not selling agriculture produce); and having to spend more time collecting water for household use. Children from educated households head, those receiving remittances; living in urban region; and from a higher wealth/asset index are less likely to engage in child labour and more likely to go to school.
23. As for children between the ages of 14 and 17, the results from empirical analysis indicate that a number of factors influence the likelihood of them engaging in child labour and not attending school such as having more number of siblings below age 5; parents engaged in hazardous occupations; and have at least an adult employed in family. However, children from larger family size, educated parents and wealthy household from urban region are less likely to work as child labour and more likely to attend school.

1 Basic concepts and definition

The basic concepts and definitions used in this report are similar to the NLFS 2017/18 and Nepal Child Labour Report 2011/12. Since Nepal has recently changed its child labour legislation on the number of hours to characterize child labour, the definition of child labour is not the same as of Nepal Child Report 2011/12. Therefore, the trends in child labour statistics should be cautiously interpreted.

Children in this report are defined as those between 5 and 17 years of age in accordance with the definition proposed in the resolution concerning statistics of child labour adopted at the 20th ICLS (October 2018).

Working children refers to children between 5 and 17 years of age either working in employment or in own-use production or in volunteer work for at least an hour in a reference week.

Children in employment are working children who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit. They comprise:

a) employed children "at work", i.e. those who worked in a job for at least one hour

b) employed persons "not at work due to temporary absence from a job, or to working-time arrangements (such as shift work, flexi-time and compensatory leave for overtime)". The NLFS 2017/18 classifies a person as employed when he/she has worked for at least one hour during the reference week.

Other forms of work. Besides employment, there are other forms of work including the following: own use production work, volunteer work and unpaid trainee work.

Persons in own-use production work are defined as all those of working age who are involved in any activity to produce goods or provide services for own final use.

The production of goods includes the following:

(i) producing and/or processing for agricultural products, fishing, hunting and gathering products;
(ii) collecting and/or processing for storage of mining and forestry products, including firewood and other fuels;
(iii) fetching water from natural and other sources;
(iv) manufacturing household goods (such as furniture, textiles, clothing, footwear or other durables;
(v) building, or effecting major repairs to, one's own dwelling, farm buildings, etc.

Persons in volunteer work are defined as all those of working age who, during reference period, performed any unpaid, non-compulsory activity to produce goods or provide services for others.

Elementary occupations involve the performance of simple and routine tasks which may require the use of hand- held tools and considerable physical effort.

Formal sector comprises those employed in government or state-owned enterprises or international organizations/foreign embassies and those working for incorporated companies or establishments that are registered with relevant authorities.

Informal sector comprises those employed in enterprises that are neither incorporated nor registered with authorities. Those employed in private households are regarded as in the informal sector.

Reference Week: The reference week used was 7 days prior to the interview (floating / moving reference week).

Child labour

The term **child labour** refers to the subset of children's activities that is injurious, negative or undesirable to children and that should be targeted for elimination. The three principal international conventions on child labour – ILO Convention No. 138 (Minimum Age) (C138), ILO Convention No. 182 (Worst Forms) (C182), and the United Nations Convention on the Rights of the Child (CRC) – together set the legal boundaries for child labour, and provide the legal basis for national and international actions against it. In accordance with the resolution and national legislation, child labour is defined to include all persons aged 5 to 17 years who are engaged in one or more of the following activities during a specified time period (7 days prior to the survey):

1. Children aged 5-13 years working for at least 1 hour during the reference week;
2. Children aged 14-17 years working for at least 36 hours during the reference week;
3. Children involved in hazardous work, according to the hazardous work list[2]; and
4. Children working during the night[3]

[2] The hazardous work list is defined later in the definition of the hazardous work category.
[3] This information is not captured by the survey instrument

Hazardous work

Hazardous work, which is a subset of child labour is defined as work which by its nature or the circumstances in which it is carried out is likely to harm the health, safety or morals of children. Under ILO Convention 182, each country develops its own list of hazardous forms of child labour in the country. In Nepal, hazardous work in which the employment of children is prohibited, is defined in the Child Labour (Prohibition and Regulation) Act 2000 as paid work in occupations identified as being high–risk. For the purpose of the calculations of child labour, work assigned to children in the following activities are considered as constituting hazardous work (based on the Nepal Standard Industrial Classification (NSIC)):

1. Service workers and shop market sales workers
2. Travel attendants and related workers
3. Housekeeping and restaurant services workers
4. Personal care and related workers
5. Craft and related trades workers
6. Miners, shot firers, stone cutters and carvers
7. Painters, building structure cleaners and related trades workers
8. Metal molders, welders, sheet–metal workers, structural–metal preparer
9. Blacksmiths, tool–makers and related trades workers
10. Precision workers in metal and related materials
11. Potters, glass–makers and related trades workers
12. Handicraft workers in wood, textile, leather and related materials
13. Printing and related trades workers
14. Food processing and related trades workers
15. Textile, garment and related trades workers
16. Pelt, leather and shoe making trades workers
17. Plant and machine operators and assemblers
18. Mining and mineral–processing plant operators
19. Metal–processing–plant operators
20. Glass, ceramics and relative plant operators
21. Chemical–products machine operators
22. Rubber and plastic products machine operators
23. Elementary occupations[4]
24. Street vendors and related workers
25. Shoe cleaning and other street services elementary occupations
26. Domestic and related helpers, cleaners and launderers
27. Building caretakers, windows and related cleaners
28. Garbage collectors and related labourers
29. Mining and construction labourers
30. Manufacturing labourers
31. Transport labourers and freight handlers

[4] Elementary occupations include agricultural, forestry and fishery labourers, cleaners and helpers, labourers in mining, construction, transport and manufacturing. Such occupation requires to use hand-held tools and often some physical effort.

2 Introduction

2.1 Background

Despite the child labour situation having improved in Nepal, Nepali children still face the highest risk of being involved in child labour than elsewhere in South Asia (Khan and Lyon 2015). About 21% of children aged 5 to 17 years were engaged in child labour in 2008 (CBS 2011a). Among total children involved in child labour, 39% (0.6 million) were engaged in hazardous work which entails physically strenuous labour, and as a result are more likely to suffer from chronic health problems.

Child labour is a common phenomenon in the country, and is also considered a part of the socialization process (CBS 2011a). It is deeply rooted in the society with little concerns about its deleterious effects on children's schooling and future productivity. For some ethnic groups, children constitute an integral part of the family workforce. Due to lack of education and social awareness, Dalit and indigenous groups have higher tendency to send their children for work instead of school (Bishwakarma 2009). Unscrupulous employers exploit child labourers as children work for low or no wages, can be intimidated or coerced easily, and are easily convinced to do dangerous work. Such children work mainly in private households, brick kilns, garment industry, transportation sector, restaurants and construction sector. Depending on the sector, these children perform strenuous jobs and are highly likely to face the risk of sexual exploitation.

Given that Nepal is predominantly rural, rural poverty rate (27.4%) is higher than the urban poverty rate (15.5%) (WB 2011). Child labour has become an important alternative for poor, socially and economically backward households from rural areas. Such poor households face severe credit constraints with inability to buy school books and uniforms despite free school tuition.[5] And hence, are likely to use children's labour as a safety net in the absence of viable alternatives to sustain their livelihoods. Parents send their children for wage labour, employment or any activities leading to an intergenerational link in child labour (Emerson and Souza 2003).

[5] A new education bill passed in 2016 extended the elementary education cycle that lasted for five years (from grade 1 to grade 5 (ages five to nine)) to a new system of compulsory basic education (lasts eight years (grades 1 to 8))that is meant to be accessible to every child in Nepal at free of charge at public schools.

Nepal's agriculture is still subsistence-based. Usually, when family rely on subsistence farming, children are more likely to be engaged with their parents on the family farm. During the school holidays, children often assist with the family farm and household activities (Sharma and Dangal 2019). Moreover, due to large scale outmigration of agriculture labour in the rural areas, the rural wages have increased and so has the bargaining power of the labour (Sapkota 2013). High rural wages could also lure children into child labour.

Child labour has increased in the post-disaster (earthquake) period. A 7.8 magnitude earthquake struck Nepal in April 2015. The earthquake destroyed approximately 600,000 homes, 7,000 schools and 9,000 lives (NPC 2015). This catastrophic event displaced about 3 million people from their current residence. The disaster has led to the loss of livelihoods, and has disrupted child protection system.[6] If households do not have formal coping strategies such as insurance and access to credit during such trying times children are forced to earn in order to buffer against financial crisis. Past studies have confirmed that child labour has been used as alternative coping mechanism in smoothing consumption in presence of shocks (see Chaudhuri & Ravallion, 1997; Townsend, 1994; Morduch, 1999). A study conducted in Bangladesh showed that children are more vulnerable to exploitation during and after natural disaster (Martin 2008). As the demand for construction materials increased in Nepal after the earthquake struck in 2015, child labour increased in the brick industry (Petricic 2016). Thus the catastrophic earthquake might have exacerbated the problem of child labour. This warrants further research to examine the situation of child labour in Nepal.

2.2 Justification

Today's children are tomorrow's citizens. They are the key to the future; as adequately they transform into an adult, more the nation will prosper. Child labour is costly both to the child and the country (ILO 2004). Child labour not only affects the future productivity of working children but also affects the productivity of the siblings in the family (Nepal and Nepal 2012). Children working as child labourers are less likely to attend class regularly, are prone to underperform at school and may not complete school (Psacharopoulos 1997). They turn into low paying unskilled workers in future and might face exploitation and poverty. The cost-benefit analysis shows the tremendous long-term cost to the national economy from child labour due to the creation of less educated and unproductive work force (Gilligan 2003). Therefore, child labour and lack of education has been provided utmost attention due to its adverse effects on human capital formation, mental development and productivity of children (Kassouf et al. 2001; Wahba 2006). Despite the priority given to the children's development by all nations, still about 152 million children aged between 5 and 17 years is estimated to be engaged in child labour globally (ILO 2017).

Child labour is a serious violation of human rights. The GoN has underscored decent work, employment and social security as the top most priority, and is fully committed to eliminate any human rights violations and protect innocent children. The Government has already abolished

[6] Child protection system is a holistic approach comprised of the following components: human resources, finance, laws and policies, governance, monitoring and data collection as well as protection and response services and care management. For detail, please refer to the https://www.endvawnow.org/en/articles/1727-child-protection-systems.html?next=1727

Haliya and Kamaiya system in 2000.[7] Moreover, the GoN has introduced National Master Plan (2018-2028) with the aim to eliminate worst form of child labour by 2022, and all forms of child labour by 2025. The plan aims to amend and formulate national policies and legislation based on the evidences generated from child labour studies. Therefore, more research is warranted to understand the determinants of child labour and provide pragmatic solutions to abolish child labour in the country.

The GoN is committed to end child labour and respects the rights of children as stipulated in its Nepal's 2015 federal constitution. Disaggregated data on child labour such as age/sex/sector is important for government to design necessary strategies to combat child labour under the newly formed federal structure in the country. Although the NLFS 2017/18 report has included a section on working children involved in different forms of work, not all working children can be categorized as child labour (CBS and ILO 2019). The NLFS report has not presented statistics on child labour, and its worst forms of child labour disaggregated by age/sex/province/ sectors/regions/caste or ethnicity. The figures of disaggregated child labour data is essential for the implementation of the second National Master Plan (2018 – 2028) (NMP-II) on child labour of Nepal.

Nepal has recently become a pathfinder country of Alliance 8.7, a multi-stakeholder partnership aimed at accelerating progress towards the achievement of Sustainable Development Goals (SDGs) 8.7. The SDG targets 8.7 and 16.2 plan to end child labour in all its forms. While the aspiration of the government is highly encouraging with a pledge to meet these targets by 2030, it is equally important to understand the current status of child labour in all forms and across all sectors, ethnic groups, gender, age and locations, to monitor the progress, and update child labour statistics in the country.

This analytical report aims to assess the child labour situation, estimate the child labour related SDG indicators, and examine the factors influencing the engagement of children in child labour.[8] The study will assist in monitoring the achievement of target 8.7 and 16.2 of SDG indicators and guide Ministry of Labour, Employment and Social Security (MOLESS) in implementing the NMP-II.

2.3 Objectives

The main objectives of this study are the following:

1) Estimate the prevalence of child labour in Nepal disaggregated by age/sex/province/sectors/regions/caste or ethnicity;
2) Estimate the prevalence of child labour in hazardous occupations in Nepal disaggregated by age/sex/province/sectors/regions/caste or ethnicity; and
3) Identify the key factors that have positive correlation with child labour in Nepal.

Results and findings of the study will assist in evaluating and monitoring the child labour situation at the provincial and national levels.

---

[7] The haliya system is an agricultural bonded labour practice in the Western hills of Nepal that affects seasonal labourers. Kamaiya is the oldest living traditional system of bonded labor in southern Nepal. The people who work as laborers under this system are called Kamaiyas.

[8] For detail information on working children, please refer to the Nepal Labour Force Survey Report 2017/18. This report exclusively presents child labour but not working children.

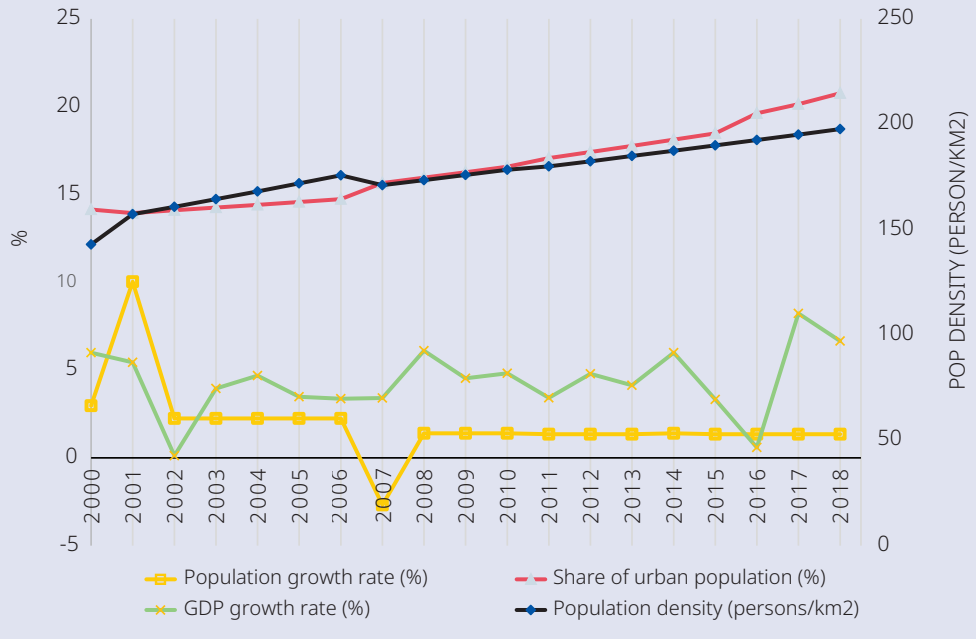
3 Country context

Nepal witnessed ten years of long civil war from 1996 to 2006 followed by political instability (frequent change of the coalition government), catastrophic earthquake and blockade from India in 2015. Amidst this and the rampant corruption that has hindered economic growth and development of the country for decades (Truex 2011), Nepal graduated from a low- income country to a lower-middle-income country in 2019. The Gross National Income (GNI) per capita rose to $1,090 in 2019 crossing required threshold of $1,036. While this is a significant achievement for the country, this could be short-lived. The Coronavirus disease (COVID-19) has resulted in economic downturn and high level of unemployment. The Gross National Income (GNI) may be severely affected bringing Nepal back to a low-income country status.

Nepal is one of the exemplary countries of the development paradox. Despite the slow and unstable growth of Gross Domestic Product (GDP) (Figure 1), Nepal has achieved tremendous success in reducing poverty rate over the last two decades i.e. from 41.8% in 1996 to 30.9% in 2004 and to 25.16% in 2011 (CBS 2005; CBS 2011b).

Figure 1

Population growth and economic growth rate in Nepal (2000-2018)

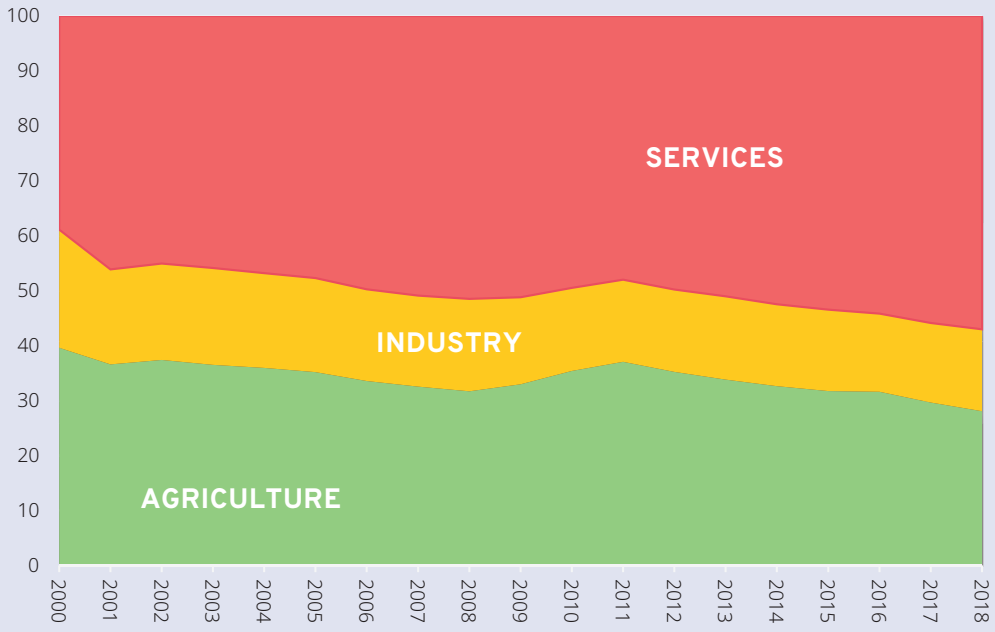


What has driven poverty reduction in Nepal? A study conducted by Uematsu et al. (2016) shows that about 50 per cent of poverty reduction between 1995 and 2010 is attributed towards the growth in labour income especially from non-agricultural activities. Remittances accounted for about 25 per cent of the poverty reduction in the same period. In fact, remittance has exceeded the agriculture sector in terms of GDP contribution in the country. The increasing flow of remittance has boosted household expenditure, improved household welfare and helped lift households out of poverty. Remittance is considered the backbone of the national economy contributing about 25.4 per cent of GDP share in 2018/19 (MoF 2019). Although the country has benefitted from remittances in the short term, the increasing dependency on it may pose serious threats to the national economy if the migrant hosting countries faces economic shocks. For example, the current Covid-19 pandemic has forced migrants to return to their home countries. In the absence of immediate means of income sources, and lack of job opportunities in the domestic markets, the country is likely to face an economic depression. Nepal needs to revive its domestic agricultural sector and other sectors to create employment, alleviate poverty, and increase net exports. Some of the constraints to development identified are weak performance of agriculture sector, low public investment, capital accumulation, and low productivity growth (Cosic et al. 2017).

Nepal's economy is still predominantly agriculture-based contributing about 27.5 per cent to the GDP in 2019 (MoF 2019). However, the share of agriculture toward GDP has been reducing over time while the share of service sector is increasing and has taken over the agriculture sector. The contribution of Industry towards GDP is more or less constant across time. Remittance boom might have led to increase in demand for the services and share of the service sector (Figure 2).

Figure 2

Structure of economy (% of GDP at current prices)



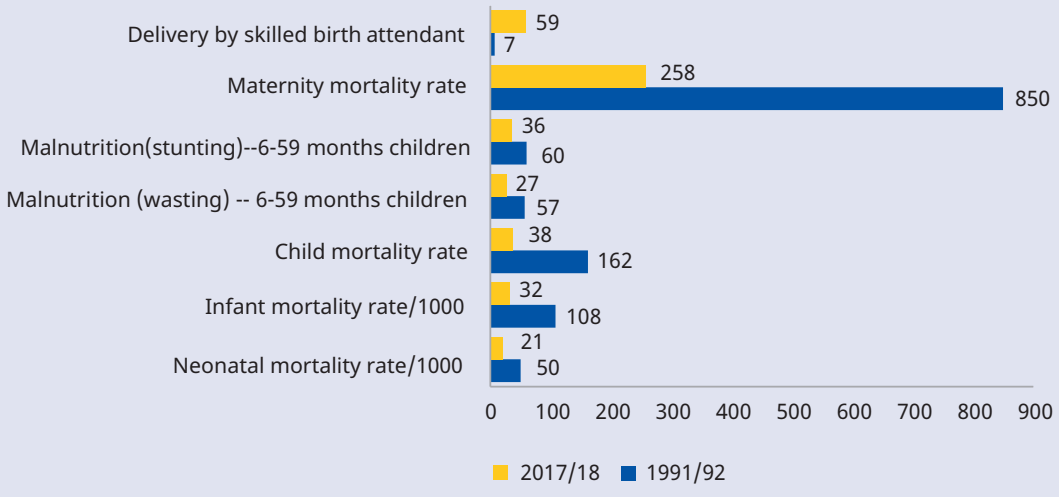
Agricultural activities usually take place in rural areas where poverty and child labour tends to be high. Most of the poverty reduction that occurred in rural areas between FY2004 and FY2011 can be attributed to rising agricultural incomes. Agriculture diversification towards high value crops is likely to reduce poverty in the rural areas of the country (Thapa et al. 2018). However, agriculture is rain fed and the growth in this sector is volatile with high agricultural production during good rainfall season and low agricultural production during low rainfall season.

Nepal has been making significant progress in improving social and educational indicators. Nepal's Human Development Index (HDI) increased from 0.3 in 1990 to 0.6 in 2014. The country has expanded improved early childhood care and education targeted to the most vulnerable and disadvantaged children. The government provides 16 types of scholarships to conflict affected students— Dalits, poor, residents of identified remote areas etc. The number of schools and trained teachers has increased resulting in accessible education and increase in enrollment rate. The primary net enrollment rate has increased from 72 per cent in 1999 to 97 per cent in 2016. However, the enrollment rate and student learning outcomes vary significantly by types of school, household characteristics and geography (WB 2016).

The health and nutrition indicators of Nepal have also improved over time. Life expectancy at birth has increased from 62 years to 70 years between 2000 and 2018. The maternal, child, infant, and neonatal mortality rate has declined over the past 30 years in Nepal (Figure 3). The stunting and wasting rate has declined from 60 per cent to 36 per cent and 57 per cent to 27 per cent between 1991/92 and 2017/18, respectively (MOHP 2017). Still, Nepal needs to make rapid progress in the context of improving child nutrition. Current situation of increasing Covid-19 cases[9] will be challenging for a country like Nepal where the health infrastructure is fragile.

Figure 3

Health and nutrition status of the country



Source: Economic Survey 2018/19; Nepal Demographic Health Survey 2016/17

[9] Please refer to link shorturl.at/dhFMU

The population growth in Nepal declined from 2001 to 2007 and remained more or less stable after 2007 (Figure 1). However, there is a decline in child population across the census years. Between 1991 and 2011 census, the child population under the age of 18, 16 and 14 years reduced from 14.6 per cent to 9.7 per 44.6 per cent to 37.4 per cent and 48.3 per cent to 41.8 per cent, respectively (CBS 1991; CBS2011b). This decline is illustrated by the population pyramid (Figure 4).

Figure 4

Population pyramid of Nepal (1990, 2000, 2010 and 2020)

Source: Website-worldlifeexpectancy.com/Nepal-population-pyramid

The pyramids show that Nepal has witnessed a shift in the age structure of its population. In comparison to 1990 and 2000, the share of working age population is increasing while the dependency ratio is reducing. The population share of the youth is bulging, providing an opportunity for a demographic dividend that can support economic growth. However, this may not continue for a long period and the country needs to tap into the demographic opportunity. The change in the population dynamics is mainly due to the decline in the fertility rate. The fertility rate for Nepal in 2019 was 1.9 births per woman which is a 152 per cent decline from 2000 (4 births per woman) (WB 2019). Other factors responsible for changing population dynamics include increasing awareness towards health, education and other social dimensions.

4

Government laws, policies and programs to eliminate child labour

Nepal has ratified most of the key international conventions concerning child labour such as UN Child Rights' Convention (in 1990), the ILO Conventions on Minimum Age No 138 (in 2003), Worst Forms of Child Labour Convention No 182 (in 2004), Convention on the Rights of the Child and Convention on the Elimination of all Forms of Discrimination against Women (CEDAW). All these conventions have prohibited child labour and child labour in the worst forms.

The 1990 Constitution of Nepal has safeguarded the rights and interests of children and ensured that the children are not exploited. Similarly, Articles 51 and 39 of the Constitution of Nepal (2015) ensure the best interests of children and guarantees their rights. In addition to Article 39, other 11 Articles are related to the welfare of children. Article 29 stipulates that all people should be free of exploitation, forced and bonded labour, slavery, and trafficking. Based on the constitution, several acts have been formulated. The Child Labour Act 1992 strictly prohibits employing an underage child (below 14 years). If someone is found to employ an underage child, the perpetrator will be sent to three months in prison. Also if children are employed in hazardous work or against their volition, such perpetrator will be jailed for one year. This Act also strictly prohibits the use of children in immoral professions. The Child Labour Act 1992 was amended in 1999.

The Child Labour (Prohibition and Regulation) Act, 2000 prohibits the engagement of children below 14 years in any kind of employment/labour work. The act clearly specifies that if children are engaged in work against his/her will by way of persuasion, misrepresentation or by subjecting him/her to any influence or fear or threat or coercion or by any means or else will be liable to be a punishment of an imprisonment of one year in maximum or a fine of fifty thousand Nepalese Rupees (NPR).

The Children's Act, 2018 was promulgated by reforming the Children's Act, 1992. The Act has ensured 13 basic rights of children and delineated the responsibilities of the state, institutions, parents, and media ensuring the rights of children. The Act, prevents children below the age of 14 from working in hazardous sectors including paid domestic work. Similarly, it also mentions that each child should be protected from labour and economic exploitation. The act is sensitive enough to protect the children from any harmful works that negatively hamper education, physical, emotional, social and moral development of children.

Several acts and rules related to forced and bonded labour practices and child labour have been implemented such as the Nepal Civil Code (1964)/2019, Civil Rights Act (1954), the Children's Act (1992), the Child Labour Prohibition and Regulation Act (2000), Kamaiya Labour (Prohibition) Act (2002), Foreign Employment Act (2007), Human Trafficking and Transportation Act (2007), Labour Act (2017), Children Act (2018) and Social Security Act (2018). The establishment of all these acts provides ample legal ground to curb child labour in Nepal.

The GoN is highly sensitive towards the issue of child labour. After the ratification of the conventions on the rights of the Children (CRC) in 1990, Nepal has been including child rights and protection concerns in national development plans. Some of the major plans and programs are the 10th National Development Plan (2002-2007), the fifteenth Plan (2019-2024), the National Master Plan on Child Labour (2004-14), the National plan of Action on Education for All (2001-15), the National Plan of Action on Children (2005-2016), the National Plan of Action on Human Rights, the National Plans of Action on Trafficking of Women and Children and NMP (2018-2028). The Fifteenth Plan (2019-2024) envisions child-friendly society with goal of developing children as qualified and capable citizens for national development process by ending all forms of violence, exploitation and abuse. The Education Act of 2009 provides free basic education up to Grade 8. Such policies will help to combat child labour by creating an enabling environment for children to attend school.

Nepal abolished traditional systems of bonded labour, namely Kamaiya in 2000 and Kamlari in 2006. The Kamaiya Labour Prohibition Act (2001) prohibits employment of bonded labour and revokes any unpaid loans or bonds between landowners and Kamaiya, Haliya and Kamlaris labourers. The Labour Act (2017) defines forced labour, prohibits forced labour and child labour (articles 4 and 5) and includes fundamental provisions relating to workers' provisions relating to conduct and punishment to the perpetrators. The Social Security Act 2017 was passed by the Parliament on July 24, 2017 and was effective from November 11, 2017. The Social Security Act requires the employer to enlist the employees in the fund where the contribution to the fund starts from the date of enlisting of the employee to the fund till the last day of his/her service with the employer. The Social Security Act provides sanctions for the offence under the Social Security Act which includes fine or imprisonment or both.

Several policy initiatives and actions have been implemented to fight against child labour. The legal provisions restricting child labour or the minimum age of children to enter into work include the Human Trafficking and Transportation (Control) Act (2007) the Citizen Rights Act, 1995; the Begging Prohibition Act, 1962; the Prison Act, 1962; the Common Law Code, 1963; the Public Offence and Punishment Act, 1970; and the Foreign Employment Act, 2007.

The MOLESS handles the issues of child labour elimination and child related social security schemes. The Ministry has placed decent work, employment and social security as the top most priority. The Government has launched several programs for conflict affected children, anti-child-marriage, anti-child trafficking, anti-child prostitution, anti-sexual exploitation and abuse, out-of-school children and awareness raising on the rights of children. Funds to support child labour eradication and emergency child rescue are in operation. The Ministry has commenced implementation of the National Master Plan on the Elimination of Child Labour (2018-2028) in accordance with the SDGs. The plan has set the ambitious target of eliminating exploitative and worst forms of child labour by 2022 and all types of child labour by 2025.

The National Child Policy, 2012 has free hotline/helpline services for those who need special protection or are living in difficult situations. Such services help to immediately rescue, protect, reunify children with their parents and provide humanitarian support to those children whose rights are violated.

Since federalization, the Central Child Welfare Board (CCWB) and the District Child Welfare Board (DCWB) have been dissolved. The National Child Rights Council (NCRC) is working as per the mandate of the Children's Act 2018. Each local government has child focused division/unit to deal with the issues of child rights, protection and development. Despite the existence of laws, regulations and mechanisms/organization to monitor child labour and child protection, the enforcement of laws and regulations is still weak and often limited to the formal sector depriving many children and workers in the informal sector of legal protection.

5

Data and methodology

This report is based on the data from NLFS-III i.e. the third Nepal Labour Force Survey. A multi-topic household survey was conducted by the Central Bureau of Statistics (CBS) in 2017/18 and is representative at the national level. The survey methodology and questionnaire were designed in collaboration with the ILO. The questionnaire was pre-tested several times and updated based on the feedback received from each pre-test. The pre-tests were conducted in all ecological belts and urban/rural areas. The survey collected housing information, household composition, education and training received, characteristics of paid job/ business activity of an individual family member of age five years and above; working time for all household members of age 10 and above; employment related income, job search and availability, past employment experience, production of goods for household or family use, own-use production of services, volunteer work, returnees, short-term migrant workers, remittance received, and forced labour for the first time. While collecting the data on forms of work (employment, production of goods for own final use, production of services for own final use and volunteer work), different reference periods were used. For example, a short reference period of 7 days was applied for employment and production of services for own-use while a longer reference period of 30 days was applied for the production of goods for own-use and volunteer work. However, for the purpose of child labour calculation, the 30 days were converted to weekly hours of work by dividing by 4.3.

The survey used the 2011 National Population and Housing Census as the sampling frame. Similar to the census, a household in this survey is defined as the usual place of residence, all residents of the country including foreign nationals were considered eligible for the survey but households of diplomatic missions and institutional households such as school hostels, prisons, army camps and hospitals were excluded. People living for six months or more away from the households were not considered eligible and hence were excluded from the survey.

A two-stage stratified design with Enumeration Areas (EA) as the primary sampling unit (PSU) as first-stage and households as secondary stage unit (SSU) were used. A systematic sample of 20 households per PSU was selected with representative of 18,000 households in the country. For the detail sample design, sample weights and adjustments, estimation procedure and annual aggregation, please refer to the NLFS Report 2017/18. Since the data used is based on a household survey, it doesn't capture certain categories of children that

are at risk such as street children and children engaged in prostitution or bonded labour although some may have lived in surveyed households. The survey report analyzed only those households with children aged from 5 to 17 years.

5.1 Data Analysis

The study mainly relies on descriptive analysis to present statistics on child labour at disaggregated level such as age/sex/province/ sectors/regions/caste or ethnicity. All the statistics are weighted to produce inference at the national level. The analysis focuses on exploring the patterns of child labour across the categories of interest to understand how child labour is distributed. But the analysis does not answer why child labour is higher in a certain category, or why child labour is higher in rural areas and for a specific ethnic group. An additional section has been produced to understand the factors influencing child labour and not attending school. This is an empirical analysis focusing on correlation rather than causation of child labour. The empirical results will shed light on identifying the characteristics of children engaged in child labour and not attending school. The results will be of interest in terms of policy implications to combat child labour.

5.2 Empirical Model

The main objective of this study is to understand the factors influencing the probability of children working as child labourers. Child labour is influenced by a gamut of factors such as child characteristics (children schooling status, child age etc.), household characteristics (mainly parental characteristics) and the surrounding environment. Several independent variables of interest are extracted from the NLFS 2017/18. Since the decision to send children to school or work is jointly determined, the dependent variable of interest is the binary indicator of child labour and current school attendance. Therefore, we employed bivariate probit model to study the factors that are correlated with the probability of children engaged in child labour and not currently attending school. The cluster–robust standard errors are computed adjusting for complex survey design.

Considering that the i^{th} parent (i=1, 2, ..., N) faces j^{th} decision on whether to send their children to school or work (j=1, 2), the following form of the bivariate probit for the empirical analysis was used:

$$Y_{ij} = X_{ij}\beta_j + \varepsilon_{ij} \quad (1)$$

In equation 1, Y_{ij} is a 1×2 vector of binary dependent variables (parents sending children to school (1/0) and parents sending children to work (1/0), $X_{ij}^{'}$ is a 1×m vector of explanatory variables (including child, parent and regional characteristics), β_j is a m×1 vector of unknown parameters to be estimated and ε_{ij} is unobserved error term where the error terms (ε_{i1}) and (ε_{i2}) of the two binary depenendent variables are correlated.

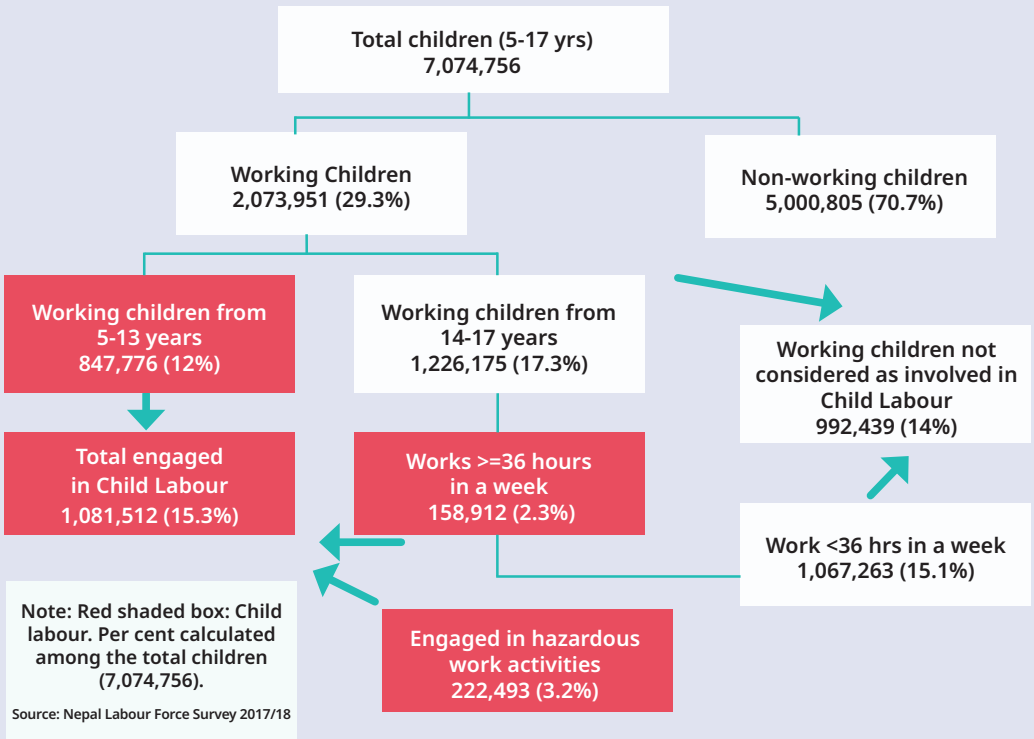
6 Results

6.1 Situation of child labour in Nepal

Figure 5 presents the child labour situation based on the NLFS 2017/18. There are about seven million children between the ages of 5 and 17 in Nepal. Among these children, about 29 per cent are working children while 71 per cent are non-working children. Among the total children, 12 per cent of the children fall between 5 and 13 years while 17.3 per cent fall between 14 and 17 years old. Based on the national child labour law, all working children between 5 and13 years are identified as involved in child labour. However, for the age between 14 and 17, not all working children are involved in child labour. Only those children working for at least 36 hours in a reference week are considered as child labour. Among the total children, about 2.3 per cent worked for at least 36 hours in a reference week and are considered as child labour. However, children found to be working for less than 36 hours

Figure 5

Situation of child labour in Nepal



but are engaged in hazardous work are also considered to be involved in child labour. In total, 1.1 million children were found to be engaged in child labour which constitutes about 15.3 per cent of the total children between age of 5 and 17 years. Among the total children, 3.2 per cent of the children i.e. about 0.2 million are found to be engaged in hazardous work.

Table 1: **Number and per cent of child labour aged 5-17 by sex and age group (in thousands)**

Sex	Age group 1 (5-13)		Age group 2 (14-17)		Age (5-17)		Total children (Age 5-17)
	No Child Labour	Child Labour	No Child Labour	Child Labour	No Child Labour	Child Labour	
Male	2,066	363	1,062	141	3,127	504	3,632
%	85.06	14.94	88.26	11.74	86.12	13.88	51.33
Female	1,767	485	1,099	93	2,866	577	3,443
%	78.47	21.53	92.23	7.77	83.23	16.77	48.67
Total	3,832	848	2,161	234	5,993	1,082	7,075
%	81.89	18.11	90.24	9.76	84.71	15.29	100

Table 1 presents the distribution of children with and without being involved in child labour by age and sex. About 51 per cent (3.6 million) children between age of 5 and 17 are male while 49 per cent (3.4 million) are female. Overall, the child labour prevalence rate is 15.3 per cent. The child labour prevalence for the age group (5-13 years) is 18 per cent while the child labour prevalence for the age group (14-17 years) is about 10 per cent. Female children have slightly higher rate of engagement in child labour (17%) than that of male children (14%). Within the same gender, child labour rate varies within age groups. For both male and female, the children aged between 5 and 13 have higher child labour engagement than that of the age group 14 to 17. Especially, for female children, the engagement in child labour is very high (21.5%) aged between 5 and 13 in comparison to the age group 14 to 17 (7.8%). The higher participation of females in child labour rate may be due to patriarchal norms where male children are given higher priority in terms of education and care in comparison to female children (Khanal 2018).

Figure 6

Prevalence of child labour by age and sex

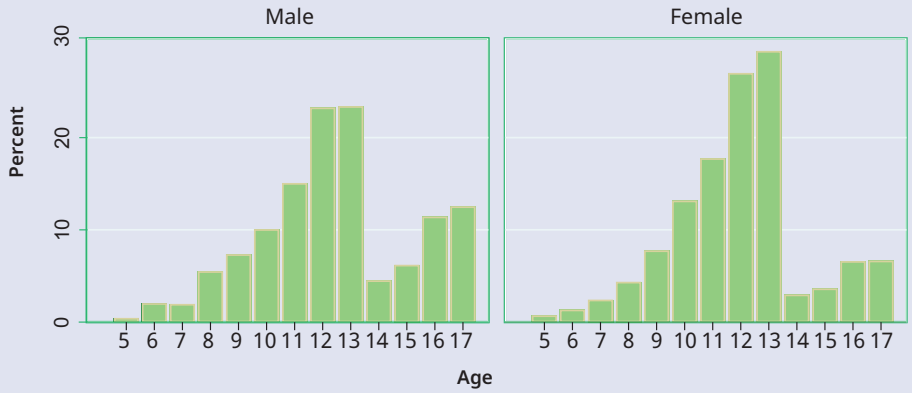


Figure 6 shows that child labour participation rate is higher in children of ages 11, 12, 13 followed by 16 and 17 for both male and female. The child labour participation rate is higher for female children between 10 and 13. Since children below the age of 14 who work for at least one hour are identified as child labour, we see this trend due to the effect of child labour definition.

6.2 Distribution of child labour by provinces

Table A1 presents the distribution of children between ages 5 and 17 with and without involvement in child labour by age, sex and provinces. Child labour is the highest in Karnali (24.6%) followed by Sudurpashchim (20.9%), Province 1 (17.6%), Gandaki (16.1%), Lumbini (15.8%), Province 2 (11.5%), and Bagmati (8.9%). Karnali, the least developed province, has the highest child labour rate while Bagmati, the highly developed province, has the lowest child labour rate (Figure 7). In terms of child labour by sex, Gandaki, Lumbini, and Sudurpashchim have noticeable differences i.e. highest in Gandaki (Male 10%, Female 22.8%) followed by Sudurpashchim (Male 18.1%, Female 23.5%) and Lumbini (Male 14%, Female 17.7%) (Figure 7). The child labour participation is higher for the first age group (age group between 5 and 13) in comparison to the second age group (between 14 and 17 years) for all provinces (Figure 8). However, for Gandaki, Karnali and Sudurpashchim provinces, we find higher prevalence of child labour rate for the first age group in comparison to the second age group (Figure 8). Overall, we find relatively worse situation of child labour in Karnali and Sudurpashchim provinces.

Figure 7

Child labour by sex and provinces

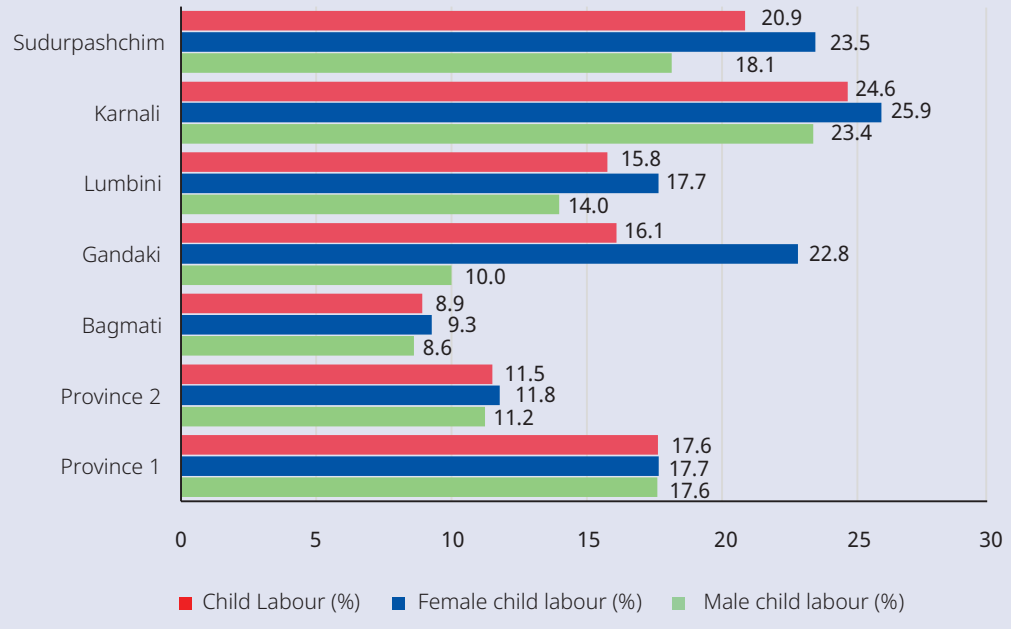


Figure 8

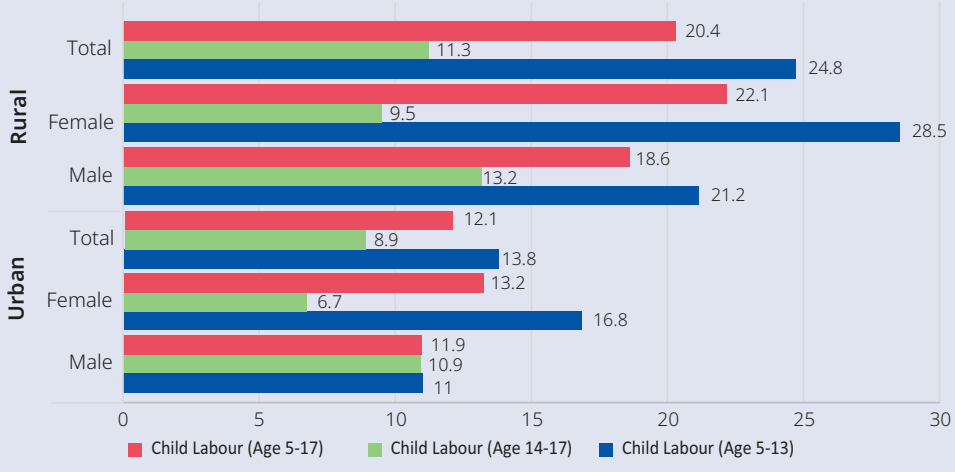
Child labour by age group, sex and provinces

6.3 Distribution of child labour by regions

Table A2 shows the distribution of child labour by regions. Child labour prevalence is higher in the rural region (20.4%) than that of the urban region (12.1%) (Figure 9). In both the regions, child labour is higher for females in comparison to males. Also child labour is higher for age group 1 in comparison to age group 2. Since rural areas are dominated by poor households who are more likely to engage their children in child labour, the result is as expected.

Figure 9

Per cent of child labour by sex, age group and region (in thousands)



Further, understanding how child labour is distributed across rural and urban areas in a province is important in terms of policy implications. Except for Gandaki province and Province 2, the rest of the provinces have higher child labour rate for age group 1 in comparison to age group 2 (Table A3). The child labour rate is higher in the rural region than that of the urban region with an exception of Province 2 (Figure 10). Karnali and Sudurpashchim provinces have higher child labour rates both in the urban and rural areas in comparison to the rest of the provinces (Figure 10).

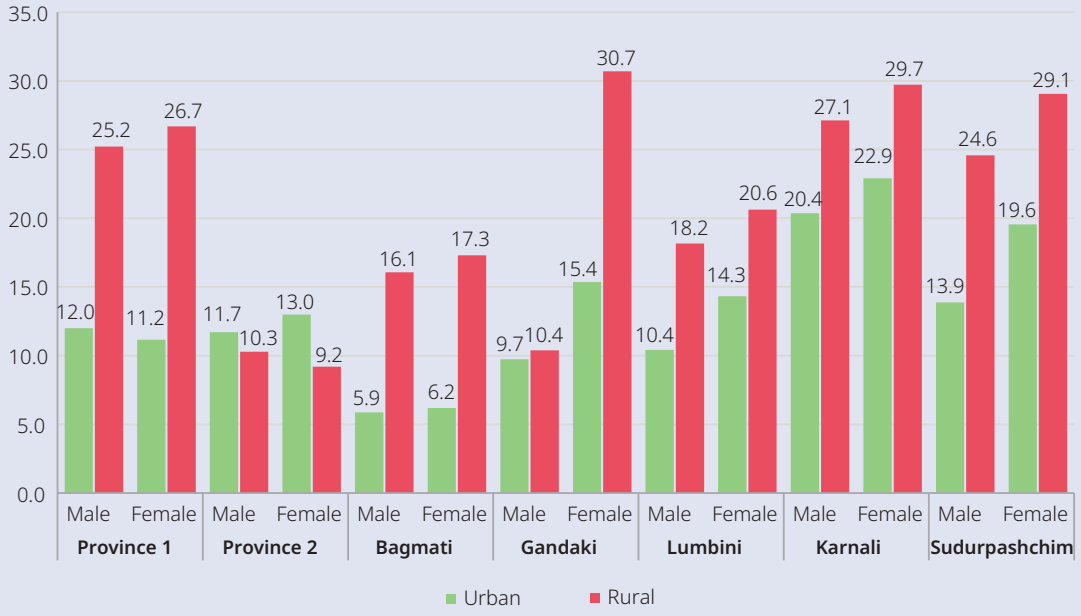
Figure 10

Per cent of child labour (age 5-17) by province and region (in thousands)

Figure 11 shows the per cent of child labour from 5 to 17 year by sex, province and region. In case of rural regions, female child labour prevalence is the highest in Gandaki province (30.7%) followed by Karnali (29.7%) and Sudurpashchim (29.1%). However, the male child labour prevalence is highest in Karnali (27.1%) followed by Province 1 (25.2%) and Sudurpashchim (24.6%). Similarly in case of urban regions, the female child labour prevalence is the highest in Karnali (22.9%) followed by Sudurpaschim (19.6%) and Gandaki (15.4%). Likewise, the male child labour prevalence is the highest in Karnali (20.4%) followed by Sudurpaschim (13.9%) and Province 1(12%).

Figure 11

Per cent of child labour (age 5-17) by province, sex and region (in thousands)



6.4 Distribution of child labour by sectors

Table 2 shows the distribution of child labour by agricultural and non-agricultural sector. About 87 per cent of child labour are from the agriculture sector while 13 per cent are from the non-agriculture sector. The prevalence of female child labour is higher compared to male child labour in the agriculture sector. Also, child labourers for age group 1 is higher than that of age group 2. It is not surprising to have higher share of child labour engaged in the agriculture sector as the country's main occupation remains agriculture and children assist their parents in farming.

Table 2: **Number and per cent of child labour aged 5-17 by sex, age group and agricultural and non-agricultural sector (in thousands)**

	Age group 1 (5-13 yrs)		Age group 2 (14-17 yrs)		Total children (5-17)		
	Non-Ag Sect	Ag Sect	Non-Ag Sect	Ag Sect	Non-Ag Sect	Ag Sect	Total
Male	33	330	47	94	80	424	504
%	9.03	90.97	33.23	66.77	15.8	84.2	100
Female	39	446	23	70	62	515	577
%	8.03	91.97	24.7	75.3	10.7	89.3	100
Total	72	776	70	164	141	939	1081
%	8.46	91.54	29.85	70.15	13.08	86.92	100

6.5 Distribution of child labour by ethnicity

Similar to the NLFS 2011/12 report, children were grouped into six ethnic groups: a) Terai caste; b) Brahmin/Chhetri; c) Muslim and other castes; d) Janajati; e) Dalit; and f) Newar. Each ethnic group have their own culture, social norms, and traditions. Table A4 presents the number and per cent of child labour aged 5 to17 year by sex, age group and ethnicity. The highest child labour prevalence is found among Dalits (19.4%), followed by Janajatis (18.1%), Brahmin/Chhetri (14.5%), Terai caste (12.7%), Muslim and other caste categories (12.8%) and Newar (9.9%) (Figure 12). Except Newar, child labour rate is higher for age group 1 in comparison to age group 2. Similarly, except Newar, all the ethnic groups have higher child labour engagement in the female child category in comparison to male children (Figure 13). Dalit and Janajati are likely to be less educated and have higher poverty rates. Therefore, these ethnic groups have higher child labour prevalence than other ethnic groups. The Multi-Dimensional Social Inclusion Index shows that Dalits and Janajatis have literacy index scores below the national average while the Brahmins/Chhetri and Newars have higher social, economic and cultural dimensions (CDSA 2014). The child labour study using NLFS 2008 also revealed Dalits to have higher child labour prevalence (28.3%) than other ethnic groups (CBS 2011a). However, their prevalence rate has declined in 2017 (19.4%). This may be due to the improving educational status and increasing awareness of the Dalit community.

Figure 12

Per cent of child labour (age 5-17) by ethnicity and age (in thousands)

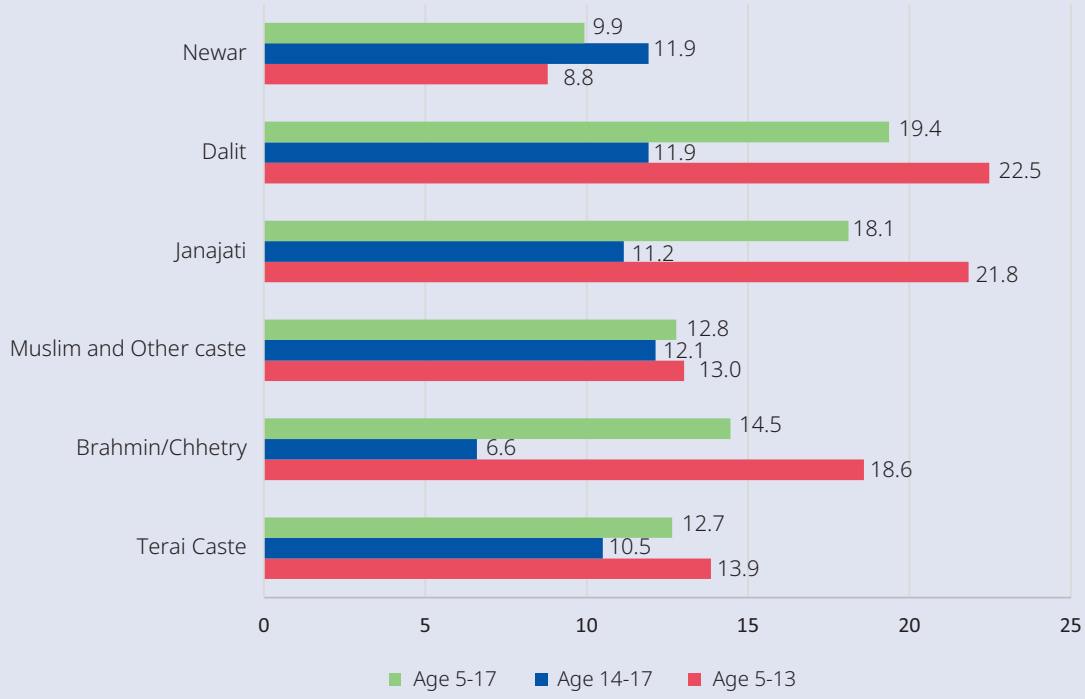
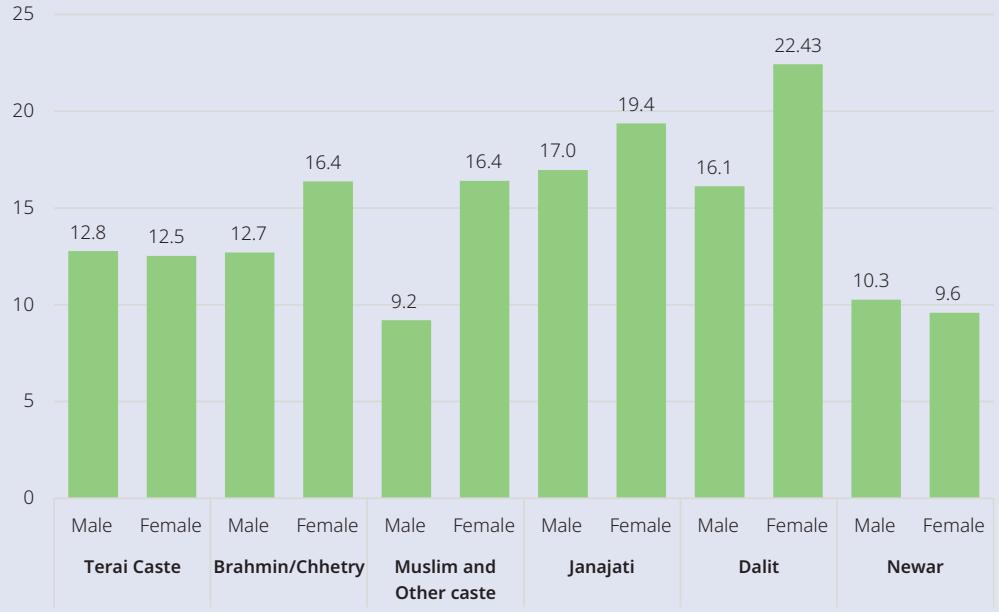


Figure 13

Per cent of child labour (age 5-17) by ethnicity and sex (in thousands)



6.6 Distribution of child labour by occupations

Table 3 illustrates the distribution of child labour by sex, age group and major occupations. Occupations such as service and sales worker, craft trade workers, plant machine operators and elementary occupations are considered as hazardous occupations. Therefore, all the working children engaged in these occupations are child labourers. The highest involvement in child labour is in own-use production (931,000) followed by elementary occupation (94,000), service and sales worker (82,000), skilled/semi-skilled agriculture occupation (42000), crafts and trade workers (32,000), and plant and machine operators (5000). Except the own use production and agriculture (skilled/semi-skilled operations), the rest of the occupations are dominated by the involvement of male child labour.

Table 3: **Number of child labourers aged 5-17 by sex, age group and major occupations (in thousands)**

Occupation	Sex	Age group 1 (5-13 yrs)		Age group 2 (14-17 yrs)		Total children (5-17)		Total children (Age 5-17)
		No Child Labour	Child Labour	No Child Labour	Child Labour	No Child Labour	Child Labour	
Service and sales worker	Male		11		36		46	46
	Female		11		25		36	36
	Total		22		60		82	82
Agriculture (Skilled/ Semiskilled)	Male		8	16	8	16	16	32
	Female		6	14	10	14	16	30
	Total		14	30	18	30	32	62
Craft trade workers	Male		1		30		31	31
	Female		2		9		11	11
	Total		3		39		42	42
Plant Machine Operators	Male				4		4	4
	Female		0		1		1	1
	Total		0		5		5	5
Elementary Occupations	Male		6		47		54	54
	Female		11		29		40	40
	Total		17		76		94	94
Others (Own use production)	Male		347	416	57	416	404	820
	Female		472	565	56	565	528	1093
	Total		818	981	113	981	931	1913

6.7 School attendance status of children

Figure 14 shows the per cent of child labourers with and without attendance in school. Involvement in child labour is lower for the children attending school irrespective of their age groups. While the child labour prevalence is 14.1 per cent for the children between ages 5 to 17 attending school, child labour is 25.1 per cent for the children not attending the school for the same age group. Interestingly, the child labour rate is higher for children aged 14 to 17 years when they are not attending school. However, in comparison to the children from age 14 to 17, the child labour prevalence is higher for children from age 5 to 13 when attending school. The prevalence among girls who are not attending school is 3 per cent higher than that of girls who attend school. The disparity among boys is far higher i.e. the prevalence among boys who are not attending school is 19.2 per cent higher compared to the boys who attend school. It is even more pronounced among older boys. This similar pattern is observed among older girls where the prevalence among girls not attending school is 13.4 per cent higher compared to those who do not attend school. Overall, this figure reveals that involvement in child labour may reduce significantly if children are encouraged to attend school.

Figure 14

School attendance status of child labourers

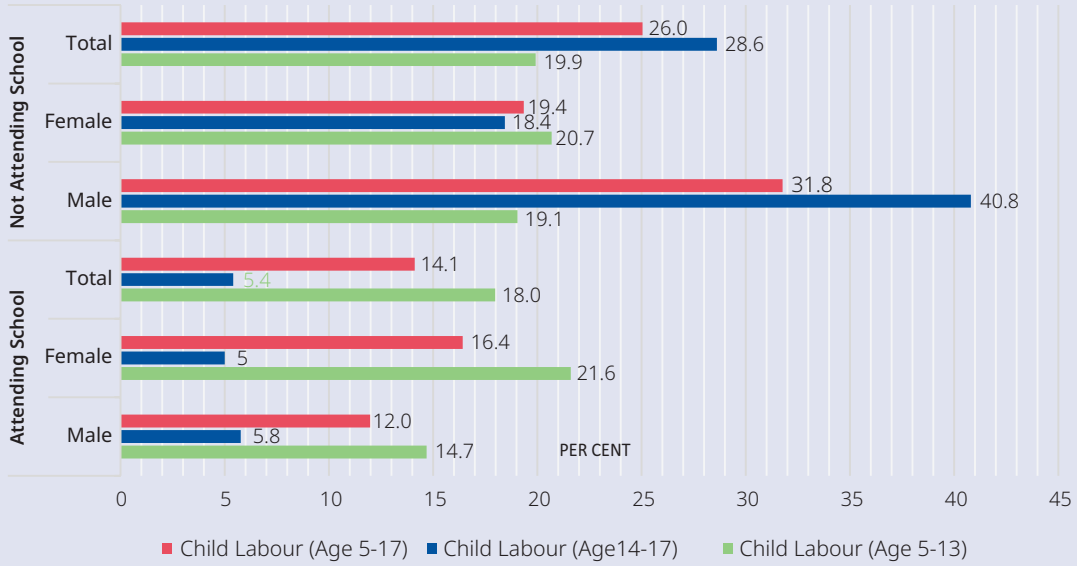


Table 4 shows the working status of children based on whether they are currently attending school or not. In comparison to non-working children, working children (both engaged in child labour and not engaged in child labour) are less likely to attend school. While 73.1 per cent of the non-working children attended school, only 14.1 per cent of the working children involved in child labour and 12.8 per cent of the working children not involved in child labour attended school. Male working children involved in child labour are less likely to attend school while female working children not involved in child labour are less likely to attend school. Overall, the results underscore that working children are less likely to attend school than that of non-working children.

Table 4: **Number and per cent of children aged 5-17 by working and school attendance status (in thousands)**

	Sex	Working children not in child labour	Working children in child labour	Non-working children
Attending school	Male	358	393	2,531
	%	10.91	11.97	77.13
	Female	450	498	2,083
	%	14.85	16.42	68.73
	Total	808	890	4,614
	%	12.8	14.1	73.1
Not attending school	Male	65	111	174
	%	18.66	31.77	49.57
	Female	120	80	213
	%	29.04	19.35	51.72
	Total	**185**	**191**	**387**
	%	24.27	25.05	50.73

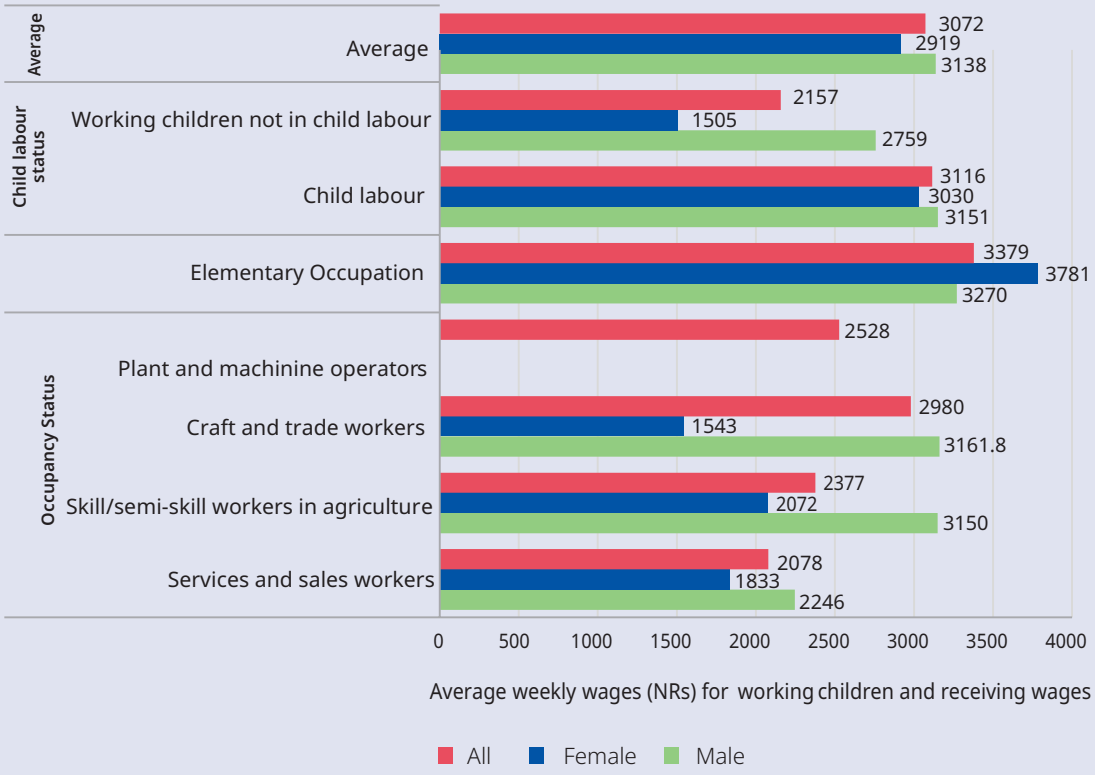
6.8 Average weekly wages of children

Figure 15 shows the average weekly wages received by working children in presence and absence of child labour. Also, Figure 15 shows the average weekly wages received for different occupations. On an average, children between ages 5 and 17 (working and receiving wages) received about NPR 3072 per week. Male children received slightly higher (NPR 3138) than that of female children (NPR 2919). Children working as child labourers earned NPR 3116 per week which is NPR 959 greater than that of the working children not engaged in child labour. Although children engaged in child labour earn higher in the short-term, it costs them tremendously in the long run compromising their health, education and lower future productivity.

Among occupations, children engaged in the elementary occupation earned higher average weekly wages (NPR 3379) followed by craft and trade workers (NPR 2980), plant and machine operators (NPR 2527, skilled/semi-skilled workers in agriculture (NPR 2377) and service and sales workers (NPR 2078). Except for the elementary occupation, male earnings are higher than that of females for all occupations (Figure 15).

Figure 15

Average weekly wages (NPR) for working children receiving wages



6.9 Average weekly hours worked by children

Table A5 shows the average weekly hours worked by working children in different occupations. The maximum hours per week worked by child labourers is more than two folds higher (96 hrs) than that of working children who are not child labourers (36 hrs). Figure 16 shows the average weekly hours for working children with presence and absence of child labour, and are employed, engaged in own goods production and volunteer activities. Child labourers had worked on an average of 15 hours per week while the working children that are not involved in child labour worked for ten hours per week.

For child labourers, male children worked longer hours (17 hrs) than that of female children (13 hrs). Children engaged in the formal sector worked for longer hours on average (33 hrs) than those children engaged in the formal sector (32 hrs). Employed children worked longer hours on average (28 hrs) than that of children engaged in producing own goods (9 hrs) and volunteer activities (4 hrs). The study also assessed the average weekly hours worked by children in different occupations. The highest average weekly hours were observed in case of elementary (40 hrs) and craft and trader works (37 hrs) followed by plant and machine operators (33 hrs), skilled/semi-skilled agriculture workers (30 hrs) and service and sales workers (21 hrs).

Figure 16

Average weekly hours worked by children engaged in different occupations

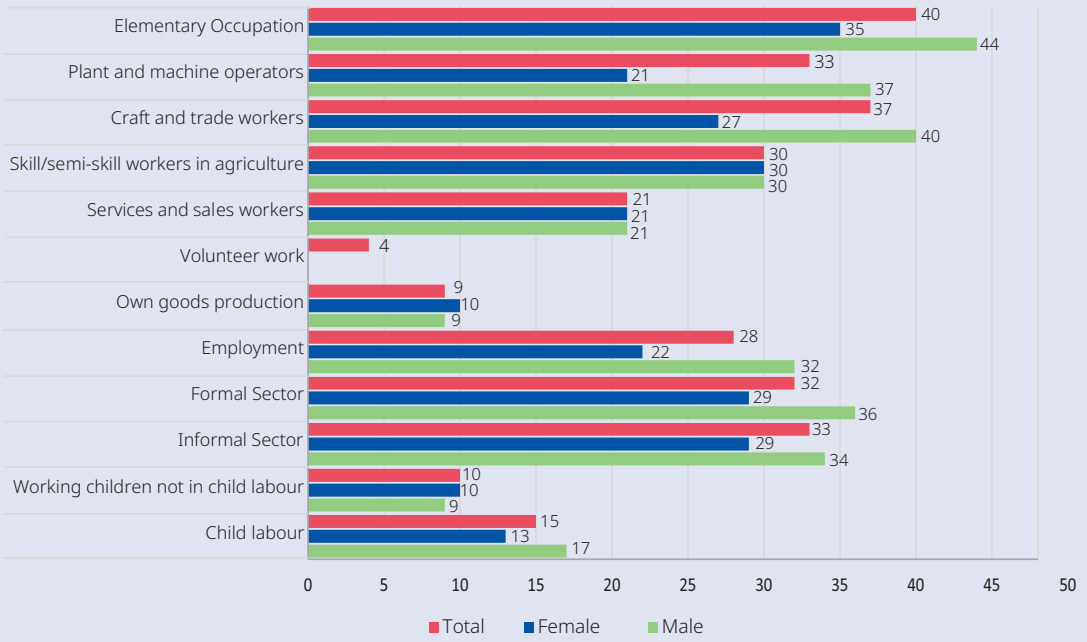


Figure 17

Distribution of weekly working hours (in per cent) for working children based on sex

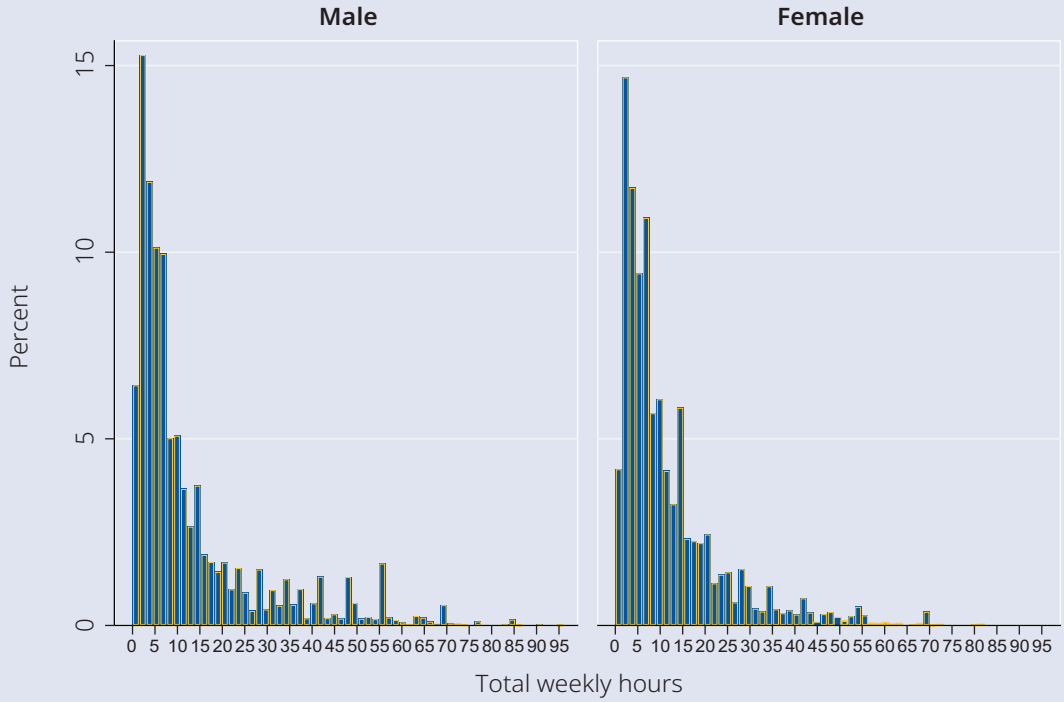


Figure 17 shows the distribution of the total weekly hours worked by working children aged between 5 and 17. The histogram clearly shows that the majority of the children worked about 10 hrs a week. In comparision to male children, higher share of female children worked between 10 to 20 hours. However, higher share of male children worked for excessive hours in a week. We also assessed the distribution of working children in terms of hours of work: 1-10, 10-35, 36- 47, and 48+ (Figure 18). About 8 per cent of the children worked for more than 36 hours per week. While 11 per cent of the male children worked for more than 36 hours per week, only 5 per cent of the female children worked for the same duration. However, higher share of female children (32.3%) worked between 11 to 36 hours in comparision to male children (25.9%).

Further, we assessed the school attendance status of the children based on their working hours (Figure 19). Clearly, as the number of weekly working hours increases, the precent of children attending school plumets. For children working for more than 36 hours per week, we found only 3 per cent of the chilldren have been currently attending school. Overall, we find that working becomes detrimental to schooling beyond certain number of hours of work.

Figure 18

Distribution of working children by sex and weekly hours

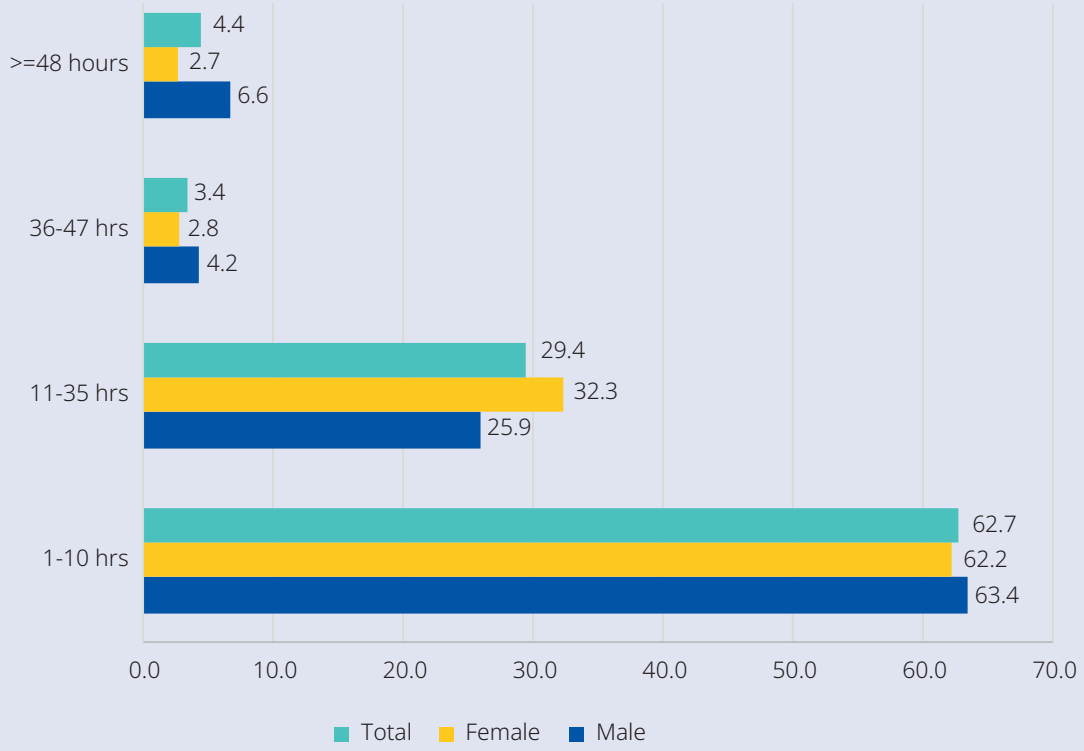
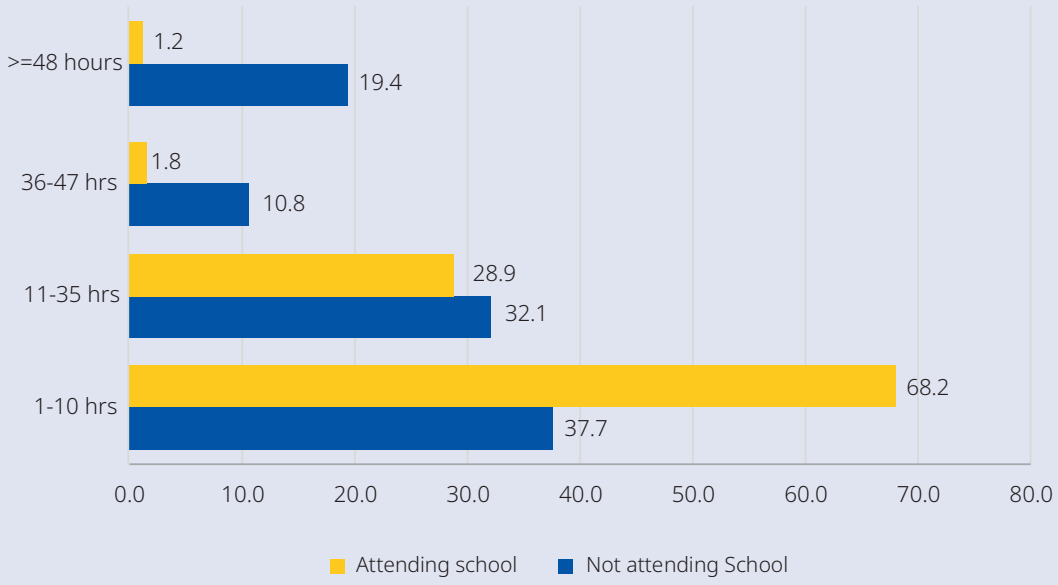


Figure 19

Distribution of working children by current school attendance status and weekly hours



6.10 Hazardous work by children

6.10.1 Prevalence of children working in hazardous sector

Table A6 presents the distribution of children engaged in hazardous work by age and sex. Elder children (age group 2) have higher prevalence of engaging in hazardous work than that of young children (age group 1). Figure 20 shows that the children from higher age groups (mainly 15, 16 and 17 years) are mainly engaged in hazardous work. Among the total children, 3.1 per cent of the children are engaged in hazardous work (Figure 21). More male children (3.7%) are engaged in compared to female children (2.6%).

Figure 20

Per cent of children (5-17 years) engaged in hazardous work among working children

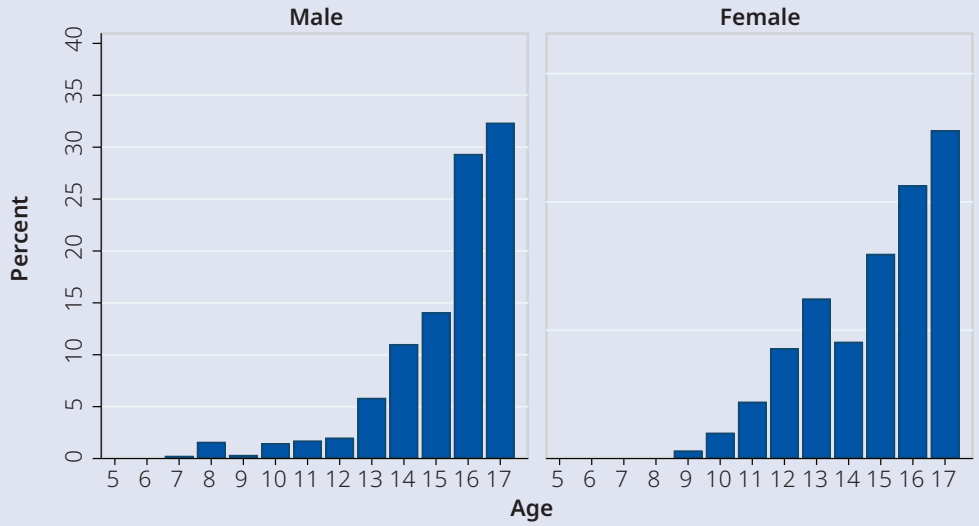
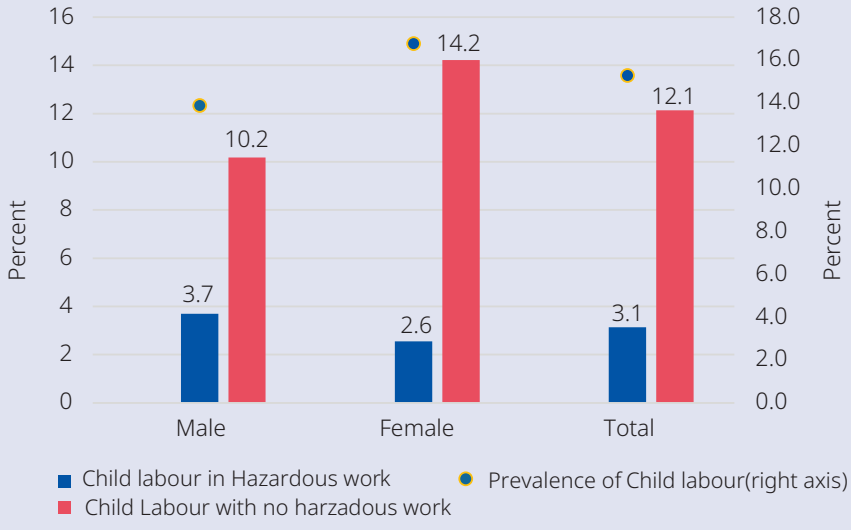


Figure 21

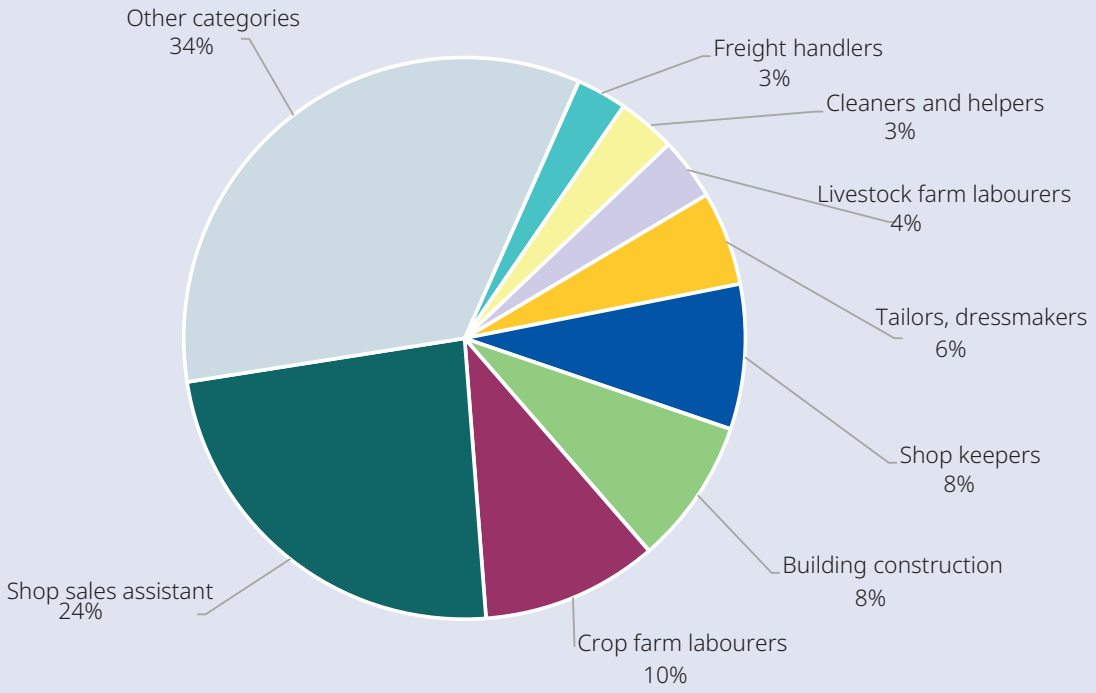
Per cent of children engaged in hazardous work by sex



Among the total children engaged in hazardous work, the highest number of children are engaged as shop sales assistant (24%) followed by crop farm labourers (10%), building construction (8%), shop keepers (8%), tailors and dress makers (6%), livestock farm labourers (4%), cleaners and helpers (3%) and freight handlers (3%) (Figure 22). Children scattered in several types of hazardous work are reported as other categories and constitute 34 per cent.[10] Such information helps to target the child labour interventions in specific type of hazardous work.

Figure 22

Distribution of children engaged in different types of hazardous work



6.10.2 Distribution of children engaged in hazardous sectors by provinces

Table A7 presents the distribution of children from age 5 to 17, engaged in hazardous work in all provinces. The highest number of children working in the hazardous sector is from Lumbini (4%) followed by Province 1 (3.9%), Province 2 (3.4%), Gandaki (3.1%), Bagmati (3.1%), Karnali (1.9%), and Sudurpashchim (1.4%). Although Karnali and Sudurpashchim provinces have the highest prevalence of child labour, the number of children engaged

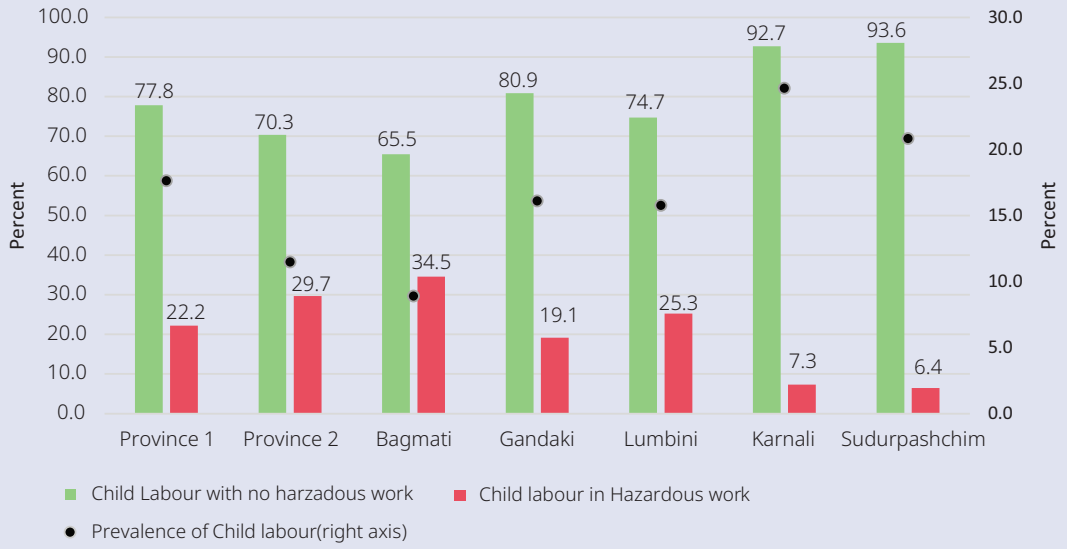
[10] The percent of children engaged in hazardous occupations falling on the other (major) categories are civil engineering labourers (2.52%), sewing, embroidery and related workers (1.53%), mining and quarrying labourers (1.47%), cooks (1.34%), painters and related workers (1.23%), mixed crop and livestock farm labourers (1.19%), kitchen helpers (1.19%), motor vehicle mechanics and repairers (1.02%), waiters (0.95%), bricklayers and related workers (0.94%)

in hazardous work sector is lowest in these provinces. As for male children engaged in hazardous work, except for Gandaki and Karnali provinces, the rest of the provinces show higher prevalence.

Figure 23 shows the distribution of child labour by whether they are in hazardous work conditions or not and overall prevalence of child labour by province. The figure reveals that although Karnali and Sudurpashchim provinces show high prevalence of child labour, the per cent of children working in hazardous occupation is lower. However, Bagmati province has the lowest prevalence of child labour of 8.9 per cent but 34.5 per cent of the child labour in Bagmati province are engaged in hazardous work. Province 2 which reports the second lowest prevalence of child labour also shows that 29.7 per cent of the child labour are involved in hazardous work.

Figure 23

Distribution of child labour by hazardous work condition and overall prevalence of child labour by province



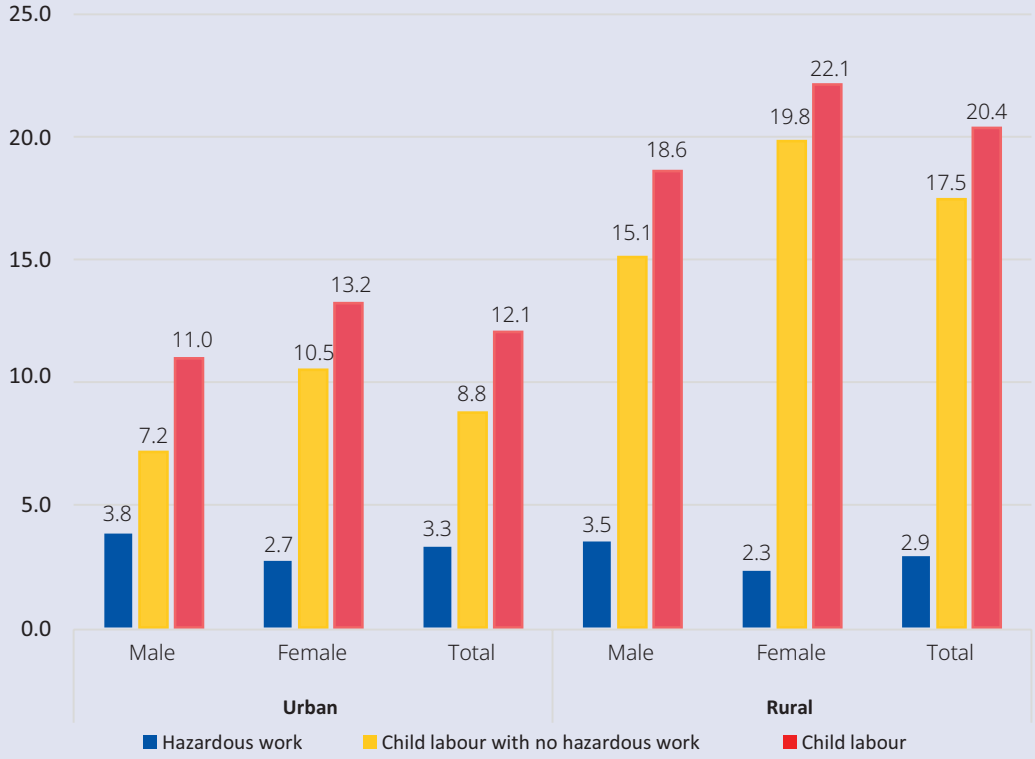
6.10.3 Distribution of children engaged in hazardous sectors by regions

There is a higher concentration of children working in hazardous work (3.3%) in urban areas in comparison to rural areas (2.9%) (Figure 24). Among the children working in the hazardous sector, the share of male children is higher in comparison to female children in both the urban and rural areas. Although the share of children working in the hazardous sector is higher in the urban region, the overall prevalence of child labour is much higher in the rural region. Overall, the results suggest that any interventions to curb child engagement in the

hazardous sector should mainly target the urban region. Large share of children from age group 2 are engaged in hazardous work compared to children from age group 1. Since hazardous work requires more effort and is risky in nature, children in higher age bracket are more likely to perform such work (Table A8).

Figure 24

Per cent of children (age 5 to 17) working in hazardous sector by region and sex



6.10.4 Distribution of children engaged in hazardous occupations by sectors

Figure 25 shows the distribution of children engaged in hazardous work in agriculture and non-agriculture sector. About 62.3 per cent of the children are engaged in hazardous work within the agriculture sector while 37.7 per cent are engaged in hazardous work from the non-agriculture sector. In terms of gender, the share of female children working in hazardous condition is higher (65.6%) in agriculture sector compared to non-agriculture sector (60.2%) although majority of male children dominate the labour force in hazardous work.

Figure 25

Per cent of hazardous workers among total working children (age 5 to 17) by sector and sex

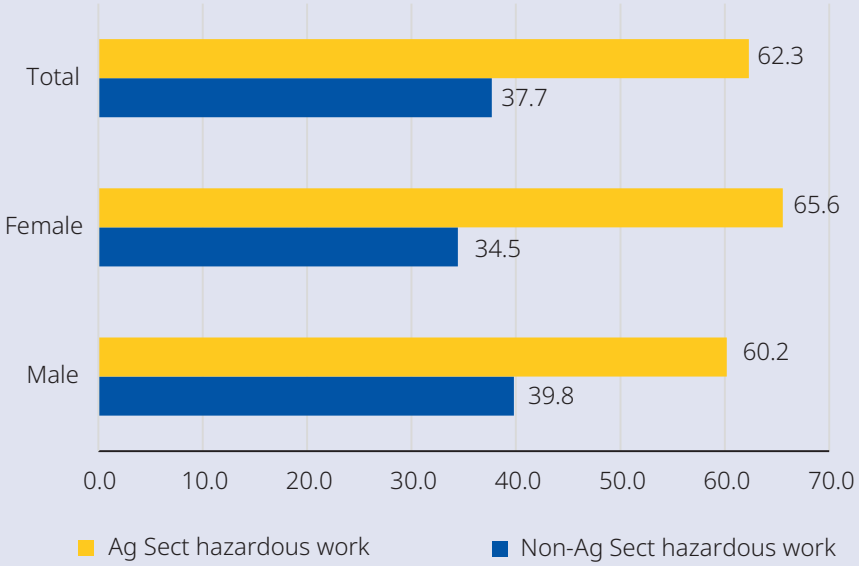


Table 5 shows the number and per cent of children engaged in the non-hazardous and hazardous sector within the informal sector. About 74 per cent of the children are engaged in informal sector work in hazardous workplaces. In terms of work force, male children are more likely to work in hazardous situation than female children. Not surprisingly, elder children from age group 2 dominates the hazardous sector with higher share of female working in the age group 1 and higher share of male working in age group 2.

Table 5: **Number and per cent of children aged 5-17 by sex and age group engaged in informal sector (in thousands)**

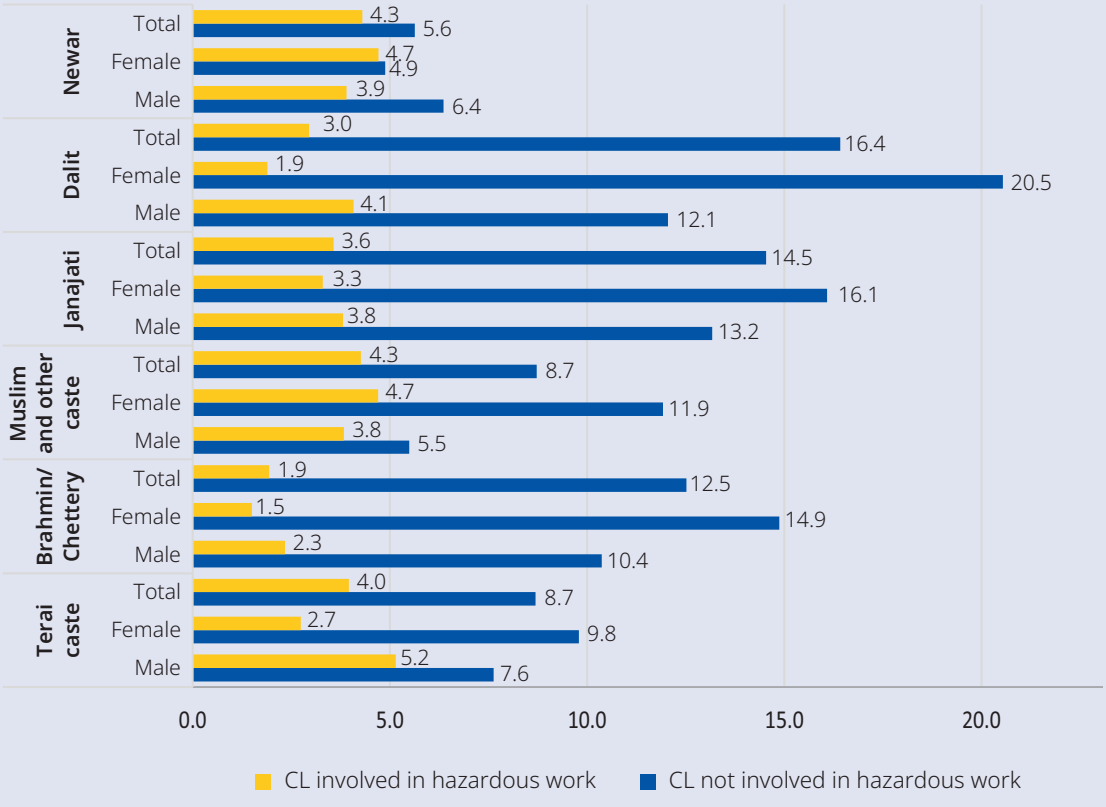
Sex	Age group 1 (5-13 yrs)		Age group 2 (14-17 yrs)		Total children (5-17)		Total children (Age 5-17)
	Non-hazardous	Hazardous sector	Non-hazardous	Hazardous sector	Non-hazardous	Hazardous sector	
Male	7	11	23	88	31	99	130
%	41.02	58.98	20.71	79.29	23.57	76.43	100
Female	6	19	23	48	28	67	96
%	22.79	77.21	32.18	67.82	29.72	70.28	100
Total	13	30	46	136	59	166	225
%	30.47	69.53	25.16	74.84	26.18	73.82	100

6.10.5 Distribution of children engaged in hazardous sectors by ethnicity

The children most engaged in hazardous work are from Newar community (4.3%) and Muslim/other caste group (4.3%), followed by Terai caste (4.0%).[11] In terms of gender, Terai caste (5.2%) and Dalit ethnic groups (4.1%) have the higher share of male children engaged in hazardous occupations (Figure 26). Muslim and other caste group, and Newar community have higher share of female children engaged in hazardous occupations. For all the ethnic groups, higher share of children from age group 2 are engaged in hazardous work in comparison to age group 1 (Table A9).

Figure 26

Per cent of children engaged in hazardous work by ethnicity and sex



[11] Terai caste includes madhesi adibasi, janajati, madhesi Brahmin representing more than 30 caste.

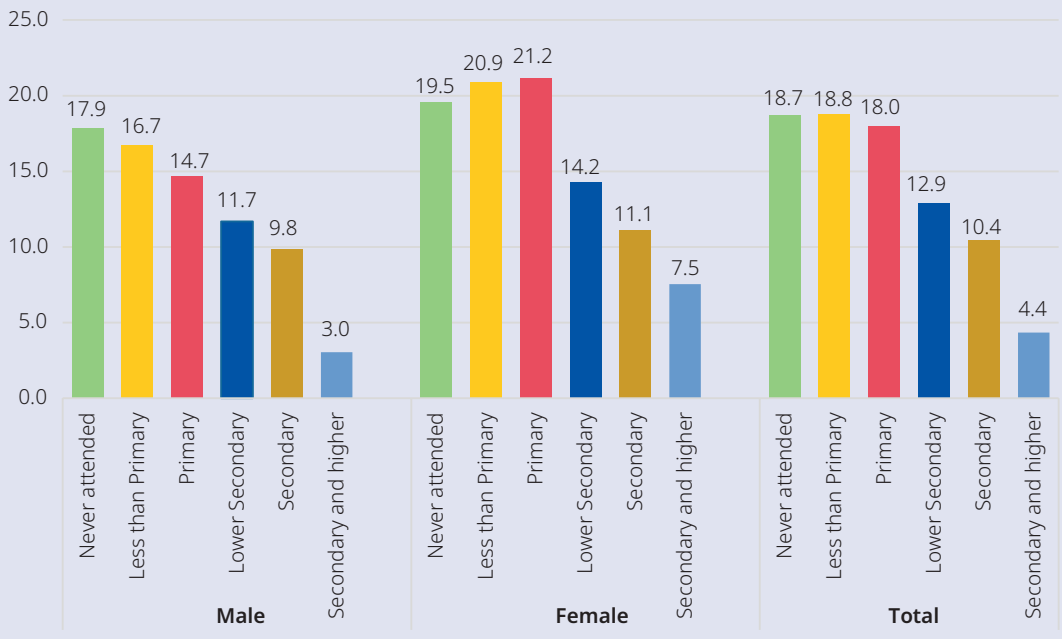
6.11 Parental Characteristics

6.11.1 Distribution of child labour by education status of household head

Parental characteristics, particularly education and awareness on child rights/protection issues can be one of the key factors for children's engagement in child labour. Figure 27 shows the number and per cent of child labour based on the educational status of the parents. The prevalence of child labour declines with the increasing education attainment of the parent (household head). The child labour rate is 4.4 per cent in households where parents have higher than secondary level education followed by secondary education (10.4%), and lower secondary education (12.9%). Child labour prevalence is about 18 per cent for households where parents' education is less than lower secondary level. Irrespective of parent's education level, the report shows that female children are more prone to child labour than male children. Overall, the study highlights that child labourers are more likely to come from households with less-educated parents.

Figure 27

Prevalence of child labour (age 5 to 17) by sex and education attainment of the parents

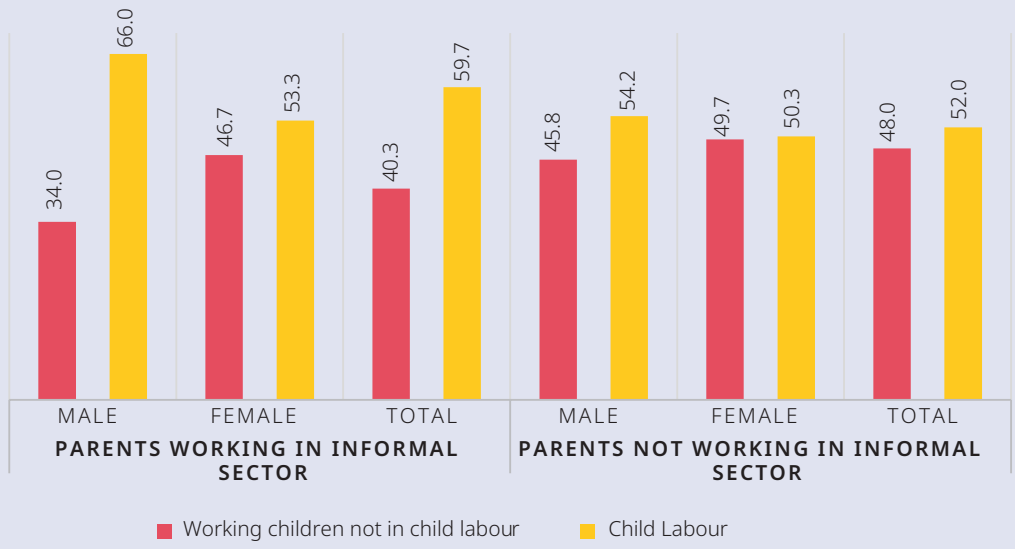


6.11.2 Distribution of child labour by working sector and labour market status of parents

Children are more likely to be employed as child labour if their parents are working in the informal sector. As shown in Figure 28, the child labour prevalence is higher for parents working in the informal sector. The percentage of male children working as child labourers is higher in comparison to female children irrespective of their parents working status in the informal sector.

Figure 28

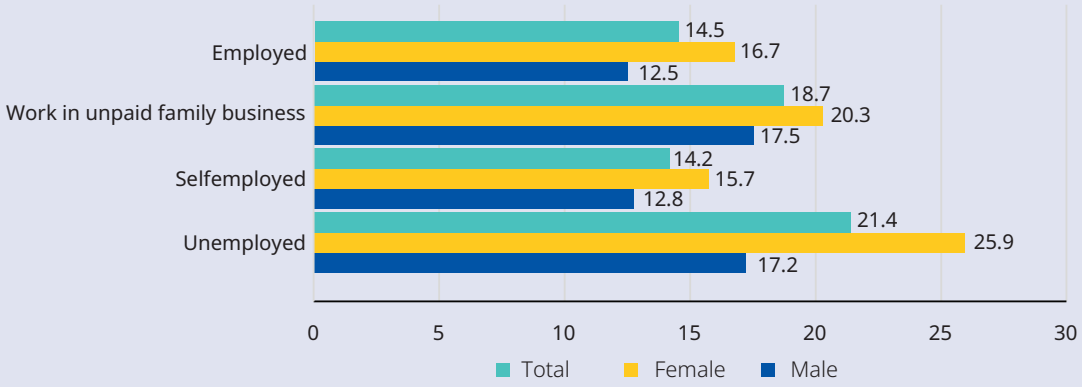
Distribution of working children with and without child labour for parents (household head) working in the informal sector



The prevalence of child labour is likely to be affected by the labour market status (employed/unemployed) of the household head. Children from households headed by unemployed guardians have the highest prevalence (21.4%) of child labour, followed by those who have family business (18.7%), those who are employed (14.5%), and who are self-employed (14.2%) respectively (Figure 29). The unemployed guardians are likely to be illiterate and lack sensitivity and awareness on children's rights. As a source of household income, they send their children to work as children are paid less and their parents don't want to do such work. The disparity on child labour participation between boys and girls is higher when the household head is unemployed with the disparity reduced when household head is employed.

Figure 29

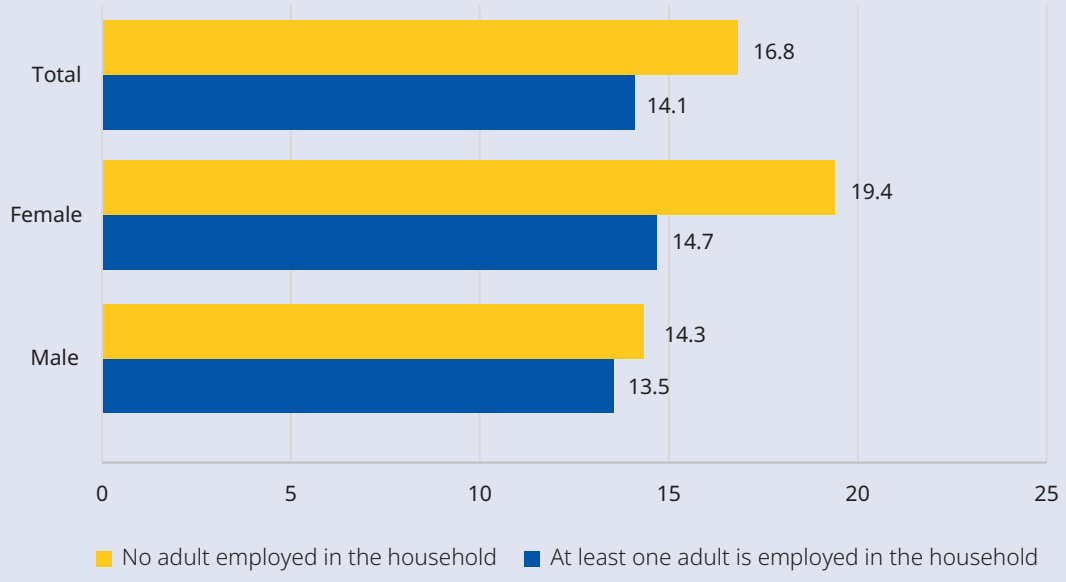
Prevalence (%) of child labour (age 5 to 17) by the sex of child and labour market status of the head of the household.



Households with unemployed adults are more likely to involve children in child labour. As shown in Figure 30, child labour prevalence is quite high (2.7%) compared between the households with no adults employed and when at least one adult is employed. Thus, it shows that adult employment is likely to reduce child labour engagement. While the female child labour prevalence is 19.4 per cent and male child labour prevalence is 14.7 per cent for households with no employed adult, the reduction is high for females (2.6%) than that of males (0.4%) when the household has at least one employed adult.

Figure 30

Prevalence (%) of child labour (age 5 to 17) by the sex of child and adult employment status of the household.

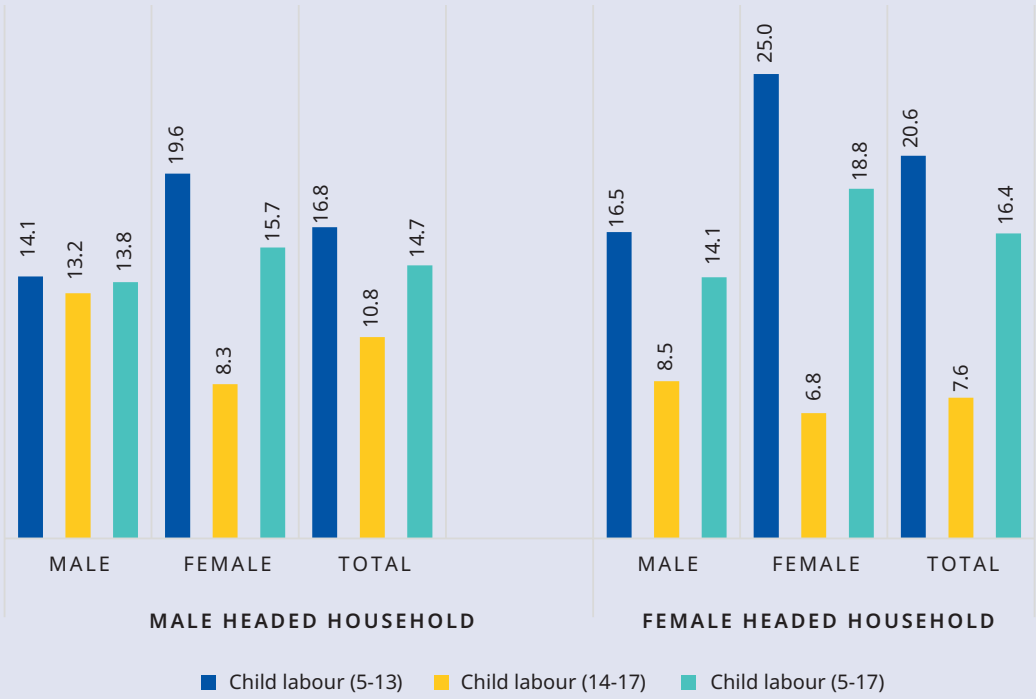


6.11.3 Distribution of child labour by sex of household head

Female headed households have higher child labour prevalence (16.4%) in comparison to the households headed by male (14.7%) (Figure 31). For both the households (headed by males or females), there is a higher prevalence of child labour from age group (5-13) compared to age group (14-17). Girls have a higher prevalence compared to boys irrespective of the gender of the head of the family.

Figure 31

Prevalence of child labour by household head, sex and age group of children



6.11.4 Distribution of child labour by vocational training received by parents

Table 6 shows the number and per cent of child labour based on the parent's general formal vocational/professional training status. There is lower child labour prevalence (11%) in households where parents have received vocational training, than that of parents who have not receiving the training (15.8%). For the age group 1 and 2, child labour prevalence is 12.5 per cent and 7.7 per cent, respectively among the parents who have received vocational training. The child labour prevalence is 18.2 per cent for the age group 1, and 10.0 per cent for age group 2 among parents who have not received vocational training. The report indicates that provision of vocational training to parents is likely to help reduce child labour. Parents are more likely to find decent jobs after training, and therefore, are able to

boost household income. Increase in income may eventually translate to increase in school attendance and reduced child labour.

Table 6: **Number and per cent of child labour by parent vocational training status, sex and age group of children (in thousands)**

		Age group 1 (5-13)		Age group (14-17)		Age group (5-17)		Total children (Age 5-17)
	Child sex	No Child Labour	Child Labour	No Child Labour	Child Labour	No Child Labour	Child Labour	
Parents received vocational training (YES)	Male	251	28	115	13	366	42	408
	%	89.83	10.17	89.78	10.22	89.81	10.19	51.26
	Female	225	40	117	6	342	46	388
	%	85.07	14.93	94.94	5.06	88.2	11.8	48.74
	Total	476	68	232	19	708	87	796
	%	87.51	12.49	92.31	7.69	89.03	10.97	100
Parents received vocational training (NO)	Male	1815	334	946	128	2761	463	3224
	%	84.44	15.56	88.08	11.92	85.65	14.35	51.34
	Female	1542	445	982	86	2524	532	3055
	%	77.59	22.41	91.92	8.08	82.6	17.4	48.66
	Total	3356	780	1929	214	5285	994	6279
	%	81.15	18.85	89.99	10.01	84.17	15.83	100

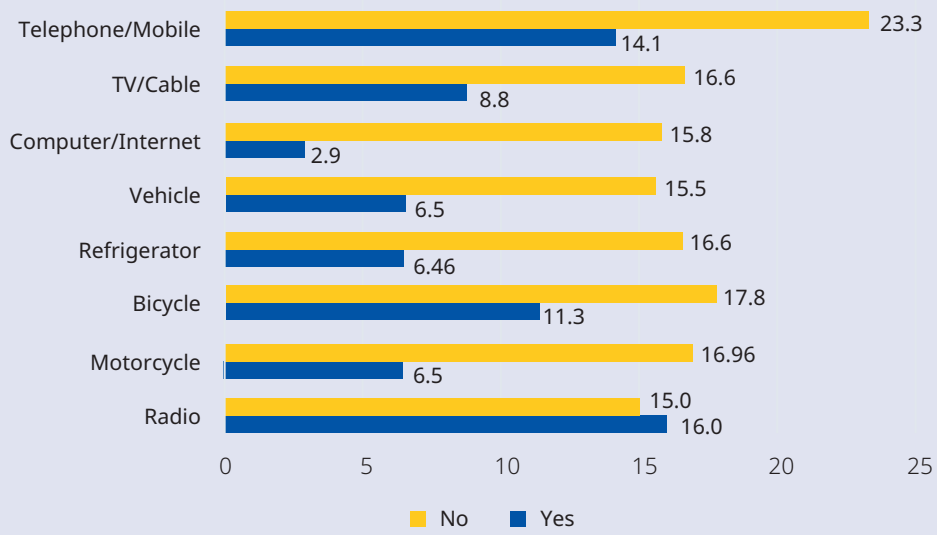
6.12 Household Characteristics

6.12.1 Child labour status by the types of household assets

Figure 32 presents the per cent of child labour with and without household assets. Except households owning radio, households owning assets such as motorcycle, bicycle, refrigerator, vehicle, computer/internet, tv/cable, and telephone/mobile have lower prevalence of child labour. Usually radio is affordable by poor households and therefore such households are likely to engage their children in work. As household income level increases, they are likely to substitute towards expensive and luxurious assets.

Figure 32

Prevalence of child labour with and without household assets

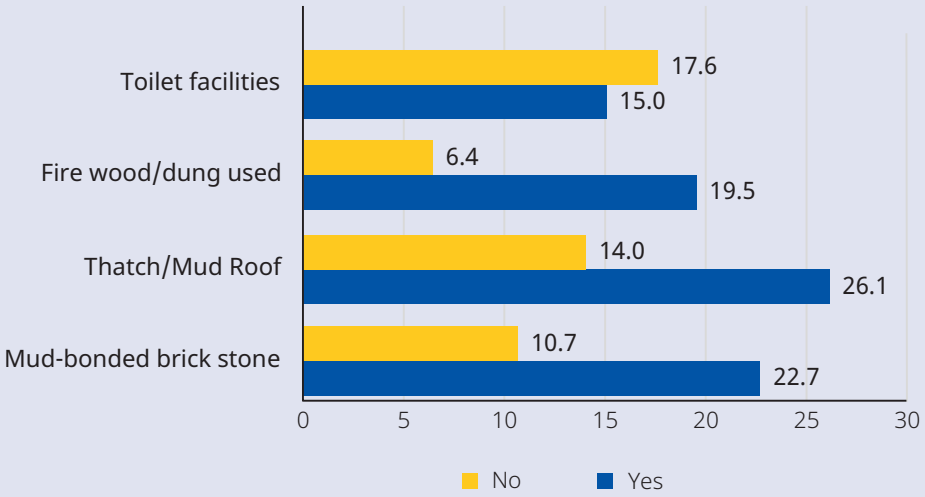


6.12.2 Child labour status by types of house structure and wealth/ asset index

Figure 33 shows the per cent of child labour by household characteristics. Children who live in houses with thatch/mud roof and mud-bonded brick stones have higher prevalence of child labour. Similarly, households with no toilet facilities and that use fire wood to cook food have higher prevalence of child labour. Usually those from poor households cook their food using firewood, live in houses made of mud, and do not have toilet facilities.

Figure 33

Per cent of child labour by the household structure



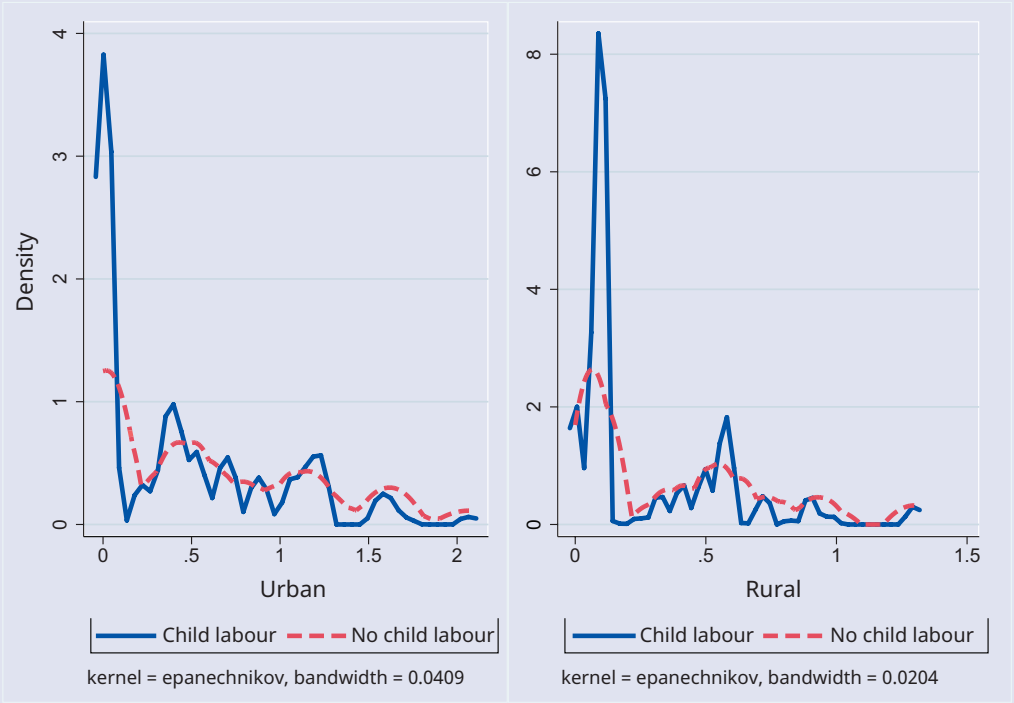
Using the household assets and the types of household characteristics, a wealth/asset index, a proxy of household income, was computed using principal component analysis approach. Such an approach aggregates the information on asset ownership and housing characteristics into a single factor such that it best reflects the "essence" of the individual variables and the variation in the original dataset. The principal component analysis was conducted separately for rural and urban households and weight was accounted while estimating the factor loadings. Only the factor loadings of greater than 0.30 (absolute value) were considered. Finally using the linear combination of variables related to asset ownership and housing characteristics and their respective factor loadings, single factor values were estimated.

Figure 34 shows the wealth index distribution for rural and urban households with and without child labour. The probability of child labour is higher in the lower wealth index ranges for both the rural and urban households. However, as the wealth index increases (distribution curve shifts downward and right), the probability of child labour decreases. Overall, Figure 34 illustrates how asset ownership and household characteristics (proxy of wealth) explains child labour participation.

Further, Figure 35 presents the per cent of children in child labour by wealth quintile. Those in the bottom quintile (wealth quintile) are the 20 per cent of the children with the lowest wealth, while the fifth quintile group represents 20 per cent of children with the highest wealth. The per cent of children in child labour for the first quintile, the second quintile, the third quintile, the fourth quintile and the fifth quintile of wealth index are about 25 per cent, 18 per cent, 16 per cent, 10 per cent and 5 per cent, respectively. The figure illustrates that child labour prevalence decreases at the higher wealth quintile underscoring the role of wealth in engagement of children as child labour.

Figure 34

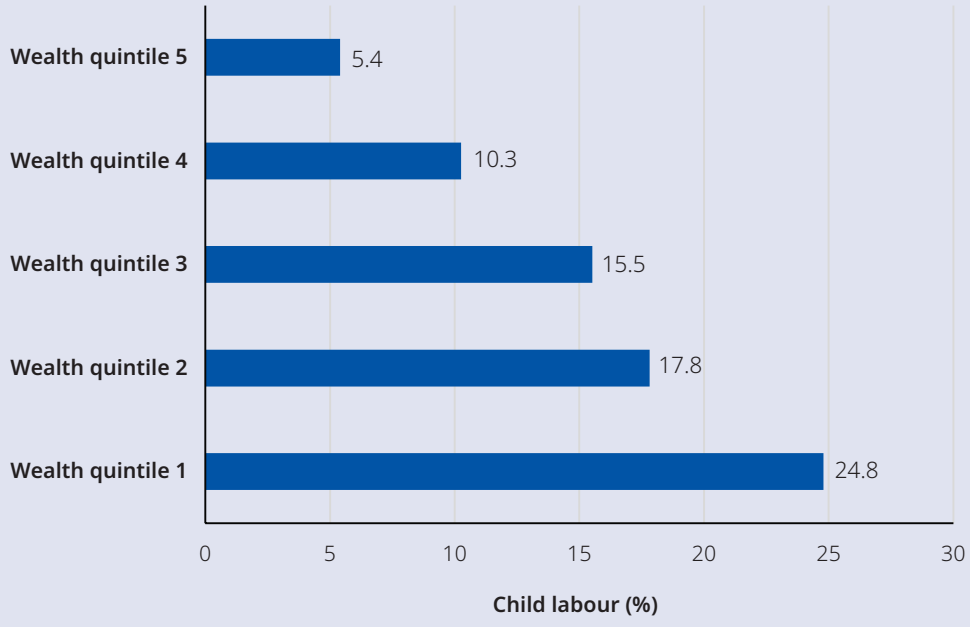
Distribution of wealth index based on the child labour and region



Source: Consultant calculation using NLFS 2016/17

Figure 35

Per cent of children in child labour by wealth quintile



7

Determinants of child labour in Nepal

7.1 Result from empirical analysis

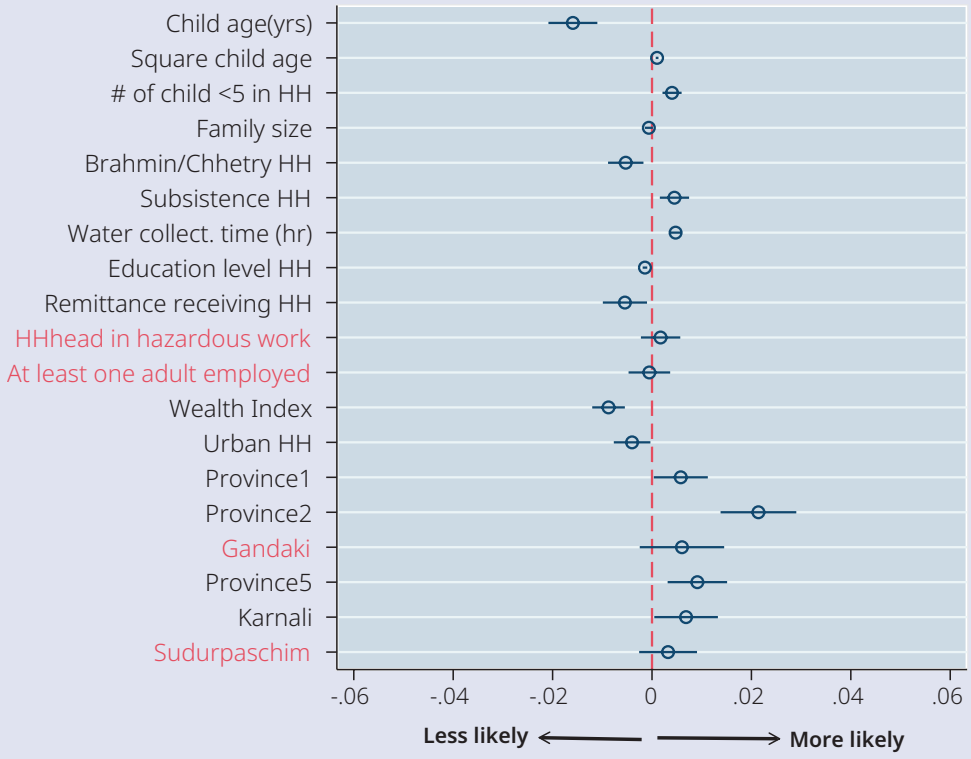
This section examines the factors influencing the probability of children being engaged in child labour and not attending school in Nepal. The variables included were chosen based on the literature review and after conducting the multi-collinearity test. Table A10 presents the marginal effects of the factors influencing the probability of children being engaged as child labour and not attending school in Nepal. Figure 36 and Figure 37 are based on the results from Table A10. Figure 36 presents the marginal effects from the bivariate probit model. Two separate models were estimated for children aged between 5 and 13, and between 14 and 17. The separate model was used for these age groups as Nepal's labour law does not uniformly define child labour for all ages of children. One set of rule is applied for the children of age between 5 and 13 (considered as child labour for children working at least one hour in a reference week) and another set of rule is applied for the children from age 14 and 17 (considered as child labour for children working for at least 36 hours in a reference week). Both the models are statistically significant.

First, we interpret the statistically significant results from the first model (limits the children from 5 to 13 years). The child age variable (negative sign of coefficient) and its square term (positive sign of coefficient) is statistically significant at less than 1 per cent level. An increase in child age reduces the probability of children being engaged in child labour and increases the probability of children attending school until a certain age. After a certain age, the probability of children being engaged in child labour increases. Households with more children below the age of five have the risk of older siblings engaging in child labour thus reducing the chance of sending children to school. Children from Brahmin and Chhetri households are more likely to attend school than children from other castes and ethnicities. Subsistence households (not selling agriculture produce) are more likely to engage their children in child labour and less likely to send them school. Such subsistence agricultural households own or lease little land, cultivate traditional crops, are risk averse and engage their children in farming activities to reduce the cost of production (CBS 2011a). Usually such households depend on the income from their children. Children who spend more time in collecting water are more likely to work as child labourers and are less likely to attend

school. Children from households - with educated head of family; that receive remittances; and who live in the urban region are less likely to work as child labourers and more likely to go to school. Increase in wealth/asset index is correlated with reduced probability of being engaged in child labour and increase probability of attending school Several empirical researches have established a positive relation between poverty and child labour (Blunch and Verner, 1999; Okupkpara and Odurukwe, 2006). Compared to Bagmati province, children from Province 1, Lumbini and Karnali province are more likely to be engaged in child labour and are less likely to attend school. It may be because Bagmati province is relatively more developed than other provinces.

Figure 36

Factors influencing the engagement of children in child labour and not currently attending school (child age between five and thirteen)



Source: Consultant calculation using NLFS 2016/17

Note: Statistically coefficients that are not significant at ten per cent are shown in red. The coefficients are the marginal effects of variables on the probability of children being engaged in the child labour and not currently attending the school from the bivariate probit model. The reference group is a Province 3 in case of provinces.

Figure 37 shows the results from the second model (limited to ages between 14 and 17 in regression). Similar to the first model, an increase in the age of children is positively correlated with the probability of child labour engagement, and reduced probability of children being sent to school. Indicators such as children from households with more siblings under five,

their parents engaged in hazardous occupations, and those with at least an adult employed in family, are more likely to work as child labourers and less likely to attend school. Akin to the results from the first model, children spending more time to collect water are more likely to work as child labourers and less likely to attend school. Children from Brahmin and Chettri families, larger family size, educated parents and wealthy household from urban regions are less likely to work as child labourers and more likely to attend school. The results suggest that the parents' employment status and education matter for children not be engaged in child labour.

Figure 37

Factors influencing the engagement of children in child labour and not currently attending school (child age between fourteen and seventeen)

Source: Consultant calculation using NLFS 2016/17

Note: Statistically coefficients that are not significant at ten per cent are shown in red. The coefficients are the marginal effects of variables on the probability of children being engaged in the child labour and not currently attending the school from the bivariate probit model. The reference group is a Province 3 in case of provinces.

8 Conclusion

The GoN has endorsed several international treaties and conventions on children and child labour and has formulated national labour laws to eliminate child labour including the worst forms in the country. Nepal's constitution has placed high importance on child rights and protection. Recently, Nepal has become a pathfinder country of Alliance 8.7, a multi-stakeholder partnership aiming at accelerating progress towards the achievement of SDG Goal 8.7. The GoN has vowed to meet the targets set by the SDGs by 2030. To monitor the progress of child labour statistics and to formulate necessary policies to eliminate child labour, a detailed assessment of its prevalence by sectors, ethnic groups, gender, age and locations is required. This report descriptively assessed the child labour situation and empirically assessed the factors influencing the engagement of children in child labour and not attending school using bivariate probit model. The study used the child labour data from NLFS 2017/18. All the children between ages 5 and 17 were included in the analysis.

Results indicate that in total, 1.08 million children were found to be engaged in child labour which constitutes about 52 per cent of the total working children and 15.3 per cent of the total children between ages of 5 and 17 years. Among the total number of child labourers, 20.6 per cent children i.e. about 0.2 million are found to engage in hazardous work. The child labour prevalence is about 18 per cent for the age group (5-13 years) and 10 per cent for the age group (14-17 years). The child labour prevalence for females is 17 per cent while for males, it is 14 per cent. In case of provinces, the child labour participation rate is the highest in Karnali (24.6%) followed by Sudurpashchim (20.9%), Province 1 (17.6%), Gandaki (16.1%), Lumbini (15.8%), Province 2 (11.5%), and Bagmati (8.9%). The child labour prevalence is higher in the rural regions (20.4%) compared to the urban regions (12.1%).

About 87 per cent of child labour is employed in the agriculture sector. The informal sector engages the higher share (about 78%) of child labour. The Dalits have the highest child labour prevalence (19.4%) while the least child labour prevalence is found in the Newar community (9.9%). Children enrolled in primary education have the highest per cent of child labour (29.6%) while children enrolled in secondary education (8.2%) have the lowest prevalence of child labour. Children attending school have child labour prevalence of 14.1 per cent while children not attending school have child labour prevalence of 25.1 per cent. For children working for more than 36 hours per week, only 3 per cent of the children attended school.

Among the total children from ages 5 to 17, 3.1 per cent (about 0.2 million) of them are engaged in hazardous work. More male children are engaged in such work (3.7%) compared to females (2.6%). Further, among the total children engaged in hazardous occupation, the highest number of children work as shop sales assistants (24%) followed by crop farm labourers (10%), building construction workers (8%), shop keepers (8%), tailors and dress makers (6%), livestock farm labourers (4%), cleaners and helpers (3%) and freight handlers (3%). In case of provinces, the highest number of children working in the hazardous sector is from Lumbini (4%) and the least is from Sudurpashchim (1. 4%). While the rural regions have higher prevalence of child labour in general, the urban regions have higher prevalence of child labour working in hazardous occupations. The majority of the children (62%) engaged in hazardous work come from the agriculture sector. About 74 per cent of children are engaged in informal sector work in hazardous sectors. Among the caste/ethnic groups, the highest number of children working in the hazardous sectors are from Muslim community while the least are from the Brahmin community.

Child labour prevalence is higher for those parents with lower levels of education and parents working in the informal sector. The study shows that households with assets (motorcycle, bicycle, refrigerator, vehicle, computer/internet, tv/cable, and telephone/mobile) except radio, have lower prevalence of child labour. The probability of child labour is lower in households with higher wealth/asset index in comparison to households with lower wealth/asset index. Children of unemployed heads of family have the highest prevalence (21.4%) of child labour followed by the household heads who work in their family business (18.7%), are employed (14.5%) and self-employed (14.2%), respectively.

An empirical analysis was conducted to assess the determinants of child labour. For children between the ages 5to 13, households with more number of siblings below age 5 and subsistence households have a higher probability of children being engaged in child labour. Children from Brahmin and Chhetri households, with educated household head, receiving remittances and living in urban regions are less likely to work as child labourers and more likely to go to school. Similarly, for children aged between 14 and 17, households with more number of siblings below the age of 5 and parents working in hazardous occupations are more likely to work as child labour and less likely to attend school.

9

Policy implications

Several policy implications emerge based on the findings from the study. Children from higher wealth index households have lower probability of being child labourers and higher probability of attending school. This suggests that poverty is one of the important factors that causes child labour. Therefore, GoN should strategize and implement economic measures to address and curb the country's extreme poverty, and raise the standard of living. Working becomes detrimental to schooling beyond certain number of hours. The current policy that allows 36 hours of employment even for children needs to be revised. Strict rules should be implemented to reduce the working hours of children. Child labour is likely to be reduced significantly if children are encouraged to attend school.

Families with higher number of siblings below the age of 5 have a higher probability of older children being engaged as child labourers and not attending school. Any financial packages and assistance from the government to the households with the higher child dependency will likely ease financial pressure on parents and by proxy to the elder siblings.

Children who spend more time collecting water are more likely to engage in child labour. Provision of easily accessible water, either through the effort of private, governmental or non-governmental organizations could help mitigate this problem.

Child labour is high in the Karnali and Sudurpashchim provinces. These provinces deserve more attention while targeting interventions to combat child labour. Dalit and Janajati groups have higher child labour prevalence. Empowering and improving the living standards of these communities is important to curb child labour. Lumbini and Province 1 have the highest number of children working in the hazardous sector. In case of caste and ethnicity, Muslim and Newar communities have the highest number of children working in the hazardous sector. Targeted actions to reduce the prevalence of the worst forms of child labour can help these provinces and caste and ethnic groups in curbing child labour.

Children's involvement in child labour can also depend on parental characteristics. The study indicates that parents with higher education are less likely to send their children to work.

This underscores the importance of education to break the intergenerational transmission of child labour.

Children of parents working in informal (mainly hazardous) sectors are more likely to work as child labour. Relatively high number of children work as shop sales assistants, livestock farm labourers, cleaners and helpers, freight handlers and construction workers. Therefore, informal sector workers need to be included in the immediate and long term intervention strategies.

The agriculture sector engages the highest share of child labour according to this research. Therefore, it is crucial that technological changes take place in the agriculture sector substituting child labour. Discouraging the use of child labour-friendly tools and technology by promoting agriculture mechanization is likely to reduce child labour in the sector. Subsistence agriculture households are more likely to engage their children as child labour. Promoting off-farm employment for parents and boosting household income can reduce child labour.

Despite numerous efforts from government, private or non-governmental organizations to fight against child labour along with formulation and ratification of child labour laws, child labour is still rampant in the rural areas of the country. Further, effective enforcement of child labour law is problematic especially when it is dominated by the informal sector and accepted by society. Strengthening labour inspections and establishing comprehensive child labour monitoring systems can help reduce child labour. It is equally important to change societal norms regarding child labour. Raising awareness on the negative consequences of child labour on future productivity and health, and setting harsh punishments for perpetrators is important to reduce child labour in the country.

10 Limitations of the study

The study attempts to estimate the prevalence of child labour by several categories of interest. Children retained in the analysis come from the NLFS 2017/18 which is not a specially designed survey for estimating child labour. Also the survey has not captured homeless children living on streets or in institutions and the worst forms of child labour other than those engaged in hazardous work. During the disaggregation, some of the estimates especially in case of children low sample size and thus likely to yield less reliable estimates. Moreover, the empirical study did not assess what causes child labour. The study is limited to examining the correlations of child labour in Nepal and thus the findings should be cautiously interpreted.

References

Bishwakarma, Ghanshyam. "The high school educational status of Dalit in Nepal: from exclusion to success story." *Kuopio: ResearchGate: University of Joensuu* (2009).

Central Bureau of Statistics (CBS) International Labour Office (ILO). "Report on the Nepal Labour Force Survey 2017/18." (2019). Kathmandu, Nepal.

Central Bureau of Statistics (CBS) National Planning Commission (NPC). "Population Census." (1991). Kathmandu, Nepal.

Central Bureau of Statistics (CBS) National Planning Commission (NPC). "Nepal Living Standard Survey." (1996). Kathmandu, Nepal.

Central Bureau of Statistics (CBS) National Planning Commission (NPC). "Population Census." (2001). Kathmandu, Nepal.

Central Bureau of Statistics (CBS) National Planning Commission (NPC). "Nepal Living Standard Survey." (2005). Kathmandu, Nepal.

Central Bureau of Statistics (CBS) National Planning Commission (NPC). "Nepal Living Standard Survey." (2011a). Kathmandu, Nepal.

Central Bureau of Statistics (CBS) National Planning Commission (NPC). " Nepal Child Labour Report based on Data Drawn from the Nepal Labour Force Survey2008." (2011b). Kathmandu, Nepal.

Das, A. K. L., T. R. Gautam, C. Subba, Y. Gurung, K. Shakya, and R. Suwal. "The Nepal multidimensional social inclusion index: Diversity and agenda for inclusive development." *Kathmandu: Central Department of Sociology/Anthropology, Tribhuvan University* (2014).

Earthquake, NPC Nepal. "Post Disaster Needs Assessment." Sector Reports. Kathmandu: *National Planning Commission, Government of Nepal* (2015).

Emerson, Patrick M., and André Portela Souza. "Is there a child labor trap? Intergenerational persistence of child labor in Brazil." *Economic development and cultural change* 51, no. 2 (2003): 375-398.

Gilligan, Brian. *An analysis of the determinants of child labour in Nepal, the policy environment and response.* Understanding Children's Work, 2003.

International Labour Organization. "Investing in Every Child: An Economic Study of the Costs and Benefits of Eliminating Child Labour." 2004.

International Labour Organization (ILO). "Global estimates of child labour: Results and trends, 2012–2016." (2017).

Kassouf, Ana Lúcia, Martin McKee, and Elias Mossialos. "Early entrance to the job market and its effect on adult health: evidence from Brazil." *Health Policy and Planning* 16, no. 1 (2001): 21-28.

Khan, Sherin R., and Scott Lyon*. Measuring children's work in South Asia: perspectives from national household surveys.* ILO, 2015.

Khanal, Shaleen. "Gender discrimination in education expenditure in Nepal: Evidence from living standards surveys." *Asian Development Review* 35, no. 1 (2018): 155-174.

Ministry of Finance (MOF). "Economic Survey 2018/19." (2019). Kathmandu, Nepal.

Ministry of Health and Population (MOHP). " Nepal demographic and health survey 2011." (2011). Kathmandu, Nepal. https://www.dhsprogram.com/pubs/pdf/fr336/fr336.pdf

Morduch, Jonathan. "Between the state and the market: Can informal insurance patch the safety net?." *The World Bank Research Observer* 14, no. 2 (1999): 187-207.

Martin, Mary-Laure. "Child participation in disaster risk reduction: The case of flood-affected children in Bangladesh." *Third World Quarterly* 31, no. 8 (2010): 1357-1375.

Nepal, Apsara, and Mani Nepal. "Is child labour a substitute for adult labour? The relationship between child labour and adult illness in Nepal." *International Labour Review* 151, no. 1-2 (2012): 109-121.

Okpukpara, Benjamin Chiedozie, and Ngozi Odurukwe. "Incidence and determinants of child labour in Nigeria: Implications for poverty alleviation." (2006).

Petricic, Sasa. "Nepal one year after the earthquake: child labour, child brides, homeless

kids." Canadian Broadcasting Corporation (CBC). (2016).

Psacharopoulos, George. "Child labor versus educational attainment Some evidence from Latin America." *Journal of population economics* 10, no. 4 (1997): 377-386.

Ravallion, Martin, and Shubham Chaudhuri. "Risk and insurance in village India: Comment." Econometrica 65, no. 1 (1997): 171-184.

Sharma, Binita, and Megh R. Dangal. "Seasonal child labour in Nepal's Brick Kilns: A study of its educational impact and parents' attitudes towards it." *Journal of Education and Work* 32, no. 6-7 (2019): 586-597.

Sapkota, Chandan. "Remittances in Nepal: boon or bane?." *The Journal of Development Studies* 49, no. 10 (2013): 1316-1331.

Thapa, Ganesh, Anjani Kumar, Devesh Roy, and P. K. Joshi. "Impact of crop diversification on rural poverty in Nepal." *Canadian Journal of Agricultural Economics/Revue canadienne d'agroeconomie* 66, no. 3 (2018): 379-413.

Townsend, Robert M. "Risk and insurance in village India." *Econometrica: Journal of the Econometric Society* (1994): 539-591.

Truex, Rory. "Corruption, attitudes, and education: Survey evidence from Nepal." *World Development* 39, no. 7 (2011): 1133-1142.

Uematsu, Hiroki, Akhmad Rizal Shidiq, and Sailesh Tiwari. "Trends and drivers of poverty reduction in nepal: a historical perspective." *World Bank Policy Research Working Paper* 7830 (2016).

Verner, Dorte, and Niels-Hugo Blunch. *Revisiting the link between poverty and child labor: the Ghanaian experience.* The World Bank, 1999.

Wahba, Jackline. "The influence of market wages and parental history on child labour and schooling in Egypt." *Journal of Population Economics* 19, no. 4 (2006): 823-852.

World Bank. *World development indicators* 2011. The World Bank, 2011.

World Bank. *World development indicators* 2019. The World Bank, 2019.

Annex

Table A1: Number and per cent of child labour aged 5-17 by sex, age group and provinces (in thousands)

Province	Sex	Age group 1 (5-13)		Age group 2 (14-17)		Age (5-17)		Total children (Age 5-17)
		No Child Labour	Child Labour	No Child Labour	Child Labour	No Child Labour	Child Labour	
Province 1	Male	333	70	165	37	499	107	605
	%	82.64	17.36	81.89	18.11	82.39	17.61	52.61
	Female	289	76	160	20	449	96	545
	%	79.21	20.79	88.69	11.31	82.34	17.66	47.39
	Total	622	146	325	57	948	203	1151
	%	81.01	18.99	85.09	14.91	82.37	17.63	100
Province 2	Male	450	54	220	31	670	85	754
	%	89.32	10.68	87.63	12.37	88.76	11.24	50.35
	Female	424	73	233	14	656	88	744
	%	85.26	14.74	94.17	5.83	88.22	11.78	49.65
	Total	873	127	453	45	1326	172	1498
	%	87.31	12.69	90.88	9.12	88.49	11.51	100
Bagmati	Male	389	34	211	23	600	57	657
	%	91.98	8.02	90.31	9.69	91.39	8.61	53.16
	Female	302	41	223	13	525	54	578
	%	88.04	11.96	94.64	5.36	90.73	9.27	46.84
	Total	691	75	434	35	1125	110	1235
	%	90.22	9.78	92.49	7.51	91.08	8.92	100

Gandaki	Male	172	24	103	6	275	31	306
	%	87.69	12.31	94.15	5.85	90	10	52.34
	Female	129	56	85	8	215	63	278
	%	69.95	30.05	91.58	8.42	77.2	22.8	47.7
	Total	302	80	188	14	490	94	584
	%	79.09	20.91	92.97	7.03	83.9	16.1	100
Lumbini	Male	356	60	188	28	544	88	633
	%	85.6	14.4	86.84	13.16	86.02	13.98	51.44
	Female	310	82	182	24	492	105	597
	%	79.11	20.89	88.53	11.47	82.35	17.65	48.56
	Total	667	142	370	52	1036	194	1230
	%	82.45	17.55	87.66	12.34	84.24	15.76	100
Karnali	Male	144	57	66	7	210	64	274
	%	71.76	28.24	89.92	10.08	76.63	23.37	49.39
	Female	133	68	75	5	208	73	281
	%	66.17	33.83	94.25	5.75	74.11	25.89	50.61
	Total	278	125	141	12	419	137	556
	%	68.96	31.04	92.17	7.83	75.36	24.64	100
Sudurpashchim	Male	220	64	109	9	329	73	402
	%	77.42	22.58	92.57	7.43	81.86	18.14	49.01
	Female	179	89	141	9	320	98	419
	%	66.8	33.2	93.92	6.08	76.55	23.45	50.99
	Total	399	153	250	18	650	171	821
	%	72.27	27.73	93.33	6.67	79.15	20.85	100

Table A2: **Number and per cent of child labour aged 5-17 by sex, age group and region (in thousands)**

Region		Age group 1 (5-13)		Age group 2 (14-17)		Age (5-17)		Total children (Age 5-17)
		No child labour	Child labour	No child labour	Child labour	No child labour	Child labour	
Urban	Male	1,322	163	679	83	2,001	247	2,248
	%	89.00	11.00	89.09	10.91	89.03	10.97	100
	Female	1,115	225	683	49	1,798	274	2,072
	%	83.21	16.79	93.3	6.7	86.78	13.22	100
	Total	2,437	388	1,363	132	3,800	521	4,321
	%	86.25	13.75	91.15	8.85	87.95	12.05	100
Rural	Male	743	199	383	58	1,126	257	1,383
	%	78.85	21.15	86.83	13.17	81.39	18.61	100
	Female	652	260	416	43	1,067	303	1,371
	%	71.49	28.51	90.54	9.46	77.87	22.13	100
	Total	1,395	459	798	101	2,193	561	2,754
	%	75.23	24.77	88.72	11.28	79.64	20.36	100

Table A3: **Number and per cent of child labour aged 5-17 by sex, age group and provinces in rural and urban regions (in thousands)**

Province	Sex	Age group 1 (5-13)		Age group 2 (14-17)		Age (5-17)	
		Urban Child labour	Rural Child Labour	Urban Child labour	Rural Child Labour	Urban Child labour	Rural Child Labour
Province 1	Male	23	47	19	17	42	65
	%	9.91	27.06	15.96	21.26	12.00	25.22
	Female	25	51	11	10	35	61
	%	11.76	33.01	9.95	13.31	11.15	26.69
	Total	47	99	30	27	77	126
	%	10.80	29.85	13.13	17.51	11.59	25.91
Province 2	Male	37	16	21	10	59	26
	%	11.27	9.52	12.57	11.94	11.71	10.29
	Female	57	16	9	6	66	22
	%	16.81	10.27	5.26	7.03	12.99	9.19
	Total	94	32	30	15	125	48
	%	14.07	9.88	8.94	9.51	12.35	9.76
Bagmati	Male	13	21	16	7	28	28
	%	4.09	18.43	9.03	11.55	5.87	16.07
	Female	16	25	10	3	26	28
	%	6.56	26.1	5.65	4.59	6.19	17.3
	Total	29	46	25	10	54	56
	%	5.19	21.88	7.36	7.93	6.02	16.66
Gandaki	Male	13	11	5	2	18	13
	%	11.10	14.02	7.37	3.53	9.74	10.39
	Female	18	38	4	4	22	41
	%	18.82	42.03	8.46	8.37	15.36	30.69
	Total	31	49	9	5	40	54
	%	14.60	28.67	7.83	6.01	12.23	20.93

Lumbini	Male	23	37	13	16	36	53
	%	10.20	19.38	10.84	15.84	10.42	18.16
	Female	30	52	10	13	40	65
	%	16.80	24.39	9.93	12.97	14.33	20.63
	Total	53	88	23	29	76	118
	%	13.13	22.02	10.42	14.38	12.19	19.44
Karnali	Male	27	29	4	4	31	33
	%	24.66	32.69	8.72	11.81	20.37	27.12
	Female	34	34	2	2	36	37
	%	31.22	36.85	4.89	7.21	22.91	29.72
	Total	61	64	6	6	67	70
	%	27.89	34.82	6.62	9.62	21.66	28.43
Sudurpashchim	Male	28	37	6	3	34	39
	%	16.64	30.81	7.88	6.6	13.87	24.58
	Female	45	44	3	6	48	50
	%	28.28	40.32	3.87	9.2	19.56	29.05
	Total	72	81	9	8	82	89
	%	22.34	35.37	5.73	8.16	16.74	26.89

Table A4: **Number and per cent of child labour aged 5-17 by sex, age group and ethnicity (in thousands)**

Ethnicity	Sex	Age group 1 (5-13 yrs)		Age group 2 (14-17 yrs)		Total children (5-17)		Total children (Age 5-17)
		No Child Labour	Child Labour	No Child Labour	Child Labour	No Child Labour	Child Labour	
Terai Caste	Male	478	65	249	41	727	106	833
	%	87.99	12.01	85.8	14.2	87.23	12.77	50.77
	Female	431	81	275	20	707	101	808
	%	84.2	15.8	93.14	6.86	87.47	12.53	49.23
	Total	909	146	524	61	1433	208	1641
	%	86.15	13.85	89.5	10.5	87.35	12.65	100
Brahmin/ Chhetry	Male	610	111	367	31	976	142	1119
	%	84.56	15.44	92.25	7.75	87.3	12.7	52.27
	Female	532	149	322	18	854	167	1021
	%	78.07	21.93	94.75	5.25	83.63	16.37	47.73
	Total	1141	261	689	49	1830	309	2140
	%	81.41	18.59	93.4	6.6	85.55	14.45	100
Muslim and Other caste	Male	131	11	44	7	174	18	192
	%	92.35	7.65	86.46	13.54	90.8	9.2	50.51
	Female	106	25	52	6	157	31	188
	%	81.15	18.85	89.1	10.9	83.6	16.4	49.49
	Total	236	35	95	13	332	49	380
	%	86.98	13.02	87.87	12.13	87.23	12.77	100
Janajati	Male	449	108	241	33	690	141	831
	%	80.65	19.35	87.86	12.14	83.03	16.97	52.73
	Female	353	116	247	28	600	144	745
	%	75.22	24.78	89.85	10.15	80.62	19.38	47.27
	Total	802	224	488	61	1290	285	1575
	%	78.17	21.83	88.85	11.15	81.89	18.11	100
Dalit	Male	299	58	123	23	422	81	503
	%	83.72	16.28	84.22	15.78	83.87	16.13	48.54
	Female	269	106	145	13	414	120	533
	%	71.64	28.36	91.64	8.36	77.57	22.43	51.46
	Total	568	164	268	36	835	201	1036
	%	77.53	22.47	88.08	11.92	80.63	19.37	100
Newar	Male	99	10	39	6	138	16	154
	%	91.15	8.85	86.4	13.6	89.74	10.26	51.04
	Female	76	7	58	7	134	14	148
	%	91.29	8.71	89.28	10.72	90.41	9.59	48.96
	Total	175	17	97	13	272	30	302
	%	91.21	8.79	88.08	11.92	90.07	9.93	100

Table A5: Average weekly hours worked by working children (5-17 years) by sex and occupation status

Status	Male			Female			Total		
	Mean	Max	Min	Mean	Max	Min	Mean	Max	Min
Child labour	17	96	1	13	81	1	15	96	1
Working children not in child labour	9	36	1	10	36	1	10	36	1
Informal Sector	34	84	2	29	81	2	32	84	2
Formal Sector	36	96	1	29	81	3	33	96	1
Employment	32	96	1	22	70	1	28	96	1
Own goods production	9	83	1	10	79	1	9	83	1
Volunteer work							4	21	1
Services and sales workers	21	84	1	21	70	3	21	84	1
Skill/semi-skill workers in agriculture	30	72	2	30	62	3	30	72	2
Craft and trade workers	40	77	1	27	68	6	37	77	1
Plant and machine operators	37	56	13	21	48	8	33	56	8
Elementary Occupation	46	96	4	35	81	2	40	96	2

Table A6: Number and per cent of children engaged in hazardous work by sex and age group (in thousands)

Sex	Age group 1 (5-13)		Age group 2 (14-17)		Age (5-17)		Total children (Age 5-17)
	Not in hazardous work	Hazardous work	Not in hazardous work	Hazardous work	Not in hazardous work	Hazardous work	
Male	2,411	18	1,086	117	3,497	135	3,632
%	99.27	0.73	90.30	9.70	96.30	3.70	51.33
Female	2,227	25	1,128	63	3,355	88	3,443
%	98.9	1.1	94.69	5.31	97.45	2.55	48.67
Total	4,638	43	2,215	180	6,852	222	7,075
%	99.09	0.91	92.48	7.52	96.86	3.14	100

Table A7: Number and per cent of children of age between five and seventeen engaged in hazardous work

Provinces	Sex	Not in hazardous work	Hazardous work	Total children
Province 1	Male	576	30	605
	%	95.08	4.92	100
	Female	531	15	545
	%	97.28	2.72	100
	Total	1106	45	1151
	%	96.12	3.88	100
Province 2	Male	721	33	754
	%	95.62	4.38	100
	Female	726	18	744
	%	97.59	2.41	100
	Total	1447	51	1498
	%	96.6	3.40	100
Bagmati	Male	631	25	657
	%	96.17	3.83	100
	Female	566	13	578
	%	97.81	2.19	100
	Total	1197	38	1235
	%	96.94	3.06	100
Gandaki	Male	298	8	306
	%	97.54	2.46	100
	Female	267	11	278
	%	96.15	3.85	100
	Total	566	18	584
	%	96.87	3.13	100
Lumbini	Male	607	26	633
	%	95.86	4.14	100
	Female	574	23	597
	%	96.15	3.85	100
	Total	1181	49	1230
	%	96	4.0	100
Karnali	Male	269	5	274
	%	98.17	1.83	100
	Female	276	5	281
	%	98.07	1.93	100
	Total	545	10	556
	%	98.12	1.88	100
Sudurpashchim	Male	395	8	402
	%	98.07	1.93	100
	Female	415	3	419
	%	99.19	0.81	100
	Total	810	11	821
	%	98.64	1.36	100

Table A8: **Number and per cent of children engaged in hazardous work by sex, age group and region (in thousands)**

		Age group 1 (5-13)		Age group 2 (14-17)		Age (5-17)		Total children (5-17 yrs)
		Not in hazardous work	Hazardous work	Not in hazardous work	Hazardous work	Not in hazardous work	Hazardous work	
Urban	Male	1,474	12	688	75	2,162	86	2,248
	%	99.23	0.77	90.23	9.77	96.17	3.83	100
	Female	1,327	13	689	43	2,016	56	2,072
	%	99.05	0.95	94.06	5.94	97.29	2.71	100
	Total	2,801	24	1,377	118	4,178	142	4,321
	%	99.14	0.86	92.11	7.89	96.71	3.29	100
Rural	Male	937	6	398	42	1,335	49	1,383
	%	99.33	0.67	90.41	9.59	96.49	3.51	100
	Female	900	12	439	20	1,339	32	1,371
	%	98.69	1.31	95.7	4.3	97.69	2.31	100
	Total	1,836	18	838	62	2,674	80	2,754
	%	99.02	0.98	93.11	6.89	97.09	2.91	100

Table A9: **Number and per cent of children aged 5-17 engaged in hazardous work by sex, age group and ethnicity (in thousands)**

Ethnicity	Sex	Age group 1 (5-13 yrs)		Age group 2 (14-17 yrs)		Total children (5-17)		Total children (Age 5-17)
		Not in hazardous work	Hazardous work	Not in hazardous work	Hazardous work	Not in hazardous work	Hazardous work	
Terai Caste	Male	537	6	253	37	790	43	833
	%	98.92	1.08	87.23	12.77	94.85	5.15	50.77
	Female	507	5	279	17	786	22	808
	%	98.93	1.07	94.36	5.64	97.26	2.74	49.23
	Total	1044	11	532	54	1576	65	1641
	%	98.92	1.08	90.83	9.17	96.04	3.96	100
Brahmin/ Chhetry	Male	716	5	377	21	1092	26	1119
	%	99.3	0.7	94.69	5.31	97.66	2.34	52.27
	Female	675	6	331	10	1006	15	1021
	%	99.15	0.85	97.19	2.81	98.5	1.5	47.73
	Total	1391	11	707	31	2098	41	2140
	%	99.23	0.77	95.84	4.16	98.06	1.94	100
Muslim and Other caste	Male	140	1	44	6	185	7	192
	%	99.18	0.82	87.74	12.26	96.17	3.83	50.51
	Female	128	3	52	6	179	9	188
	%	97.85	2.15	89.55	10.45	95.3	4.7	49.49
	Total	268	4	96	12	364	16	380
	%	98.54	1.46	88.71	11.29	95.74	4.26	100
Janajati	Male	553	4	246	28	799	32	831
	%	99.33	0.67	89.82	10.18	96.19	3.81	52.73
	Female	462	8	258	17	720	25	745
	%	98.28	1.72	93.99	6.01	96.7	3.3	47.27
	Total	1015	12	504	44	1519	56	1575
	%	98.85	1.15	91.91	8.09	96.43	3.57	100
Dalit	Male	356	1	127	19	482	21	503
	%	99.58	0.42	86.94	13.06	95.92	4.08	48.54
	Female	373	2	150	8	523	10	533
	%	99.51	0.49	94.81	5.19	98.11	1.89	51.46
	Total	729	3	277	27	1006	31	1036
	%	99.54	0.46	91.04	8.96	97.05	2.95	100
Newar	Male	108	0	40	6	148	6	154
	%	99.56	0.44	87.86	12.14	96.1	3.9	51.04
	Female	83	1	58	6	141	7	148
	%	99.09	0.91	90.39	9.61	95.29	4.71	48.96
	Total	191	1	99	12	289	13	302
	%	99.36	0.64	89.34	10.66	95.7	4.3	100

Table A10: **Factors influencing the probability of children being engaged as child labour and not attending school in Nepal**

VARIABLES	Age 5-13	Age 14-17
Child age(yrs)	-0.016***	0.027***
	(0.003)	(0.003)
Square child age	0.001***	-
	(0.000)	-
# of child <5 in HH	0.004***	0.020***
	(0.001)	(0.005)
Family size	-0.001	-0.007***
	(0.000)	(0.002)
Brahmin/Chhetry HH	-0.005***	-0.024***
	(0.002)	(0.006)
Subsistence HH	0.005***	-0.002
	(0.001)	(0.005)
Water collect. time (hrs.)	0.005***	0.001***
	(0.001)	(0.000)
Education level HH	-0.001***	-0.004***
	(0.000)	(0.001)
Remittance receiving HH	-0.005**	0.013
	(0.002)	(0.008)
HH head in hazardous work	0.002	0.023***
	(0.002)	(0.007)
At least one adult employed in a HH	-0.001	0.034***
	(0.002)	(0.008)
Wealth Index	-0.009***	-0.009**
	(0.002)	(0.004)
Urban HH	-0.004**	-0.012*
	(0.002)	(0.006)
Province 1	0.006**	0.032***
	(0.003)	(0.010)
Province 2	0.021***	0.030***
	(0.004)	(0.011)
Gandaki	0.006	-0.017
	(0.004)	(0.014)
Lumbini	0.009***	0.031***
	(0.003)	(0.009)
Karnali	0.007**	0.012
	(0.003)	(0.011)
Sudurpashchim	0.003	0.000
	(0.003)	(0.010)
Observations	14,403	6,961

Notes: We only presented the marginal effects for one category of interest (probability of children being engaged as child labour and not attending school) and ignored other three categories (no child labour and not attending school, no child labour and attend school, and engage as a child labour but attend school). Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

Nepal Child Labour Report 2021

This report is part of the Nepal Labour Force Survey 2017/18 conducted by the Central Bureau of Statistics in collaboration with the International Labour Organization. It provides the data of child labour in general and in its worst forms in Nepal. The data are disaggregated by age, sex, sector, provinces as well as caste and ethnicity. The report unveils nearly 1.1 million children are involved in child labour of which 0.2 million children are involved in its worst forms. The statistics reveal that child labour is still significant although the overall trend is declining in Nepal (2.6 million in 1998, 1.6 million in 2008 and 1.1 million in 2018). Agriculture is found to be the sector with highest per cent of child labour (87%) and dalit children constitute the highest (19.4%) proportion based on caste and ethnicity. The report assesses the status of child labour and it opens the door to implement the second National Master Plan (2018 – 2028) on Child Labour, recently endorsed by the Ministry of Labour, Employment and Social Security (MoLESS). The dis-aggregated data will also be useful for planning and designing child-focused programmes and activities at provincial and local levels by the government and other development partners in Nepal.

ISBN 978-92-2-034520-7