Stakeholders stress on inclusive job creation

Kathmandu, October 26

The country has been gradually overcoming the constraints of economic growth and enabling environment to enhance productivity.

Speaking at a programme organised by South Asia Watch on Trade, Economics and Environment (SAWTEE) titled ‘Supporting Economic Transformation: Pathways to Prosperity and Inclusive Job Creation in Nepal’, Swarnim Wagle, vice-chairman of National Planning Commission (NPC) — the apex planning body of the government — said that the major constraints of growth like lack of regularity and reliability of power supply, lack of connectivity (high cost of transportation), policy instability and labour problems are gradually being resolved, thereby paving the way for the private sector to grow for the expansion of the economy.

Wagle highlighted that lack of transformation in agricultural sector and premature deindustrialisation have adversely affected capacity to generate jobs in country. Consequently, a large number of youths are migrating to foreign countries to seek job opportunities.

Expansion of labour and skill intensive production sector is a must to retain the youths in Nepali job market, according to Wagle. “Nepal will have a high number — around 60 per cent — of working-age population in the age bracket of 15 to 64 years by 2050.”

“Failure to coordinate has been seen as the major challenge to achieve the development results in the desired time. In this regard, NPC has stressed on the need for sectoral approach in implementing development projects rather than the current ministerial approach for synergy in development,” Wagle asserted. He also stressed on the need to advance from the linear process of agriculture to establishing agro processing industries and also creating strong manufacturing base to achieve sustainable economic growth.

Also speaking in the programme, Shekhar Golchha, senior vice-president of the Federation of Nepalese Chambers of Commerce and Industry, said that the industrial sector is moving ahead to a new era along with the regularity of electricity supply, formulation of new policies and laws, as well as improvement in connectivity. Contribution of industrial sector has fallen significantly over the last 20 years due to various hassles to run the industry, including labour problem and a lot needs to be done to make Nepali industries competitive, he said.

Contribution of industrial sector has dropped to 5.5 per cent of the country’s gross domestic product from around 11 per cent two decades back. The government should focus on incentivising investors to move forward towards economic expansion, Golchha said.

Decent job generation is still a challenge for Nepal. As per Golchha, around 500,000 youths enter the job market every year, of whom 80 per cent migrate abroad for job opportunities. Moreover, out of the remaining 20 per cent, around 96 per cent work in the unorganised sector.
that lacks social security schemes and where provisions of labour law are not followed. “Only four per cent get job opportunities in the organised sector.”

A version of this article appears in print on October 27, 2017 of The Himalayan Times.