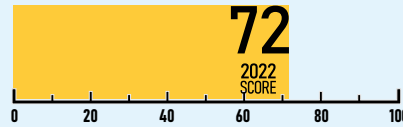
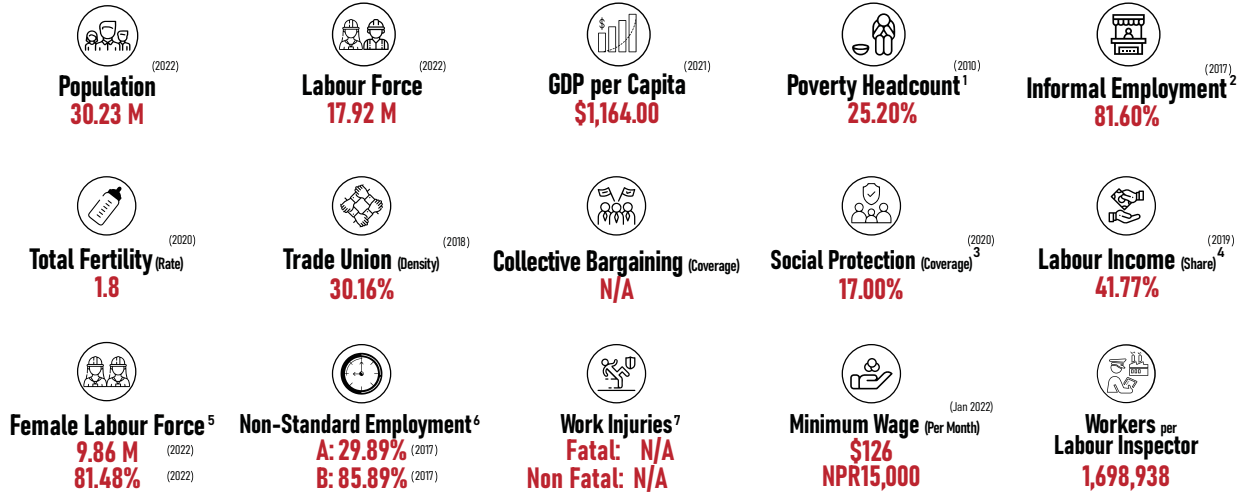




Nepal

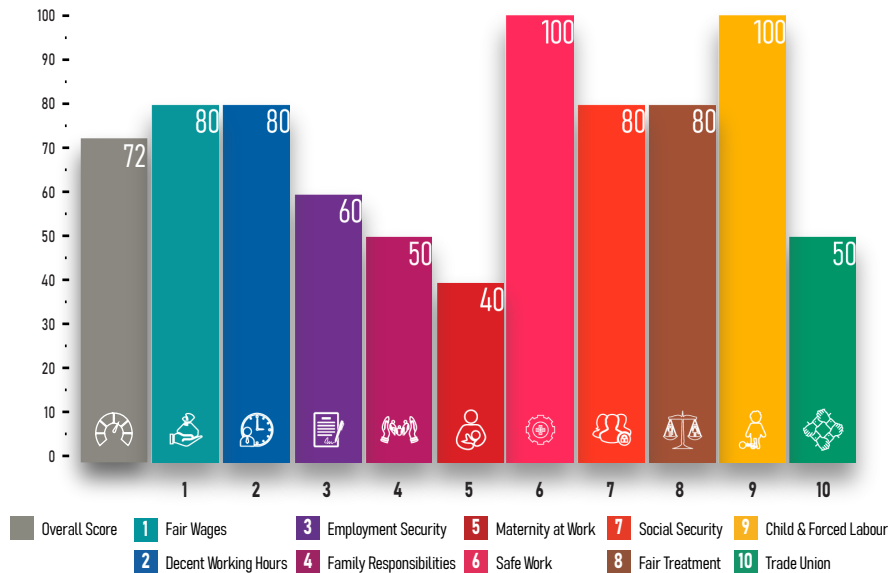


## Contextual Indicators



Sources: World Bank  
International Labour Organization  
WageIndicator Minimum Wages and Living Wages Database  
M=Million

## Legislative Performance Indicators



## Introduction

The Labour Rights Index 2022 (LRI 2022) is a de-jure index covering 135 economies and structured around the working lifespan of a worker. In total, 46 questions or evaluation criteria are scored across 10 indicators. The overall score is calculated by taking the average of each indicator, with 100 being the highest possible score. The Index uses a rating system, ranging from "Total Lack of Decent Work" to "Decent Work". The Labour Rights Index aims at an active contribution to the Sustainable Development Goals, by providing necessary (complementary) insights into de jure provisions on issues covered in particular by SDG8 (Decent Jobs), SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities) and SDG 16 (Strong Institutions). The Index is based on national labour legislation, applicable on 1 January 2022. The Index does not take into account COVID-19 related labour market measures in its scoring.

Nepal's overall score is 72 out of 100. The overall score for Nepal is higher than the regional average observed across South Asia (56.33). Within the South Asian region, the highest score is observed for Nepal.

<sup>1</sup> Proportion of population living below the national poverty line (%), as measured under SDG 1.2.1

<sup>2</sup> Share of informal employment in total employment (%), as measured under SDG 8.3.1

<sup>3</sup> Proportion of the country population covered by social protection floors, as measured under SDG 1.3.1

<sup>4</sup> Labour income (income of employees + partly income of the self-employed) as a percentage of GDP, as measured under SDG 10.4.1

<sup>5</sup> The female labour force is shown in absolute number along with the female labour force participation rate

<sup>6</sup> Non-Standard Employment has been defined as Part-Time Employment (A) and Temporary Employment (B)

<sup>7</sup> Rate of fatal and non-fatal injuries per 100,000 workers, as measured under SDG 8.8.1

The country rating is based on the overall score of 0-100, with the following coding:

(90.5-100) Decent Work | (80.5-90) Approaching Decent Work | (70.5-80) Reasonable Access to Decent Work | (60.5-70) Limited Access to Decent Work | (50.5-60) Basic Access to Decent Work | (0-50) Total Lack of Decent Work

# LABOUR RIGHTS INDEX 2022

	Question <sup>9</sup>	Answer	Legal Basis	Trend <sup>12</sup>
1. Fair Wages	Does the law prescribe minimum wage rates in the country?	Yes	§88, 94 (a), 106-107, and 163 of the Labour Act, 2017	●
	Does the law require regular payment of wages?	Yes	§2, 34-35, 38 and 148 of the Labour Act, 2017	●
	Does the law require overtime compensation be at least 125% of the regular hourly rate?	Yes	§29, 30 and 31 of the Nepal Labour Act, 2017	●
	Does the law require additional compensation for working on a weekly rest day?	Yes	§31 and 42 of the Labour Act, 2017	●
2. Decent Working Hours	Does the law require additional compensation for night work?	No	No applicable legal provisions could be located	●
	Does the law stipulate general working hours as 48 hours or lower?	Yes	§28 and 30 of the Labour Act, 2017; §9 of the Child Labour (Prohibition and Regulation) Act, 2000	●
	Does the law restrict maximum working hours including overtime to 56 hours per week?	No	§30 of the Labour Act, 2017	●
	Does the law require a weekly rest of at least 24 hours?	Yes	§28, 40, and 42 of the Nepal Labour Act 2017	●
	Does the law require paid public holidays?	Yes	§41 of the Labour Act, 2017; Section 69 of Nepali Gazette, 2017	●
3. Employment Security	Does the law require at least three working weeks of paid annual leave?	Yes	§43 & 49 of the Labour Act, 2017	●
	Does the law require written employment contracts or at least written employment particulars?	Yes	§2, 11, 12, 108 (bylaws), and 150 of the Labour Act, 2017; Rule 4 of the Nepal Labour Rules, 2018	●
	Does the law restrict the hiring of fixed-term contract workers?	No	§10(1-5) of the Labour Act, 2017; §2 of the Labour Rules, 2018	●
	Does the law limit the length of probation period including renewals to a maximum of 3 months?	No	§13 and 18(4) of the Labour Act, 2017	●
	Does the law require a 30-day notice before contract termination?	Yes	§141-148 of the Labour Act, 2017	●
4. Family Responsibilities	Does the law require severance pay at the rate of at least 2 weeks of wages for every year of service?	Yes	§49, 52, 53, 145(7) and 148 of the Labour Act, 2017; Rule 23-24 of the Labour Rules, 2018	●
	Does the law require parental leave for parents?	No	§13 of the Right to Safe Motherhood and Reproductive health, 2018	●
	Does the law require at least one week of paid paternity leave for fathers?	Yes	§45(6, 7) of the Labour Act, 2017	●
	Does the law require flexible work arrangements for workers with family responsibilities?	No	§19 of the Labour Act, 2017	●
5. Maternity at Work	Does the law require paid nursing breaks?	Yes	§13(3) of the Right to Safe Motherhood and Reproductive Health Act, 2018 (2075); §17 of the Labour Rules, 2018	●
	Does the law prohibit inquiring about pregnancy during recruitment?	No	No applicable legal prohibitions could be located	●
	Does the law require paid maternity leave of at least 14 weeks?	Yes	§45 of the Labour Act, 2017; §13 and 14 of the Right to Safe Motherhood and Reproductive health, 2018	●
	Does the law require cash maternity benefit be at least 67% of a worker's former wage?	No	§45 & 47 of the Labour Act, 2017; §7(2) of the Social Security Scheme Operating Procedure 2018	●
	Does the law require maternity benefit be paid through contributory social insurance or universal benefits system?	Yes	§45 & 47 of the Labour Act, 2017; §7(2) of the Social Security Scheme Operating Procedure 2018	●
6. Safe Work	Does the law protect workers from dismissals during or on account of pregnancy?	No	§7 of the Right to Employment Act, 2018	●
	Does the law require provision of free personal protective equipment to workers from employer?	Yes	§69 and 72-76 of the Labour Act, 2017; Rule 34, 35 and 39 of the Nepal Labour Rules, 2018	●
	Does the law require the employer to train workers on health and safety issues?	Yes	§69 of the Labour Act 2017; §39 of the Labour Rules 2018	●
	Does the law restrict work that is prejudicial to the health of the mother or the child?	Yes	§6(2b), 33, and 81 of the Labour Act, 2017	●
	Does the law provide for employment injury benefit?	Yes	§55 and 56 of the Labour Act, 2017; Chap. 3 of of the Social Security Scheme Operating Procedure, 2018	●
	Does the law provide for an old age pension?	Yes	§52 & 147 of the Labour Act, 2017; Chap. 5 of of the Social Security Scheme Operating Procedure, 2018	●
7. Social Security	Does the law provide for a dependants/survivors' pension?	Yes	§52 and 55 of the Labour Act 2017; Chap. 4 of of the Social Security Scheme Operating Procedure, 2018	●
	Does the law provide for unemployment benefit?	Yes	§22(1, 2) of the Right to Employment Act, 2018	●
	Does the law require paid sick leave for the first 6 months of sickness?	No	§44 of the Labour Act, 2017; ISSA Country Profile for Nepal	●
	Does the law provide for invalidity benefit?	Yes	§52 and 55(3) of Labour Act, 2017; Chap. 3 of of the Social Security Scheme Operating Procedure, 2018	●
	Does the law require equal remuneration for work of equal value?	Yes	§18(4) of the Nepal's Constitution, 2015; §7(1) of the Labour Act, 2017	●
8. Fair Treatment	Does the law prohibit sexual harassment in employment?	Yes	§132 of the Labour Act 2017; §4, 5, 12, and 13 of the Sexual Harassment at Workplace Act, 2014	●
	Does the law prohibit discrimination in employment matters? <sup>10</sup>	No	§18(1, 2, 3) of the Nepal's Constitution of 2015; §6(1) of the Labour Act 2017	●
	Does the law allow women to do the same jobs as men?	Yes	§38(5) of the Constitution, 2015; §4 of Right to Employment Act, 2018; §91 of National Civil Code Act, 2017	●
	Does the law guarantee basic labour protections for gig economy workers?	Yes	§5 & 10 of the Contribution based Social Security Act, 2017	●
9. Child and Forced Labour	Does the law prohibit employment of children?	Yes	§5 of Labour Act 2017; §3, 6, 7, 8 of the Child Labour (Prohibition and Regulation) Act 2000	●
	Does the law set employment entry age equal to or higher than the compulsory schooling age?	Yes	§31 of the Constitution, 2015; Section 6 of the Free and Compulsory Education Act, 2018	●
	Does the law prohibit the employment of children in hazardous work under the age of 18 years?	Yes	§1, 3, 7 and 9 of the Child Labour (Prohibition and Regulation) Act, 2000	●
	Does the law prohibit forced labour?	Yes	§4 and 164 of Labour Act 2017; §3 (2) and 4, Child Labour (Prohibition and Regulation) Act, 2000;	●
10. Trade Union	Does the law allow workers to form and join unions of their own choice?	Yes	§30 of the Trade Unions Act, 2049 (1992); USDOS CRHRP 2021	●
	Does the law allow workers to bargain collectively with employers through their representative unions?	No	§116 of the Labour Act 2017; USDOS CRHRP 2021	●
	Does the law provide for the right to strike?	No	USDOS CRHRP 2021	●
	Does the law prohibit employers from terminating employment contracts of striking workers?	Yes	§126 of the Labour Act 2017; USDOS CRHRP 2021	●

## Covid 19 and Labour Market in Nepal\*

Total Covid Cases	0.98 Million
Total Covid Deaths	11,954
Partial Vaccinated	83.0%
Fully Vaccinated	71.0%

Wage Subsidies	✘
Social Security Contributions (deferrals/waivers)	✘
Paid Sick Leave	✘
Add. Unemployment Benefits	✘

Protection from Dismissals	✘
Telework/flexible work	✔
Improved Health Access	✔
Training (activation measures)	✔

<sup>9</sup> The Index has 10 indicators and 46 evaluation criteria or questions.

<sup>10</sup> The prohibited grounds for discrimination are "race, colour, sex, religion, political opinion, national extraction or social origin, age, disability and trade union membership". A score of 1 is assigned only if a country has prohibited discrimination on at least 7 of the above 10 grounds.

<sup>11</sup> A country's score on LRI's Trade Union indicator must also be read together SDG indicator 8.8.2 which measures the level of national compliance with labour rights (freedom of association and collective bargaining) based on ILO textual sources and national legislation. It has a range from 0 to 10, with 0 being the best possible score (indicating higher levels of compliance with FACB rights) and 10 the worst (indicating lower levels of compliance with FACB rights). No score is available for the Nepal on SDG 8.8.2

The Index uses Observations/Direct Requests from ILO CEACR and the US Department of State's Country Reports on Human Rights Practices (US DOS CRHRP) to measure a country's compliance on the Trade Union indicator.

<sup>12</sup> In order to measure the trend in country's legislative performance over the last edition of the Labour Rights Index (2020), the legislative table indicates improvement or worsening of labour rights in country through the following colours.

- Score increase
- Score decrease
- Score adjustment
- No change