

A Study on
**Gender Implications of
Nepal's Accession to the WTO**

(with special reference to Carpet and Tourism sectors)

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Executive Summary

1. This study covers two industries - tourism and carpet – for a better understanding of issues related to gender and trade. It examines these issues within the World Trade Organisation (WTO) framework. Its primary objective is to identify intervention measures for gender equity. Enhancing women's trade competitiveness has been a major area of work.
2. Information for the study was generated through case studies, questionnaire surveys, analyses of relevant WTO Agreements, and on-site observations of work processes and working conditions. Focus group discussions were also conducted.
3. Nepal as an acceding country to the WTO is currently holding bilateral negotiations with interested member governments. During these negotiations, Nepal and its trading partners have discussed a wide range of issues, including tariff binding, market access for goods, and opening up of the services sector. The issue of tariff binding has been the major stumbling block so far. Many of Nepal's trading partners want to see the difference between actual and applied rates of tariff substantially reduced. On the services front, Nepal seems to be prepared for further liberalisation in tourism, telecommunications, education, health, and financial services. Consultations with stakeholders, including from the private sector and civil society, are in progress.
4. The Doha ministerial declaration of the WTO attaches high importance to the accession of Least Developed Countries (LDCs) and asks WTO members to conclude accession proceedings quickly. Some other international forums {e.g. Third United Nations Conference on Least Developed Countries (UNLDC III)} have echoed this spirit. Accordingly, increasing emphasis is being put on "accession package" rather than "piece-meal negotiations. Nepal could benefit from this approach.
5. While negotiations with international partners are going on, Nepal is also preparing for the WTO membership domestically. Activities in this area include sensitising stakeholders on implications of the intended membership, building consensus on basic issues, coordinating the works of all public-sector agencies, undertaking in-depth studies on key areas, and adjusting the policy regime to the WTO system.
6. The WTO system consists of some 30 legal documents, covering a wide range of activities. Agreements relevant for this study (in terms of gender implications) include General Agreement on Tariffs and Trade (GATT), Agreement on Agriculture (AOA), Agreement on Textiles and Clothing (ATC), Agreement on Technical Barriers to Trade (TBT), Agreement on Sanitary and Phytosanitary Measures (SPS), and General Agreement on Trade in Services (GATS).
7. In Nepal, women constitute some two-fifths of the economically active population. Service industries take a significant part of the female workforce. In terms of participation in economic activities, women are in a disadvantaged position. They have a very limited access to productive resources.

8. The carpet and tourism industries are very important from the perspective of women's employment opportunities. The carpet industry is developing on its strengths, including product quality and linkages with clients at international market. Goodwill of the industry has also contributed to the expansion of markets. However, the industry is facing some serious challenges both at home and abroad. Challenges at the national level include political instability, law and order problems, and inappropriate policies.
9. These opportunities and challenges are applicable to the tourism industry also. In this industry, the location of a particular service and the ability to carry out public relation activities are also very important. In addition, tourism infrastructure, which is not well developed in Nepal, plays a key role.
10. Based on the experience of these industries, one could say that women are not only hardworking but also more efficient and creative in comparison to their male counterparts. They are doing well despite very limited opportunities available to them. If women are provided with further opportunities, they are highly likely to succeed.
11. However, women are facing a number of problems. No matter how hardworking they might be, they cannot excel in business unless these problems are addressed. Factors like expensive raw materials could have an adverse impact on their products. Use of women's creative faculties for enhancing trade has been affected by the lack of access to property. This makes women unable to contribute to the economy in a more efficient manner. Acknowledgement of the contribution of women's labour is also important.
12. In the job situation, women occupy lower-level positions. The compensation package for women is generally less attractive than that of men, and other conditions of services are poor. Discrimination in terms of service conditions and working environment is prevalent. In fact, there is often a tendency to employ women as cheap labour.
13. Trade liberalisation within the WTO regime is associated with both positive and negative implications for women. On the positive side are increased job and income opportunities, access to global markets and technologies, and independence from unnecessary government control. The negative implications include stressful life caused by unfavourable working conditions, poor competitiveness resulting from lack of information, inability to respond to market demands because of technical barriers to trade, and strained family and social relations.
14. Trade liberalisation in general and Nepal's accession to the WTO in particular could have mixed consequences for women. They refer to access to resources, women's participation rate in the economy, educational status, employment opportunities, and wages. With regard to employment, it appears that opportunities will expand. However, the quality of job will not necessarily be enhanced; neither will women's working conditions. Further, women have less access to education, technological training, credit, and land ownership. This limits their opportunities to take advantage of liberalised trade. In some cases, this even reinforces the existing inequalities.

15. However, the WTO system also offers some good opportunities. Growth in women's employment and incomes could promote their economic independence. As a result, their influence in the family and society would increase. Further, their range of choices will expand. Increased incomes could be reflected in their children's quality of life (e.g., education, health). Higher incomes for women could also contribute to narrowing the gap between men and women in terms of exclusion and subordination. In other words, gender relations can improve.
16. The trade policy regime needs to take these factors into consideration while trying to reap the benefits of the WTO system. Strategic options are available to move ahead with redefined commitments. These options should be picked up by all relevant stakeholders – the government, private industries, and civil society organisations (CSOs).
17. The government should play a proactive role in reviewing discriminatory laws, building capacities, and coordinating the activities carried out by different agencies. Similarly, the government should create and maintain information systems with a view to creating an enabling framework.
18. CSOs should carry out advocacy functions in tandem with international movements on engendering trade policies. They could also be involved in the capacity building exercise. Research, studies, and awareness promotion are also part of their job.
19. The private sector could contribute towards gender equity by adopting a gender-sensitive approach in designing conditions of service. Problems of women workers need to be handled with a high sense of social responsibility in this context.
20. Even international development partners have a role here. They could be engaged in lobbying/sensitising policymakers and other actors involved in gender and trade issues at national, regional, and international levels and also provide support to them.

List of Acronyms

ADB	– Asian Development Bank
AMS	– Aggregate Measurement of Support
AOA	– Agreement on Agriculture
ATC	– Agreement on Textile and Clothing
CBS	– Central Bureau of Statistics
CCIA	– Central Carpet Industries Association
CEDAW	– Convention on the Elimination of all Forms of Discrimination against Women
EBA	– Everything But Arms
EOI	– Export Oriented Industry
EPZ	– Export Processing Zone
EU	– European Union
FDI	– Foreign Direct Investment
FTZ	– Free Trade Zone
GAD	– Gender and Development
GATS	– General Agreement on Trade in Services
GATT	– General Agreement on Tariffs and Trade
GDI	– Gender Development Index
IMF	– International Monetary Fund
IRC	– International Red Cross
IT	– Information Technology
IF	– Integrated Framework
IWGGT	– Informal Working Group on Gender and Trade
LDCs	– Least Developed Countries
MDGs	– Millennium Development Goals
MFN	– Most-favoured Nation
MNCs	– Multinational Corporations
MOWCSW	– Ministry of Women, Children and Social Welfare
NLSS	– Nepal Living Standard Survey
PRSP	– Poverty Reduction Strategy Paper
Rs	– Rupees (Nepali)
SAARC	– South Asian Association for Regional Cooperation
SAP	– Structural Adjustment Program
SPS	– Sanitary and Phytosanitary Measures
SWOT	– Strength, Weakness, Opportunities and Threats
TBT	– Technical Barriers to Trade

TPR	– Trade Policy Review
TRIPS	– Trade Related Aspects of Intellectual Property Rights
TRQ	– Tariff Rate Quotas
UN	– United Nations
UNCTAD	– United Nations Conference on Trade and Development
UNDAF	– United Nations Development Assistance Framework
UNDP	– United Nations Development Programme
UNIFEM	– United Nations Development Fund for Women
USA	– United States of America
WIDE	– Women in Development Europe
WTO	– World Trade Organisation

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Chapter 1

Introduction

1.1 Background

Established in 1995 as a successor to the General Agreement on Tariffs and Trade (GATT), the World Trade Organisation (WTO) is the most powerful institution in the arena of economic policy making at the global level. This is because of its sanction-based mechanism, with the help of which it can compel recalcitrant governments to change their policies, laws, rules and any other measures that are inconsistent with WTO norms. However, these are the prices to be paid for promoting free, fair and rule based trading system at the multilateral level. Because of these positive aspects the WTO has received backing and support from its member countries. Its popularity is evident from the size of its membership (145 at present) with some 30 members further queuing up to become its members.

The WTO Agreement consists of some 30 legal texts. Added to these are some 30 ministerial declarations. These arrangements cover a wide range of activities, including agriculture, textiles and clothing, government procurement, industrial standards, rules of origin, trade in services, and intellectual property rights (IPRs). The WTO covers three aspects of international trade. They are trade in goods, trade in services, and intellectual property rights. Most legal instruments of the WTO system are lengthy and complex. The WTO system is based on four fundamental principles. They are:

Trade without discrimination: A country should not discriminate between its trading partners. All of them must be granted "Most-favoured Nation" status. Similarly, it should not discriminate between its own and foreign products or services. They should be given the "national treatment".

Predictability: Predictability of market access is ensured through "binding" tariffs (putting a cap on tariff rates), removing quantitative restrictions (QRs), and dismantling non-tariff barriers (NTBs). Even though the WTO system is often perceived an advocate of free trade, it recognises the need for protection of domestic industry from foreign competition. However, it may be done through tariff measures only. Another way to ensure predictability is to establish transparency in trade policies.

Fair competition: The rules on non-discrimination are supposed to provide a level playing field for all players. The rules on dumping (exporting at prices below its' cost to gain market share) and subsidies also intend to achieve fair competition.

Development justice: The WTO system recognises the special needs of developing countries in terms of the implementation of various agreements under it. The developing countries, and especially the least developed among them, are given transition periods to adjust to the new situation. In addition, a ministerial decision on measures in favour of least-developed countries (LDCs) allows them extra flexibility in implementing the WTO Agreements. It also calls for enhanced market access conditions for LDCs and seeks increased technical assistance from the developed countries for them.

1.2 Nepal's position

Nepal is in the process of accession to the WTO. While being on the observer status of the WTO, Nepal has made formal application for obtaining membership in July 1998. Two working party meetings and two rounds of bilateral consultations have already taken place on Nepal's accession to the WTO. Accordingly, the government is working on creating an appropriate policy environment for international trade (See Chapter 3 for details.) The WTO membership offers both opportunities and challenges. It is up to us to decide and make policy choices on how to cope with the challenges and reap the benefits.

1.3 Statement of Problems

The Constitution of the Kingdom of Nepal, 1990 upholds the principles of gender equity and even underscores the concept of affirmative action. Promotion of gender equality is not only a development issue but also an international obligation for Nepal. For example, Nepal is a signatory to many international conventions, including the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW). These principles have found eloquent expressions in our plan documents. The Tenth Plan, for example, emphasises formulation of policies and programmes at different levels of administration with appropriate monitoring and evaluation mechanisms. The elimination of gender inequality should be achieved through reform of discriminatory laws¹, introduction of affirmative actions in favour of women, and promotion of mass awareness on the theme of gender. The objective of empowerment foresees provisions for higher representation of women in policy and decision-making bodies, better access to productive resources, and capacity enhancement.

While trade liberalisation – or rather trade promotion – is good for the economy, it has its own implications for women. Studies around the world have established that excessive use of women's productive capacities to boost trade could have adverse effects on social opportunities available to them. If so, this may contradict with our national policies on gender equity and women's empowerment. Planners and policy makers need to take this into account.

Some of the WTO Agreements are especially important from gender perspective. They have implications for socio-economic, political, cultural and environmental landscapes. For example, the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) has implications for the conservation of biodiversity and traditional knowledge, public health, farmers' rights, small and medium enterprises etc. Similarly, Agreement on Agriculture (AOA), Agreement on Sanitary and Phyto-sanitary Measures (SPS) and Agreement on Technical Barriers to Trade (TBT) could have impact on agricultural production and trade. General Agreement on Trade in Services (GATS), which governs the trade services, is also important in this context.

All these Agreements and decisions of the WTO constrain the policy autonomy of the state in terms of protecting vulnerable and marginalised sections of population. The

¹ Laws and regulations in Nepal contain 156 provisions that discriminate against women (TRN, March 15, 2003)

policy objectives of gender equity and women's empowerment may also be affected as a result.

1.4 Purpose of the study

Due to the nature of the WTO Agreements and the way they are to be implemented by the member countries, they have implications for socio-economic, political, cultural and environmental landscapes.

His Majesty's Government of Nepal has been currently focusing on obtaining the membership of the WTO. To this, there is a need to undertake studies in different aspects. However, there have been only limited studies on the potential implications of the WTO and the coping strategies to be adopted. At the same time, government has not been able to conduct studies on how Nepal could reap the benefits that are supposed to ensure after joining the WTO. One area, which has not so far caught the attention of policymakers, is how the WTO Agreements are going to affect gender relations and what kind of impacts they would have from a gender perspective.

In this context it is necessary to conduct such study and feed its findings into the various stages of the accession process. Further, it is necessary to assess the level of understanding civil society and social movements have in terms of information about the WTO and trade policy. It is also important to have an insight into the potential impacts – both positive and negative – of Nepal's accession to the WTO from a gender perspective, which then would lead to a better understanding of strategies to be adopted at the time of negotiations.

1.5 Objectives

The research is conducted with a focus on the following three specific objectives:

- To have a better understanding of gender issues in carpet and tourism industry
- To identify interventions for enhancing competitiveness (capacity building).
- To identify gender equity measures in line with national policies.

1.6 Scope of the study

The study covers gender issues in two of Nepal's major industries, namely carpet and tourism. The following questions have been answered in the course of study:

- What is the situation of workers in the carpet and tourism industries?
- To what extent is there a possibility of industries, which have high employment, be able to survive in the international market with liberalised trade?
- Will women in Nepal be able to face/compete in international market after joining the WTO?

In addition, WTO Agreements along with gender implications for these industries were studied.

1.7 Conceptual framework

In this study, the term “gender” refers to structural differences in the socio-economic positions of women and men. Accordingly, it is used here as a tool to analyse the socially constructed identities of women and men. The term “trade” will be limited to trade in goods and services – goods such as natural resources and agricultural products; and services provided in different forms. For these conceptual clarifications, the study draws on the publications of Women in Development Network Europe (WIDE 2001).

Any study on gender implications of trade in an LDC like Nepal cannot bypass the fundamental issue of poverty that shapes power relations among different groups in state and society. The growing interest among scholars in the relationship between trade policy and poverty reduction supports this view. Although poverty is not the direct result of international trade, determinants of poverty are influenced by it (Winters 2002: 28). Poverty, however, is not only a question of low incomes. It consists of low human capabilities, isolation, vulnerability and powerlessness. Conventional measures of poverty focus on the access of the poor to economic resources necessary to maintain the pre-defined level of welfare or utility. In other words, they tend to emphasise the income dimension of poverty. However, there are also a host of non-economic domains of deprivation. They also need to be properly addressed. In this sense, poverty is not just a matter of being deprived of economic resources. It is more importantly a matter of not having basic opportunities of material well-being. They can be generated through freedom from starvation, participation in community life, and guarantee of the rights to be informed and educated. Thus, both income-poverty and capability-poverty will have to be addressed in order to bring improvement in the situation.

In Nepal, many people are poor. Generally speaking, women are poorer than men. The reason behind the greater extent of poverty among women is the pervasive disparity between men and women in all aspects of development indicators. Women have less access to productive resources and very poor control over what they have. Besides, they are discriminated against men in terms of the access to education, health services, credit facilities, and gainful employment opportunities. The poor status of women is reflected in the Gender Development Index (GDI) for Nepal, which is low at 0.445 (UNDP 2001). This could be the reason why the Ministry of Women, Children and Social Welfare in Nepal complains about the increasing “feminisation of poverty” in the country (MOWCSW 2000: 6-7).

If women’s social standing is linked to their poverty, the concept of Gender and Development (GAD) provides an answer to some of the existing problems. The GAD approach views women as integral beings and combines their roles in productive, reproductive, and social activities. The main element in this process is attitudinal openness. Thus, it goes beyond the concept of welfare-based measures for women development. The emphasis is on women’s rights to participate in governance. Accordingly, the recently adopted concept of ‘gender mainstreaming’ requires planners and policy makers to examine all policies and programmes from a gender perspective.

Programmes on economic reforms in general and trade liberalisation in particular should also encompass the vision of Millennium Development Goals (MDGs) agreed upon by members governments of the United Nations (UN) in September 2000. Nepal is a party to it. These goals refer among others to promoting gender equity (Box 1.1)

Box: 1.1 UN Millennium Development Goals

- 1. Eradicate extreme poverty and hunger**
 - Reduce by half the proportion of people living on less than a dollar a day
 - Reduce by half the proportion of people who suffer from hunger.
- 2. Achieve Universal primary education**
 - Ensure that all boys and girls complete a full course of primary schooling
- 3. Promote gender equality and empower women**
 - Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015.
- 4. Reduce child mortality**
 - Reduce by two thirds the mortality rate among children under five
- 5. Improve maternal health**
 - Reduce by three quarters the maternal mortality ratio
- 6. Combat HIV/AIDS, malaria and other diseases**
 - Halt and begin to reverse the spread of HIV/AIDS
 - Halt and begin to reverse the incidence of malaria and other major diseases
- 7. Ensure environmental sustainability**
 - Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
 - Reduce by half the proportion of people without sustainable access to safe drinking water
 - Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020
- 8. Development global partnership for development**
 - Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory. Includes a commitment to good governance, development and poverty reduction -nationally and internationally
 - Address the least developed countries' special needs. This includes tariff-and quota-free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction.
 - Address the special need of landlocked and small island developing States
 - Deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term
 - In cooperation with the developing countries, develop decent and productive work for youth
 - In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
 - In cooperation with the private sector, make available the benefits of new technologies- especially information and communications technologies

Source: United Nations Country Team of Nepal (2002) "Progress Report 2002 - Millennium Development Goals", United Nations Country Team of Nepal, Kathmandu.

While assessing gender implications of trade, these conceptual positions should be taken into consideration.

1.8 Methodology and Sources of Data

The study used five methods to triangulate the data and get maximum information from all levels:

a) Case study - Case studies of countries like Ghana, India and Bangladesh have been considered to understand the trend of gender and trade liberalisation. These case studies reflect what a liberalised market has brought for women. They help us foresee the implications for women in Nepal. Nepal can thus, be able to maximise the positive implications at the same time minimise the potential negative implications.

b) Discourse analysis - Discourse analysis of some of the relevant Agreements of the WTO related to carpet and tourism industries is conducted. It is important that the legal texts are analysed as potential implications can be linked only after one understands what the WTO Agreements are about.

c) Questionnaires - In order to get a picture of the existing situation prevailing in the carpet and tourism sector (hotels and travel agents). A Questionnaire Survey was conducted at two levels. Different sets of questionnaires were designed for employers and employees. (See Annex - E)

The following table shows the sample size for collection of data from primary sources.

Table - 1.1: Sample Size for administering questionnaires

SN.	Industry	Employer			Employee		
		Male	Female	Total	Male	Female	Total
1	Carpet	10	-	10	15	15	30
2	Travel Agency	6	4	10	10	10	20
3	Hotel	9	1	10	10	10	20

d) Interviews - In order to learn from people's experiences in the area of carpet and tourism sectors as well as women's movement, interviews were conducted with six key individuals. (See Annex-D)

e) Focused Group Discussion – A focused group discussion was held on 23 February in Kathmandu. The representatives from Ministry of Industry, Commerce and Supplies, Nepal's Accession to WTO Project, carpet industry, tourism industry as well as women entrepreneurs, women activists, trade experts and journalists participated in the discussion. (See Annex – C for details)

1.9 Time

The study was conducted between December 2002 and March 2003.

1.10 Limitations of the Study

The study has a few limitations that should be considered while interpreting its finding.

- *Coverage*: The study covers two industries - carpet and tourism. Within tourism industry, focus has been on travel agencies and hotels.

- *Access with respondents* – Limited access with respondents was faced because of the management's reluctance to let employees speak freely and independently. Additionally in the case of hotels, although the house-keeping department was found to be dominated by female workers, the nature of the job being in-house (in the hotel rooms), and access to them was impossible.
- *Unfavourable political environment* - The particular period was characterised with political instability, which sometimes led to scepticism among respondents affecting directly or indirectly of information.

Chapter 2

Gender and Trade Liberalisation

2.1 Literature review

Concern has been shown in many parts of the world of the gendered impact of WTO rules. One would wonder what the trading rules and regulations have got to do with the gender of a person. To some, it may be a topic to laugh at but for many, it is crucial.

Men and women perform different activities in daily life. It is these various gendered roles that become very difficult to change. Men are often called the “bread winners” of the family, who earn money and support the family. Women, on the other hand, in general, are said to manage the triple roles of production, reproduction and community participation. Such gendered roles are slowly changing with the pace of change in the global economy.

There is a division of labour at the international level where States trade on the basis of comparative advantage. Likewise, there exists a gender division of labour at the community level too in terms of who does what and who benefits under which context. Women and men may be affected by the WTO Agreement – positively or negatively. The gender division of labour and the roles assigned to different gender by social construct could be one of the main reasons behind this.

With the growing emphasis on trade liberalisation, women have increasingly taken up work in the industrial sector and are being affected both positively and negatively. The works that women perform are mostly factory based, often in export processing zones, with unacceptable working conditions at large. The liberalisation of agriculture too has led to diversification in the livelihoods of many men and women. Women are forming an integral part of the trade agenda (Box 2.1).

Studies linking gender and trade policies reflect that trade policies in general ignore the contribution of women in the economy. At the macro level – such ignorance is even higher. The acknowledgement and therefore seriousness of incorporating gender issues in such policies are missing to a great extent. A very relevant example would be the trade agreements of the WTO. Many trade experts go around saying that trade is gender neutral. This position could be questioned.

Box 2.1: Trade – Women’s Issue

- Women in Latin America constitute 70-90 percent of the labour force in export-processing zones (EPZs), assembling garments, textile, or electronics for export abroad.
- Women own between one-fourth and one third of businesses worldwide.
- Thirty-nine percent of women business leaders are involved in international trade.
- Women subsistence farmers accounted for 62 percent of total female employment in low-income countries in 1990.
- Women handicraft producers who make and sell their textiles, jewellery, and ceramics locally and globally comprise of 70 percent of craft workers in Latin America.
- In Africa, women farmers are responsible for 80-90 percent of domestic food crops.
- In India and Bangladesh, 90 percent of working women are in the informal sector.
- As mothers, women’s unpaid labour caring for their children is the voluntary “social capital” that provides the foundation for the next generation to later assume productive roles in society.
- As consumers, women decide what to buy (or obtain) to provide their families with food, water, clothes and shelter.

Source: White Marceline (nd), “Making Trade Work for Women: Opportunities & Obstacles” at <http://www.womensedge.org/trade/tradepriemer.htm> visited on 3/5/03

As Stichele (1998) writes, “Trade policies and the WTO rules are assumed to have gender neutral effects. It is assumed that women and men can participate equally in the benefits of trade that the impacts are not different in principle between men and women and that the WTO rules neither affect nor are affected by the relationship between men and women.” In this way, the WTO can be said to be ‘gender blind’ (Williams and Foerde 1998:10).

Many writers {White (nd), IWGGT ²(nd)} draw upon the following reasons as the facts of gender-trade nexus. These writers bring up these points for discussion and elucidation. Since the work on gender and trade is still at a nascent stage, the issues are neither conclusive nor exhaustive (IWGGT, nd: 5).

- a. Women serve as primary caregivers. According to White (nd), the trade analysis and the economic models used by international financial institutions fail to take into account this unpaid work (valued at US \$11 trillion annually according to UNDP 1995 Human Development Report).
- b. Women have poor access to resources – Institutionalised sexism and biases block women’s access to land and credit. Access to property, credit, skills training, technical assistance programmes etc. varies between men and women. Women cannot readily take advantage of new opportunities that may result from more liberalised trade. In cultural situations where there is male dominated society, Trade Liberalisation frequently worsens and reinforces existing

² IWGGT – Informal Working Group on Gender and Trade

inequalities. Sen (1996) points out “trade liberalisation is not inherently welfare producing; it can produce and reproduce inequality, social disparities and poverty at the same time as it expands wealth”.

- c. All women are not the same – Women of different class, racial, ethnic, regional backgrounds etc. vary in the level of opportunity they have to participate in trade. According to the United Nations Economic and Social Council (UNESCO), global industrialisation is as much female-led as it is export-led. Thus, the opportunities and challenges for women vary depending upon various factors as mentioned earlier.

Durano (nd) argues that processes of trade liberalisation affect the economy both at macro and meso levels in different ways. Likewise, trade policies have different consequences on women and men because women and men differ in their economic and social status. In most cases, the access to and ownership of resources are with men while women lack access to and ownership of resources. Therefore, seemingly neutral macroeconomic policies become male biased when implemented in a social context thereby leading to discrimination against women (Elson, 1992).

Benefits of trade policies could be different for different genders according to the role they play and their access and control of resources. Men and women are placed at different levels in the society, which makes it logical to assume that the effects of trade policies on them would be different. This view reinforces the assumption that trade policies, being ‘gender neutral’, is no longer true (Williams, 2000; Durano (nd); Beneria and Lind, 1995). To situate women’s place in trade, it is very important that sex-disaggregated data be established according to sectors, kinds of industries, and the sexual division of labour used in them (Haddad et. al, 1995, Beneria and Lind, 1995; Anker, 1998). Moreover, the macro-economic effects on employment, price, consumption and income could also be analysed without overlooking the non-economic implications (Beneria and Lind, 1995).

Heyzer (1997) observes that while opportunities for increased exports of agricultural produce are more likely to be seized by men who have easier access to the best land reserved for export crops and to new technologies, women’s subsistence food production on the other hand may suffer as land is diverted to export crops with consequent impact on domestic food security. Furthermore, with the WTO, traditional farmers (and particularly women who have so much of the world’s traditional knowledge) will face many changes triggered by the liberalisation of patent laws and IPRs. This needs to be addressed by the countries that have signed the WTO Agreements without full understanding of the implication of such policies. In the era of trade liberalisation, it is necessary that trade policies be directed towards minimising the negative impact on women, recognising the extent to which women and men can equally benefit.

Beneria and Lind (1995) stress the need for engendering international trade. They highlight the ignorance of labour market segmentation and segregation in production by gender. Furthermore, to make trade negotiators and policymakers aware of the gender-differentiated implications of trade and avoid gender bias, they urge a feminist perspective on trade policy with gender as a variable in its analysis to be developed. They further explore various areas in which gender and trade are connected, ranging from effects of trade on employment (especially women’s employment) to issues of

gender and technology, the feminisation of labour force, free trade zones and the gender and trade aspects of structural adjustment.

The Informal Working Group on Gender and Trade (IWGGT) is one such group to share a common concern about the impacts of trade liberalisation on women and wish to ensure that a gender analysis is built into trade policymaking and associated decision-making, procedures and organisation.

To this end, IWGGT conducted a case study of Ghana to analyse the gender trade links so that the analysis could be used in the trade policy review (TPR) process.

There are several other studies that portray the gender-trade links. However, many of these studies are unable to show the exact impact on women as trade related policies are changing. Many such case studies are about the situation of women in particular industries and the changes in trade policies. These studies could therefore predict certain impacts. This is why impacts are seen much later. The concrete case so far has been that of Ghana.

A scan of some case studies on gender and trade depicts the following picture:

2.2 Highlights from Ghana Case Study

(Source: Stichele Myriam Vander (1998:1-4), Gender, Trade and the WTO – A Ghana Case Study, Women Working Worldwide, Manchester)

This case study focuses on where trade and trade rules negatively affect women, in order to counter the current assumptions that trade is gender neutral and to avoid further hardship on poor and marginalised women. The study looks at some sectors where trade and gender analysis is relevant: agriculture, tourism, industry and mining.

The gender and trade analysis used looks at four aspects:

- a) identifying how gender inequalities constrain trade policies, the WTO policies and trade activities to benefit women and improve women's income, rights and well-being;
- b) analysing how trade, trade policies and the WTO rules contribute to, or diminish gender inequalities, gendered markets, female poverty and discrimination against women and girls;
- c) analysing how gender relations at the household level and women's reproductive tasks interact with trade and trade related activities and vice versa; and
- d) identifying the power of women in decision making on trade at different levels, and how trade and WTO rules influences decision making, especially in favour of women.

The summarised findings on these four questions provide interesting insights into why trade and the WTO are not gender neutral.

2.2.1 Gendered production and gendered markets

The inequalities in women's engagement with respect to economic and trade activities, have divided production along gender lines.

Women in Ghana have traditionally dominated domestic trading, marketing and regulating the markets, but women's participation in International Trade seems to be small and limited to importing consumer goods from neighbouring countries or overseas. Inequalities as well as the gendered production of export products (cocoa, gold, and timber) have resulted in gendered import and export markets.

In agricultural sector, export crops and their earnings are mainly controlled by men. Women's production is mostly limited to food for the family and the domestic market.

In Export Processing Zone (EPZ) and export mining sector, women work mostly in the low level jobs and have little bargaining power.

2.2.2 Few benefits from trade

The export of male-dominated cocoa has resulted in lower levels of extension services, credit and marketing support for women's food crops whose production is then pushed to marginalised areas.

Domestic trade liberalisation and WTO rules make under-resourced women compete with subsidised food imports, while access to Northern food imports is still limited.

Liberalised global trade has resulted in tougher competition among women international and domestic traders; more resources and better skills are needed to compete, leaving fewer opportunities for women who are poor and disadvantaged and/or have a heavy burden of reproductive tasks.

In the industrial sector, EPZ factories have created jobs and seem to guarantee basic gender rights (e.g. employment after giving birth) but trade competition leads to lower labour standards which results in very poor working conditions and wages for women.

Export of minerals has increased male jobs but undermined income-generating activities by women while also affecting women's health.

2.2.3 Interaction between reproduction and trade

Ghanaian women bear the major responsibility for household and other reproductive tasks and the financing of the household. Less income due to trade affects spending e.g. on schooling for girls.

The WTO's market orientation of agricultural trade can lead to price fluctuations especially in foodstuffs that affect women's purchasing and spending powers.

Poor women traders report that reproductive tasks and income generating pressures hamper the efficiency of their trading activities.

Women working in the EPZ factories experienced an increase in work burden as their reproductive tasks at home are not shared by their husbands. Moreover, they spend more of their income on their households than men.

2.2.4 Women's participation in trade decision-making

Women's concerns are not incorporated in trade policies, the WTO and the trading sector. Interviewed trading women complained that they could not raise their concerns in trade policy, even though a few women were identified at the highest level of policy /decision making.

The findings indicate that trade and WTO rules are not as beneficial to all as the free trade macro-economic theory assumes.

2.3 Highlights from India Case Study

(Source: Jhabvala Renana (1996), "Textiles in the People's sector – A Case Study of the Impact of Global Trading Practices on Women in the Unorganised Textile Sector in India", in *Global Trading Practices and Poverty Alleviation in South Asia*, United Nations Development Fund for Women - UNIFEM, New Delhi)

The case study looks at women in the organised textile sector and draws on case studies in Gujarat to document some actual impacts of these policies.

- The areas where women are employed in large numbers were found to be – handloom production, textile handicrafts such as embroidery, patchwork, block printing, and readymade garment manufacture. In addition, screen printing, yarn re-winding and cotton-pod unshelling etc, were also noted for women's high employment.

2.3.1 Role of people's sector and public sector

- To keep the unorganised sector alive, support from non private sector is essential. Interviews with handloom workers and handicraft workers show that the support of the cooperative sector, the Government corporations and Boards and the Non Governmental Organisations (NGOs) is vital. Furthermore, interviews show that, although the weavers seemed to be generally enterprising, and indeed were eager to be self-employed, all of them needed the support outside the private sector.

2.3.2 Supply of raw materials

- Another issue that the case study looked into was the supply of raw materials. The textile industry where many women work largely depends on cotton. During

1993-96, the 'scarcity' of cotton yarn led to increase in prices of the textiles. The main reason seemed to be the export of both cotton and cotton yarn, which led to a shortage of cotton in the domestic market for weavers. This resulted in the reduction of income as well as increase of unemployment. Cut down in production resulted in less employment for women as well as loss of market as customers do not find the variety of products they want with the small scaled production unit.

- In the garment industry, women faced a considerable decrease in real wages when the price of raw materials such as sewing thread, machine oil, needles and electricity increased.

Increased foreign competition and structural adjustment may hit the organised industry hard, leading to massive retrenchment as in Ahmedabad, which faced a massive closure of the textile mills during the late eighties.

- More than 100,000 full time workers have been retrenched from the textile mills.
- Heavy burden on the wives and the family members who had to earn a living in the unorganised sector.
- Living standards of the mill-workers came down considerably accompanied by their children leaving school and families going on debt.

When organised sector has any problem, it is immediately reflected in the unorganised sector too. Many a times, dependency of raw materials on the organised sector is the main problem. High involvement of women in this sector means that they are more prone to higher risks in terms of employment and income.

In the case of Gujarat, with the rapid industrialisation and mechanisation in existing industries, impact of trade agreements can be both positive and negative. Industrialisation can create job opportunities and increased wages, but mechanisation in an existing industry can have the opposite effect.

2.4 Highlights from Bangladesh Case Study

(Source: Ahmad Nilufar and Khusi Kabir(1995), "Trade Liberalisation Policies and Impact on Women Working in the Export Processing Zones (EPZ) in Bangladesh: A Case Study" in *Global Trading Practices and Poverty Alleviation in South Asia*, United Nations Development Fund for Women -UNIFEM, New Delhi)

Bangladesh in an effort to avoid defaults on their debt payments raised credit from International Monetary Fund (IMF). IMF would obviously lend on its own terms and conditions, which Bangladesh was obliged to accept. The terms under the structural adjustment policy (SAP) were based on the concept of market forces, cuts in public expenditure limitation of wage increases, restriction of money supply, and devaluation of currency, denationalisation and privatisation, import liberalisation and tariff reduction and flexible interest rates and provision of export incentives.

SAP did not take into account the social and gender discrimination that prevailed in Bangladesh. It will not surprise many because as pointed out by J. Vickers in 1993 instead such kind of policies have not supported women's productive roles but have created more obstacles to women's economic participation and has only reinforced the

negative impact of such programmes. Structural adjustment programmes affected different sectors-

- In agriculture, the crops, planted mostly by women, became expensive as the prices of imports increased, there was reduction in subsidies, the pricing policy did not support them and there was little, women could do as they lacked resources; their access to credit was also limited.
- The productivity of female headed households had fallen and many had lost food security.
- SAP and export oriented industries led to increased exploitation of cheap female labour as in garments, food processing and electronics industries. Female labours were preferred as they were more docile, accepted tough work discipline, less inclined to join trade unions, high levels of productivity attained at minimum cost and little investment in training and compensation

2.4.1 Feminisation of workforce

As production of garments, textile and electronics goods were relocated in the developing countries, gender composition of the workforce changed. Female labourers were employed more firstly because they were cheap (wage rate for women is almost half that of men) and secondly they were expected to be highly productive as they are expected to be ideal for meticulous and repetitive work. The preferential recruitment for women is based on the fact that lower unit costs can be achieved because of lower wages and higher productivity. Studies on export oriented industries (EOIs) demonstrate that the majority of workers (75-90%) are women and the majority are young in the 15-25 age groups. They are mostly

- single and childless
- 'unskilled': having no recognised qualification or training
- recent migrant from rural areas with no experience of formal wage employment.

2.4.2 Garment industry – Bangladesh

The ready made garment industry began on a small scale in Bangladesh and has expanded into the largest EOI, obtaining 57% of US\$2,383 million exports earning in 1992-93. It employs around 800,000 workers, 90% of whom are women.

Women's employment in this sector opens up new opportunities for educational and skill development. However, these opportunities come at huge social and psychological cost (Box 2.2)

2.4.3 Export processing zone

In order to facilitate EOIs, special industrial estates called export processing zones or free trade zones (FTZs) where production for exports are carried out, one exempted from import and export tariffs. Other incentives given are exemption from local taxation, waiving of labour legislation concerning minimum wages, right to organise, night work, as well as the provision of utilities, roads and telecommunication facilities.

The constraints that women face in EPZs are

- No trade Union
- Well protected EPZ

2.4.4 Change in women's lives

In spite of all the difficulties that women have to face the moment they leave their homes, it is still important that they work. Increased employment of women in these industries has enhanced their self-esteem. They have realised the importance of education and send their children to school. This is a very important development since the level of education is very low in Bangladesh. Women are more aware of their rights and they feel empowered. They have a decision making role in the family and in trade unions.

Box 2.2: Employment at the cost of social opportunity

- *No appointment letter:* No formal document or appointment letter is given.
- *Limitation of holidays:* Workers attend to duty seven days a week and they do not get usual government holiday.
- *No minimum wage:* No employers abide by the minimum wage rule.
- *No eid or holiday bonus:* The workers do not get any bonus neither on profit nor on special holidays.
- *Daily schedule:* The workers work beyond the normal work hours of 8a.m to 4:30 p.m. with half hour lunch. They work till 8 p.m. at night.
- *Punishment:* Punishments are given in cases of worker being late or absent for a long time.
- *Sexual harassment:* Incidences of sexual harassment by managers also can be seen.
- *Overtime:* They have to work overtime however have no track of the amount of overtime, which makes it easier for the employer to cheat.
- *Organisation or joining the trade union:* They have little time to join trade unions.

Chapter 3

Nepal's accession to the WTO: An Overview

3.1 Application for membership

Nepal's pursuit of membership in the multilateral trade regime began some 15 years ago. In 1989, Nepal applied for the membership in GATT (General Agreement on Tariffs and Trade), the predecessor of the WTO. The GATT membership was sought as an immediate response to the "economic blockade" India had undertaken against Nepal following the expiry of a transit treaty between the two countries (March 1989).³ However, Nepal was granted only an observer status. After the political change in Nepal in 1990, India lifted the "blockade" to ease Nepal's trade with other countries. The two countries concluded a new transit treaty in 1991. After that, Nepal did not follow up on its GATT membership application. It indicates that Nepal was just happy with the understanding reached with India. However, it also suggests that Nepal was unable to maintain policy consistency in the field of international trade. Short-term political gains dominated over strategic interests on the trade agenda. After the WTO came into being on 1 January 1995, Nepal woke up to the reality and applied for membership again. The WTO too has granted Nepal an observer status. The working party on Nepal's accession to GATT has been announced as the working party on its accession to the WTO.

3.2 Accession negotiations

The WTO has two types of membership: "original" and accession-based. All GATT members (i.e., 128 countries) who signed the Final Act of the Uruguay Round negotiations became original WTO members. The Marrakesh agreement on establishing the WTO provides for membership through accession "on terms agreed with WTO members" (Art. 12). By February 2003, 17 countries have become members through accession. Currently, 28 countries, including Nepal, are in the process of accession, which involves three stages. In the first stage, the applicant government is required to provide the WTO with a memorandum of foreign trade. This becomes, in the second stage, the basis for a detailed examination of the accession request in a "working party" constituted for that purpose. Alongside the working party's efforts, the applicant government engages in bilateral negotiations with interested member governments. Finally, the working party draws up basic terms of accession and presents them to the General Council for adoption (Michalopoulos 2002, WTO 1995). If two-third of WTO members votes in favour, the applicant becomes a member.⁴

Nepal is in the second stage of the accession process. The memorandum of foreign trade was submitted in July 1998. Member governments of the WTO sought clarifications on a wide range of issues, involving 364 questions. Most of them (178) were related to policy framework for foreign trade in goods and services. The second most important area was that of intellectual property rights, which received 114

³ It may be recalled here that GATT (Art. 5) ensures a smooth flow of traffic in transit.

⁴ It is interesting to note that Vanuatu, an LDC like Nepal, withdrew from its accession bid once all formalities had been complete. To some observers, it could be associated with some "birth defects" of the WTO. See, for example, Adhikari 2002.

questions. There were also 94 follow up questions on the clarifications made by the government (*Gorakhapatra*, 26 February 2003).

The first working party meeting on Nepal's accession took place in May 2000. An inter-ministerial negotiation team has been formed to carry out accession negotiations. Bilateral negotiations started in September 2001. A second meeting of the working party took place in September 2002. Negotiations have taken place with the EU, Japan, Australia, Malaysia, New Zealand, Canada, India, Sri Lanka, and the United States. A third meeting is planned for March/April 2003. During earlier negotiations, Nepal and its trading partners have discussed a wide range of issues, including tariffs binding, market access for goods, and opening up of the services sector. Other "demands" put forward by trading partners include, tariffs reduction; accession to agreements on (a) chemical harmonisation, (b) information technology⁵, (c) textile harmonisation, and (d) government procurement; and a legislative plan of action on bringing the legal regime into conformity with the WTO. The issue of tariffs binding has been the major stumbling block so far. Many of Nepal's trading partners want to see the difference between the actual and applied rates of tariff substantially reduced. The agriculture sector is one important example. Nepal, on its part, does not want to "compromise on sectors that are closely intertwined with livelihoods of the rural masses" (*The Kathmandu Post*, 8 January 2003). On the services front, Nepal seems to be prepared for further liberalisation in tourism, telecommunications, education, health, and financial services. In this regard, consultations with stakeholders, including from the private sector and civil society, are in progress.

3.3 Nepal and the Doha mandate on accession

The Doha ministerial declaration (November 2001) attaches high importance to the accession of LDCs and asks WTO members to conclude accession proceedings "as quickly as possible". The need to bring LDCs on board was also recognised by the UN LDC III programme of action. The WTO Sub-Committee on LDCs is working on this agenda. One of the important initiatives has been the reduction of working party meetings from three to two. Accordingly, emphasis is being put on an "accession package" rather than on "piece-meal" negotiations.⁶ Nepal could benefit from this approach. However, two sets of problems still need to be overcome. First, the pace of accession is linked to the economic and structural reform process, which is underway. Putting in place a WTO-compatible policy and legal regime is a formidable challenge for an LDC like Nepal. The much-cited technical assistance within the 'integrated framework' should be available for this. Again, it should be available in a coordinated way. This is not happening (Box 1). Second, the approach to a fast-track accession for LDCs is not receiving any "real" commitment from WTO members. The USA and the EU are themselves finding excuses for not acting on the agenda agreed at Doha. Interestingly in this context, one often comes across media reports indicating that Nepal intends to join the "rich men's club" by its fifth ministerial meeting to be held in Cancun in September 2003. The urge to become the "first LDC member through accession" may also be working here. However, given the complexity of problems outlined above, negotiations ahead may not be a smooth sail. Besides, there is no need to over-

5 Nepal is being urged to sign these agreements although commitment to these agreements is not a pre-condition of the WTO membership.

6 WT/COMDT/LDC/W/27

emphasise the pace of accession. The more important thing is the favourable terms of accession.

Box 3.1: Nepal and the Integrated Framework

The first WTO Ministerial Conference held in Singapore (December 1996) envisaged improvements in trading opportunities for LDCs in order to achieve their integration into the multilateral trading system. A coordinated approach among national and international bodies was thought to be necessary. Accordingly, a Comprehensive and Integrated Plan of Action was adopted at this Meeting. The Plan offers a comprehensive approach and includes measures relating to the implementation of the Decision in Favour of LDCs. It also envisions a closer cooperation between the WTO and other international agencies in implementing capacity-building measures in these countries. Five multilateral agencies (in addition to the WTO) have been identified for this purpose: UNCTAD, International Trade Centre, the World Bank, IMF, and UNDP. The Plan also stresses the need for enhanced market access conditions for the LDCs. Technical assistance to LDCs is another area of priority under the Plan.

Each of the six agencies is responsible for agreeing with the government of each LDC concerned, the specific modality and timing of its technical assistance. The concerned LDC bears primary responsibility for coordinating the implementation and monitoring of the multi-year country programme, which is subject to regular review and evaluation by the six core organisations and the LDCs.

However, this initiative has been largely ineffectual. An independent report of the WTO itself has criticised the Integrated Framework (IF) as being ineffectual in meeting its objectives. Similarly, a review meeting of the heads of the six agencies (July 2000) has seen the need for strengthening the Framework and improving its functioning. As a result, they have agreed to support the integration of trade-related technical assistance and capacity building into the national development strategies and plans of LDCs, principally through such instruments as poverty reduction strategy papers (PRSPs) and United Nations Development Assistance Framework (UNDAF). Initiatives have also been taken to seek donor support and voluntary contributions for an Integrated Framework Trust Fund (\$20 million proposed) for the purpose of mainstreaming trade and trade-related assistance into the development architecture. There has been some progress in this regard.

The IF requires countries to submit a list of identified needs. Nepal has already (1998) submitted its list to the WTO secretariat. No round table (now called 'consultative group meeting') has yet taken place. The country has been included in the second phase pilot studies of the World Bank (first phase included three countries: Cambodia, Mauritania, and Madagascar). The World Bank is doing a six-month study on trade competitiveness. It is expected to come up with recommendations on what needs to be done, or supported by external agencies.

3.4 Preparations at the national level

While negotiations with international partners are going on, Nepal is also preparing for the WTO membership domestically. Activities in this area include sensitising stakeholders on implications of the intended membership, building consensus on basic issues, coordinating the works of all public-sector agencies, undertaking in-depth studies on key areas, and adjusting the policy regime to the WTO system. Some international support is also being mobilised towards this end. For example, recourse has been taken to WTO/UNCTAD expertise, LDC and SAARC forums have been mobilised, and diplomatic lobbying has been carried out.

Chapter 4

Responding to WTO Agreements: Nepal's perspectives

4.1 The concept of free trade

In principle, free trade means free movement of goods, services, capital, and people across borders. This is too good a concept to be implemented. In practice, therefore, each of the four elements of free trade faces some constraints. Free trade becomes a desirable objective, only when all trading partners sincerely observe the rules they have accepted. It must also be noted that the meaning of free trade has changed over the years. For example, in the early 19th century free trade meant a tariff under 20 per cent. By the 20th century, it meant a tariff of less than 5 per cent. Under the GATT regime, free trade was associated with an elimination of duties and other restrictive provisions of commerce. Some economists argue that the principles of free trade act in favour of industrialised countries, contributing to larger inequalities between rich and poor nations. Others maintain that it enhances the position of developing countries. Some conditions need to be satisfied for this to happen. Integration of the export sector with other sectors of the economy is one important example (Meier 1997:455-465).

4.2 Does the WTO promote 'free trade'?

The WTO is often associated with free trade. One of the objectives of the Uruguay Round negotiations was to "bring about further liberalisation and expansion of world trade to the benefit of all countries...including the improvement of access to markets by the reduction and elimination of tariffs, quantitative restrictions, and other non-tariff measures and obstacles".⁷ This does indicate that the WTO is about trade liberalisation. However, the WTO has a larger mandate than "free trade". In fact, it is more about rules-based trading system than anything else. A central feature of the WTO agreement is its dispute settlement machinery, which enforces WTO rules and norms. The WTO has also a development dimension, which is best expressed in its "special and differential" treatment, (S&DT) provisions for developing and least-developed countries. "Free trade" needs to be defined accordingly in the WTO context (see also Chapter 1).

4.3 Selected WTO agreements

As mentioned earlier, the WTO agreement consists of some 30 legal documents, covering a wide range of activities. A brief discussion on relevant agreements for this study will be attempted below.

4.3.1 General Agreement on Tariffs and Trade

The General Agreement on Tariffs and Trade (GATT)⁸ aims at providing industries and business enterprises a secure, stable, and predictable trading environment. The legal system created by GATT is complex, but is based on four basic principles, including:

⁷ Ministerial Declaration on the Uruguay Round (September 1986).

⁸ GATT was first adopted in 1948. The rules of GATT were revised and updated in the Uruguay Round of trade negotiations (1986-1994). The text of GATT, along with the decisions taken under it during these

a. Protection of domestic industries through tariffs only

While GATT encourages liberal trade, it allows, in some cases, countries to protect domestic production from foreign competition. Such protection should be given by tariffs only. This means that quantitative restrictions and other forms of non-tariff barriers have to be abolished.

b. Reduction and binding of tariffs

Tariffs need to be reduced/eliminated through multilateral negotiations. The tariffs so reduced are listed in each country's schedule of concessions, which means that the rates are bound against further increases.

c. Most-favoured-nation (MFN) treatment

Trade must not be discriminatory. The MFN principle means that if a country grants another any tariff reduction or other benefits, it must unconditionally extend them to all other countries. Discrimination against trading partners is not allowed. An exception to this principle is permitted in the case of regional (preferential) trade arrangements.

d. Application of national treatment

Under this principle, countries are required to treat imported products at par with domestic products in terms of taxation and other regulations. In other words, they are not allowed to impose on any imported product, internal taxes such as VAT at rates higher than those applicable for domestic products. This principle thus complements the MFN principle.

4.3.2 Agreement on Agriculture⁹

The WTO Agreement on Agriculture sets out a programme for progressive liberalisation of trade in agriculture. The Uruguay Round saw agricultural protectionism as a factor for trade distortions and included agriculture in the agenda for negotiation. The purpose was to bring "more discipline and predictability to world agricultural trade" (Croome 1995: 110-1).

The Agreement requires WTO member countries to undertake a number of measures towards liberalising agricultural trade. There are three major areas of commitment, namely market access, domestic support and export competition. Key elements of the market access commitments are "tariffication" (calculating tariff equivalents of non-tariff import barriers and adding those to fixed tariffs), tariff reduction, and binding of tariffs. During the negotiations, it was realised that tariffication alone would not lead to better market access opportunities. Many countries at that time were imposing quantitative restrictions to limit the volume of import of particular commodity groups. These were included in each country's tariff rate quotas, which would allow low tariff imports up to a certain amount. The emphasis of the domestic support provisions is on limiting the effects of trade-distorting measures. Domestic subsidies may distort trade. However, not all subsidies do so. Therefore, the Agreement divides subsidies into three groups: 'green

negotiations, has come to be known as GATT 1994. Together with GATT 1994, separate agreements have been adopted in such areas as agriculture, textiles, subsidies, antidumping, and safeguards. They all constitute the elements of multilateral agreements on trade in goods. The organisation of GATT, under whose auspices these negotiations were launched, has been subsumed into the WTO.

⁹ Originally, the present study did not intend to cover agriculture. The focus group discussion suggested its inclusion for general understanding of WTO norms on agriculture.

box' (freely granted), 'blue box' (granted, but actionable), and 'red box' (unauthorised). The Agreement establishes a ceiling on the total domestic support, commonly referred to as "Aggregate Measurement of Support" (AMS). The green and blue box subsidies are exempt from inclusion in AMS. Export subsidies are considered as trade distorting. The Agreement bans their use unless they qualify under some exceptions. Many developing countries can hardly pay export subsidies. This is affordable only for the developed countries.

The tariffication package of the Agreement, which may lead to very high tariff equivalents of non-tariff barriers, requires countries to maintain existing access opportunities. For products with no existing market, minimum access commitments are offered. However, countries may take special safeguard action under specified conditions in order to appropriately respond to sudden increases in imports.

Countries agreed to reduce tariffs and subsidies by fixed percentages during the Uruguay Round. Developing and least-developed countries enjoy preferential status in terms of tariff reduction. Industrial countries must reduce tariffs by 36% over six years, while developing countries have to do so by 24% over ten years. Least developed do not need to cut their tariffs. Similarly, aggregate producer subsidies are to be cut by 20% by industrialised countries over six years and by 13.3% by developing countries over ten years, but not by least developed countries. On export subsidies, developed countries must reduce by 36% the value of their direct export subsidies and by 21% the quantity of subsidised exports over six years. The cuts for developing countries are set at two-thirds this level over ten years. No cuts need to be made by least developed countries.

The Agreement also covers some non-trade concerns such as food security and environment protection.

Despite the euphoria of initial years of the WTO in respect of its benefits, most analysts now consider that income and trade gains have been much smaller than expected. One of the major reasons for the high expectations was the assumption that WTO Members would implement their commitments not only in letter but also in spirit (ITC/CS 1999: 185). In agriculture, like in many other sectors, there has been much hesitation in the implementation of commitments.

Despite all good intentions contained in the Agreement, agricultural protection has remained prohibitively high in developed countries. In some cases, the level of protection has even increased. Besides, reduction in domestic support has been accompanied by an increase in green and blue box supports. The Agreement allows such a manipulation of farm supports, requiring governments only to notify new or modified subsidies announced as green.

Market access for developing country products has become more difficult in some cases due to "dirty tariffication" (over-estimated calculation of tariff equivalents of non-tariff barriers).

The Agreement foresees tariff rate quotas (TRQs) to guarantee minimum access (where there had been no significant imports) or maintain current access opportunities for exporters. Thirty-seven of the 145 member countries are using TRQs, which are concentrated in particular product groups. Fruits and vegetables alone account for some 25 per cent of all TRQs. The other four major product groups are meat, cereals, dairy

products, and oilseeds. However, the 'fill rate' of TRQs has remained low. For example, only two-thirds of all TRQs were filled in OECD countries between 1995 and 2000. And the trend is declining. Changing competitiveness in importing countries and the administration of the quota system often lead to the under utilisation of TRQs (Diakosavvas 2003: 38-39).

Further, technical barriers to trade are impeding exports from developing and least-developed countries. The application of SPS measures itself is posing serious challenges to such exports.

Gender implications in Nepal

Agriculture is the most dominant economic activity in Nepal. It absorbs the highest number of economically active population in Nepal. Some 24 per cent of the population in urban areas and 81 per cent in rural areas are engaged in agriculture. The proportion of women is larger than that of men. According to Nepal Living Standard Survey (NLSS) conducted in 1996, 79 per cent of employed men and 94 per cent of employed women are in agriculture. In the non-agricultural sector, women's share has been declining. This too indicates an encouraging concentration of women in agriculture (Acharya 2000: 42-47). The increasing "feminisation of agriculture" (ADB 1999: xiv) demands improvement in agricultural trade, if women's socio-economic status is to be enhanced. The revival of protectionism in developed countries stands in contrast to this need.

4.3.3 Agreement on Textiles and Clothing

The Agreement on Textile and Clothing (ATC) is designed to integrate (which means removal of existing quotas) textile and clothing products into GATT progressively. These products are now governed by the Multifibre Arrangement (1974), which expires in 2005. Two principal elements of ATC are programme of integration and quota enlargement. The programme of integration foresees that (a) integration is based on total imports, and not only those restricted by MFA quotas, (b) importing countries can first integrate unrestricted – or less restricted – products, and (c) the ratios of integration are defined in volume terms, and not in value terms. With regard to quota, ATC requires countries to enlarge their bilateral quotas under the MFA. There are no provisions for exceptional circumstances to allow reductions in quota. However, there are more favourable provisions for LDCs.

The experience with implementation of ATC so far is not very encouraging. There has been no significant liberalisation of existing restrictions (Kheir-El-Din 2002: 189-192). In addition, with regard to quota enlargement, no substantial achievement could be made. Products selected for integration include lower value added items. Even the annual growth rate of quota set at 6 per cent by MFA has not been achieved (ESCAP 1995: 98-102). Safeguards, antidumping measures, and rules of origin have also been applied to restrict trade.

Gender implications in Nepal

Generally, textile and clothing industries are associated with initial stages of industrialisation. By promoting these industries, Nepal could tap into the vast amount of unskilled labour and enhance its trade competitiveness. ATC covers one of the most important export products of Nepal – woollen carpets. The carpet industry represents the largest export business in Nepal. There are more than 1,000 industrial establishments that provide employment to some 150,000 people. Many of them are

unskilled women from rural areas. With the programme of integration under ATC, export trade in general will be more competitive (although Nepal's carpet export may not be directly affected by this integration). In other words, domestic service providers have to compete with foreign companies. This may lead to the erosion of employment opportunities. The pressure of competition may force manufacturers to reduce the cost of production, which means, redundancy, and lower wages for workers, especially women. However, there is also a bright side to it. Within the international community, the need to integrate LDCs into the multilateral trade regime is being increasingly recognised. The EU has already announced (February 2001) its EBA (everything but arms) initiative, which means granting duty-and quota-free access for all LDC products with the exception of armaments. If such initiatives materialise, Nepal's carpet industry will benefit and thereby provide higher employment opportunities for women.

4.3.4 Agreements on technical standards

There are two agreements on technical standards within the WTO regime. They are (a) Agreement on Technical Barriers to Trade (TBT) and (b) Agreement on Sanitary and Phytosanitary Measures (SPS). Both aim at ensuring that technical regulations and voluntary standards, including packaging, marking, and labelling requirements do not create unnecessary barriers to trade. The TBT agreement contains rules applicable to product standards used in trade in goods and the procedures used for assessing conformity with such standards. It requires that these rules conform to basic principles of transparency and non-discrimination. The SPS agreement intends to minimise the negative effects on trade from the adoption of SPS measures. Adequate scientific justification is necessary in both cases. The two agreements differ in one important aspect, namely scope. The TBT agreement covers both industrial and agricultural products with a number of policy objectives such as national security, environmental protection, and prevention of deceptive practices. In the case of SPS measures, the only objective is to protect human, animal, or plant life by ensuring food safety and preventing animal and plant-borne diseases from entering a country. Like several other agreements, both these agreements provide special and differential treatment (e.g., transition period, time-bound exceptions, and technical assistance) to developing countries.

These agreements have not been able to dismantle non-trade barriers to exports from developing countries. In fact, there has been a rise in the use of technical regulations in multilateral trade. The requirement to base standards on scientific evidence tends to be ignored by developed countries. The increasing use of process standards, which requires producers to use a specific method¹⁰, is creating further barriers to trade (Wilson 2002: 428-432). Poor representation of developing countries in international standards setting institutions has aggravated the problem.

Gender implications in Nepal

Manufacturers in Nepal have generally low technical capacities. Industries with low-skilled workers may have to face serious difficulties in responding to technical standards used in developed countries. As noted earlier, most women in Nepal are employed in low-skill jobs. Their products may not pass the "quality test". This means that they have

¹⁰ For example, a EU regulation requires that dairy products be manufactured from milk produced by cows kept on farms and milked mechanically. Obviously, the intention is to restrict imports from developing countries with limited technical capacities.

to either undergo skills training and enhance competitiveness or opt out of the employment market.

4.3.5 General Agreement on Trade in Services

The agreement on trade in services (GATS) extends, for the first time, internationally agreed rules and commitments into the rapidly growing area of trade in services. Broadly speaking, GATS has been modelled on GATT in terms of basic principles. The Agreement consists of (a) a set of general concepts, principles, and rules that apply to all measures affecting trade in services (“general obligations”), and (b) specific commitments that apply to the services sectors and sub-sectors included in each member’s schedule (“conditional obligations”). General obligations refer basically to transparency of regulations, mutual recognition of qualifications required for the supply of services, MFN treatment, and measures to be taken to liberalise trade. Conditional obligations cover reasonable administration of national regulations on trade in services, provision for review of administrative decisions, authorisation to foreign suppliers for the provision of services, and provision for international transfers and payments.

The term ‘services’ covers a wide range of economic activities. For GATS purpose, services have been divided into 12 sectors and 155 sub-sectors. Tourism and travel services are one of the 12 sectors. It is important to note that GATS does not apply to services supplied in the exercise of government functions.

The agreement applies to four modes of supply of services. They are:

- Mode 1: Cross-border supply not requiring the physical movement of supplier or consumer (e.g., telecommunications).
- Mode 2: Movement of the consumer to the country of supplier (e.g., tourism).
- Mode 3: Services sold in the territory of a member by foreign entities through their commercial presence (e.g., banking).
- Mode 4: Provision of services requiring a temporary movement of natural persons (e.g., consultants).

Because of the intangible nature of services, protection to service industries cannot be given through broader measures. They are protected through national regulations on FDI and the participation of foreign suppliers in domestic industries. Accordingly, countries may qualify their commitments to specific sectors and modes of supply. For example, conditions and limitations could be attached to market access. Similarly, conditions and qualifications could be defined for national treatment. These are clearly stated in a national schedule of commitments. There is no prescription on how many sectors or modes of supply to liberalise. Tourism ranks first in terms of liberalisation commitments by member countries, with 135 countries expressing commitments to at least one sub-sector of the industry. In terms of the mode of supply, consumption abroad (mode 2) has received the most liberal commitments (Adlung et al 2002: 263-5). The most restricted mode of supply is movement of natural persons.

GATS foresees appropriate flexibility for developing countries so that commitments could be based on the level of development. Accordingly, it allows them to (a) open fewer sectors, (b) liberalise fewer transactions, and (c) attach such conditions as are needed for the attainment of their development objectives. The Agreement also takes into account the special economic situation of LDCs.

GATS also promises that further negotiations will be undertaken to continue opening up the trade in services. New negotiations (mandated by GATS) have started in early 2001. The aim is to achieve higher levels of liberalisation across all sectors.

Gender implications in Nepal

Developing countries like Nepal are generally supposed to have a comparative advantage in service sectors that are labour-intensive. Examples include business services, construction and engineering, education, health, and tourism. Developed countries are liberalising even the movement of natural persons in some areas such as computer software and health, especially nursing. Women in Nepal could benefit from these trends. On the other hand, liberalisation of the service sector at home could lead to increased FDI and create more jobs, including for women. Women have special advantages in the service sector. In this sense, GATS brings some social and economic opportunities for Nepali women. However, their level of competency and skills has to increase, if they want to reap the real benefits of the Agreement.

Chapter 5

Gender Issues in the Economy

5.1 Gender dimension of poverty

5.1.1 *Incomes disparity*

A per capita income of \$236 and poor social indicators (even compared to other South Asian countries) define Nepal's poverty. The gender dimension of poverty is even more worrying. As indicated earlier, women's access to economic resources is limited. As a result, women lag much behind in all three important sectors of the economy: agriculture, services, and the manufacturing industry. During the 1990s, a shift occurred in employment from agricultural to non-agricultural occupations. However, women had a smaller share of benefits than men. According to Nepal Living Standard Survey (NLSS) conducted in 1996, 94 per cent of employed women are in agriculture as against 79 per cent of employed men (CBS 1997). However, they own only a meagre 4.4 per cent of the total cultivated land. Similarly, only 10.8 per cent of the 4.2 million households in Nepal have female members owning some land. Some 80 per cent of them own less than 1 ha. of land (NPC 2003: 422-8). Some five women in hundred own a house.

The increasing proportion of non-agricultural sector in GDP could have been expected to expand employment opportunities both for men and women. However, it has not happened in women's case. Generally, women's share in the labour market has increased both in self-employment (from 36.8 per cent in 1981 to 54.9 per cent in 1996) and wage-employment (from 14.7 per cent to 32.4 per cent during the same period). However, in the non-agricultural sector, women's share has declined. Despite the legal provisions for equal pay, women are paid less than men; about two-thirds of what men earn in the agricultural sector and three-fourths outside agriculture (The World Bank 1999: 50).

In the non-agricultural sector, some 7 per cent of workingwomen are employed against 27 per cent of men. Of this, wage employment constitutes a meagre 2.6 per cent for women, while it is 16.4 per cent for men. Women account for 11.8 per cent of the total labour force employed in the non-agricultural sector. Migration for employment is a major source of income for both men and women. Among the migrants in search of short-term employment, women constitute only six per cent (10 per cent among the urban groups and 5.6 per cent among the rural population). The proportion of women in longer-term migration is even less.

Although women work more than men, women's incomes are far less than men's. The ratio of average incomes between men and women is 1:0.369. One of the reasons for this large disparity is the fact that most of the female labour is employed in the rural economy, mostly in the informal sector. In foreign employment, women account for only about 11 per cent. In the industrial sector, women entrepreneurs account for 2.1 per cent. Among all service-sector entrepreneurs, women constitute only 0.4 per cent (NPC 2003: 426).

This explains why female-headed households are likely to be poor. It has been observed that female-headed households in general and widow-headed households in

particular, are poorer than other households. The situation becomes even worse, when there is no male member in the family.

5.1.2 Capability poverty

A high degree of gender inequality may be observed also in human poverty. Almost all social indicators are worse for women and girls than for their male counterparts. Education and health are examples. Majority of Nepali women do not enjoy a sound health status. Nepal is among those very few countries where women's life expectancy at birth is lower than that of men. Factors contributing to the high mortality of women include the risks of childbirth and women's limited access to knowledge, food, and health care. Early marriage and pregnancy, low literacy, and inadequate family planning services also undermine the health status of women. This situation finds a clear expression in various reproductive health indicators, such as maternal mortality (415/1000), infant mortality rate (64.2/1000), delivery service by trained health workers (10.8/100), and total fertility rate (4.1).

Despite the efforts to reduce gender disparity in education through general as well as special focused educational programme, which have enhanced literacy between both sexes, there still exists a distinct gap between literacy rates of the two sexes. The female primary net enrolment (6-10 years) is 64.4 percent, which is about 80 percent of the male ratio in the relevant age group. At the lower secondary education (11-13 years group), net enrolment ratios drop to 26.2 per cent for girls and 36.5 per cent for boys, indicating that more than two-thirds of children in this age group are deprived of educational opportunities. In the secondary education, access is limited to about 22.2 percent of the relevant age group (14-15 years) children, with 28 boys for every 16 girls. In fact, Nepal belongs to the list of 19 countries of the world in which the difference between boys' and girls' enrolments in primary education is more than 10 percentage points.

Access to tertiary education (university education) has been very limited for women, although it has been expanding during the recent years. Only a meagre 0.44 per cent of the total women population have a Bachelor's degree as compared to 1.29 per cent for men. Similarly, among all college graduates, only a fifth is women.

5.1.3 Poor representation in policy-making

It must be mentioned here that women's poverty – both economic and human – is linked to opportunities available to them for participating in policy-making. Women are poorly represented in policy institutions. For example, there is a strong tendency among political parties to confine themselves to the constitutional minimum when it comes to fielding candidates in elections. In the 1999 parliamentary elections, of the 2224 candidates only 141 (6 per cent) were women and no major party allocated more than seven percent of its seats for women candidates. The situation was not different in earlier elections (1991 and 1994). Women are underrepresented also in the civil service and constitutional bodies. In the civil service, some 8.5 per cent of all positions are occupied by women. The proportion goes on declining when one moves up in the administrative hierarchy. At the policy level, for example, there are only 4.02 per cent women executives.

In the Judiciary, women judges account for only 1.3 per cent of the total number of judges. The Supreme Court has only one-woman judge. In other constitutional bodies, women occupy some positions at the middle management level, leaving all decision-making positions for men. The Public Service Commission has one woman-member. The National Planning Commission has never had woman member. Poor representation of women can also be observed in the Cabinet. After the restoration of democracy in 1990, eleven governments have come to power. Only one Cabinet had three women ministers, two Cabinets had two women members and five Cabinets had only one woman-member. Three Cabinets did not have any woman in it. The recently created National Human Rights Commission has one woman-member (20 per cent) in it. The most important step in creating opportunities for women's participation in policymaking has been the enactment of Local Self-Governance Act (1999). This Act foresees at least 20 percent representation of women in local bodies.

On the whole, therefore, there is an increasing recognition of the gender dimension of poverty. Accordingly, efforts have been made to mainstream the gender perspective in all public-sector programmes. However, they have failed to produce results.

5.2 Gender Issues in Corporate Sector

5.2.1 Background

In Nepal, out of the total population of 23,151,423 women constitute 50.1% i.e. 11,587,502. (CBS and UNIFEM- Field Office, 2001)¹¹. The Nepalese economy is still predominantly agricultural, with 66% of the total active population engaged in agriculture (CBS, 2002). Economically active population in manufacturing and recycling holds 9% while hotels and restaurants hold 12%. (See Table – 5.1)

Table - 5.1: Economically Active Population

Economically Active Population	Total	Percentage	Male		Female	
			Total	Percentage	Total	Percentage
	9900196	100	5606774	56.63	4293422	43.36
Manufacturing and Recycling	872253	8.81	456948	52.38	415306	47.61
Hotels and restaurant	120889	12.21	79417	65.69	41741	34.52

Source: CBS (2002)

The gender disaggregated data as of 2002 shows that 57 % of the active population are men and 43% are women. The corresponding figures in 1991 were 68.2% and 45.2% for men and women respectively. The reason for this decrease could be the migration of Nepal's population that is increasing day by day.

Furthermore a look at the data on households with economic activities other than agriculture shows that small scale manufacturing accounts for 7.8%, trade business for 30.4% and services for 35%. Depending on the sex of the household head, 37.5% of

¹¹ CBS and UNIFEM- Field Office,(2001), Gender Statistics at a Glance- A Fact sheet (Population Census, 2001), Central Bureau of Statistics, Kathmandu and United Nations Fund for Women (UNIFEM) - Field Office, Kathmandu

female household heads are employed in the service industry. This data proves that this sector involves high female participation. (See Table – 5.2 for details)

Table - 5.2: Households with economic activities other than agriculture by sex of household head

Sex of HH Head	Households (%) with the economic activity of				
	Any type	Small scale manufacturing	Trade business	Service	Others
Female	100.0(91)	7.2	29.8	37.5	25.5
Male	100.0(749)	7.9	30.5	34.7	27.0
Total	100.0(840)	7.8	30.4	35.0	26.8

Source: CBS and UNIFEM- Field Office, 2001

The economy of Nepal has not been able to prosper much. The open border shared with India and the geographical situation being landlocked coupled with political instability has further slowed the process of growth.

According to ADB (1999), women have been unable to participate equally in economic activities of the country due to the lack of access to and control over productive resources including property, land and credit. The box below illustrates strategic issues on the economic participation of women.

Box 5.1: Strategic Issues on the Economic Participation of Women

- Women’s limited access to productive assets – land and property, credit, and modern avenues of knowledge and information – reinforced by unequal inheritance laws and by social norms that confine women’s resource base only to marriage.
- Lack of information on women’s employment and wages, and underreporting or “invisibility” of women’s economic activities.
- Concentration of women in low-productive, subsistence agriculture.
- Concentration of women in low-wage, low-skill, menial jobs in the agriculture and non-agriculture sectors due to lack of education, training, information and bargaining power.
- High and increasing work burden without concomitant increase in access to resources.
- The feminisation of the self-employed sector.
- Poor working environment – e.g. concentration at lower level jobs, poor working conditions, lack of child care facilities at workplaces, and trade unions’ lack of awareness of women’s problems – and the gaps between law and practice.
- Difficult environment for women entrepreneurs.
- Child labour (girls more than boys)

Source: ADB (1999), *Women in Nepal, Country Briefing Paper*, Asian Development Bank, Programs Department West Division 1, December, Manila

As mentioned earlier, this research was carried out in two sectors namely, manufacturing and services. Within the manufacturing sector, carpet industry was

chosen as an example and the hotel industry as well as travel agency was chosen with respect to services sector.

The primary data collected from these two sectors have basically been classified under four headings - employment status, conditions of service, area of competence and socio-economic patterns of income/expenditure.

It is expected that the implications of multilateral trade agreements in these two industries could be better understood by the primary data, which helps understand the situation of male/female employment.

5.3 Carpet Industry

5.3.1 Background

Various factors of our country including the climate, topography, vegetation, and occupations of people are favourable for quality carpet production and marketing. Carpet weaving is the main source of income of a fairly good number of inhabitants, especially from the northern side of the border.

The art of weaving carpet is as old as civilisation (CWIN, 1993:1). The first carpet industry – Jawalakhel Handicraft Centre was established in Kathmandu with the help of the International Red Cross (IRC) and the Swiss Government in 1960. The nature of carpets in Nepal is that it is 100 percent hand-woven. These carpets also represent unique mythological and traditional designs.

These carpet weavers derive the design, pattern and colour idea from the heart-touching centuries old Nepalese arts, crafts and paintings. The skill and craftsmanship which has been transferred among the family members must be considered excellent especially in the context of "no education", "no training" situation of the persons involved (Central Carpet Industries Association 2002:2).

Carpet is not simply a product of a weaving technology. Nor is it merely an end result of that technology. It is an art guided by culture, religion, tradition and environment of the country that produces it. Nepalese farmers have produced the most wonderful carpets. For centuries, it was the indigenous craftsman who were specialised at making the hand knotted carpets in the northern areas of Nepal. (Central Carpet Industries Association 2002).

The carpet manufacturing process involves various activities requiring meticulous handling of productive materials (Box 5.2)

Box 5.2: The carpet manufacturing process

- Wool sorting and washing (scouring)
- Wool blending and carding
- Wool spinning
- Wool winding
- wool dyeing and drying
- balling
- weaving (knotting)
- trimming (cutting)
- washing
- drying
- stretching, and
- finishing

Source: Central Carpet Industries Association (2002), The Nepalese Carpet, Central Carpet Industries Association, Kathmandu, Nepal

All the above-mentioned processes used in the production of the carpet were carried out by hand until 1984. After 1984 wool blending and carding as well as wool dyeing processes have been mechanised to a large extent. Despite mechanising these two areas, Nepalese carpet industries have been working so efficiently that they still maintain the same texture, lustre and colour effect and appearance as before in the carpets produced.

The manufacturing process is not without risk. Most importantly, its health implications are serious (Box 5.3)

Box 5.3: Health hazard in carpet industry

According to the paper, 'Carpet Industry in Relation to Child Health' some of the health dangers are as follows _

- Sitting very close to the loom results in the inhalation of dust particles liberated from the warp thread during the hammering process.
- Hands and fingers are often cut and bruised, and the pressure of this work may lead to early arthritis.
- Exposure to lung diseases like tuberculosis or having to become passive smokers.
- Exposure to dangerous infectious diseases such as meningitis is very common in those who live in such close quarters.
- Pulling the iron down to level the weave causes injuries to the hands especially the knuckles, thereby causing arthritis.
- Sitting close to the loom causes dust particles to get in eyes, producing allergic conjunctivitis.
- The chances of early pregnancy increases as these children are exposed to sexual contact.
- Often mothers weave with her baby in her lap and this may cause early damage to the growing respiratory organ. The child may be predisposed to chronic lung disease in later life.
- Staying continuously in one position without lack of support for still undeveloped bodies often leads to spinal deformity.

Source: CWIN (1993:27-28), Misery Behind the Looms: Child Laborers in the Carpet Factories in Nepal, Child Workers in Nepal Concerned Centre (CWIN), Kathmandu

5.3.2 Growth Trend

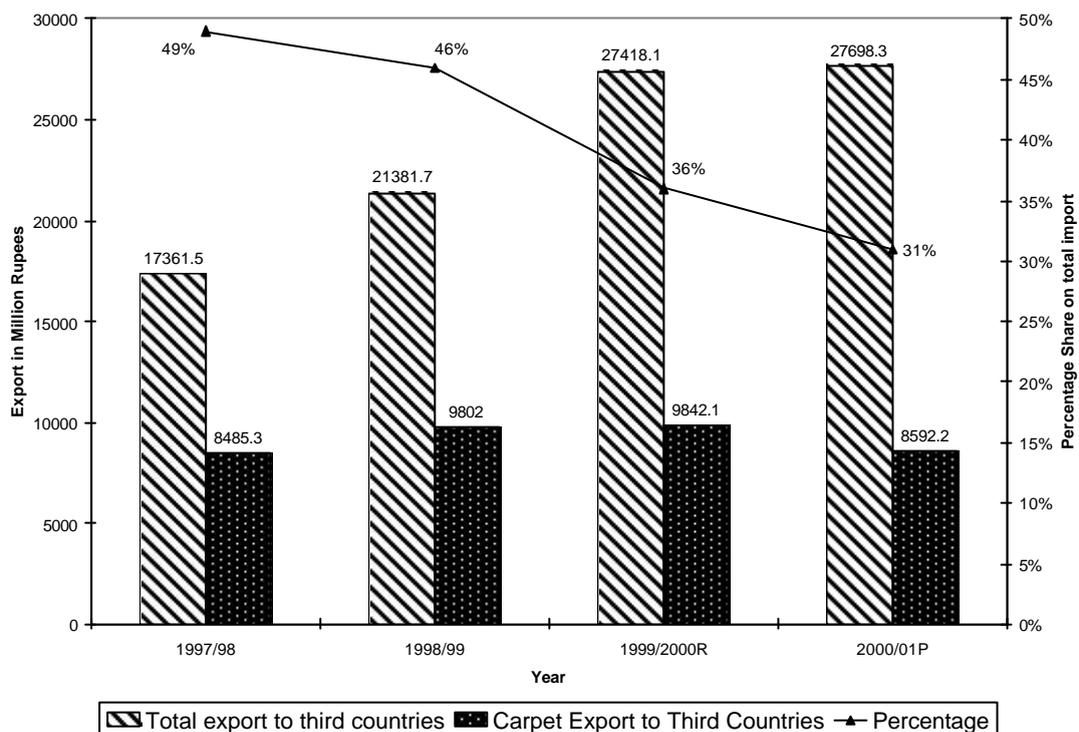
According to Pradhan (nd), more and more entrepreneurs are attracted towards carpet business because it is supported by recent policies, liberalised import licensing and eliminated import duties on raw wool. The carpet industry is easy to be established in urban areas because it requires little equipments such as a few wooden or iron looms, some raw wool, and shed for workshop. The workers can be easily found because poverty-stricken villagers are in search of work that can be easily appointed as cheap labour. More than 150,000 people are working in the carpet industry in Kathmandu. The industry is very exploitative towards labourers.

The process requires hard work, skill, and concentration in great deal. Though carpet is a major foreign currency earner and provides employment to a large number of workers, the environmental and health cost that we pay is quite high.

During 2000/01 carpet export to third world countries accounted for 31% of the total exports of Nepal to third world countries. (CBS, 2002). The carpet export has been

declining since 1997/98. It is a major foreign currency earner in the country. The countries where Nepalese carpets are exported include Germany, US and few other European countries.

Graph 5.1: Total Export to third countries Value

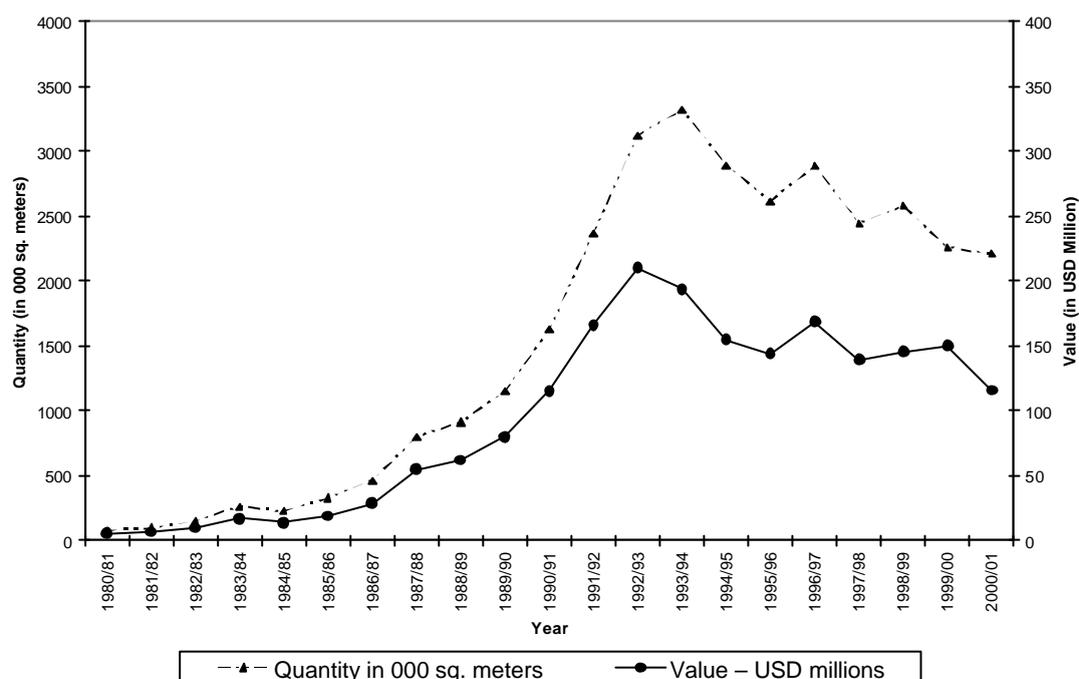


Note: R- Revised and P-Projected

Source: CBS (2002), Statistical Pocket Book - Nepal, Central Bureau of Statistics, National Planning Commission Secretariat, His Majesty's Government of Nepal, Kathmandu.

The trend of export shows that until 1993/94 the total value of carpet export increased, but after that it started decreasing. (See Graph 5.2)

Graph 5.2: Export Trend of Carpet



Source: Central Carpet Industries Association (2002), *The Nepalese Carpet*, Central Carpet Industries Association, Kathmandu, Nepal

5.3.3 Empirical findings

The study team collected data at two levels; one, at the level of the employer and the other, at the level of employee. Questionnaires were administered among ten carpet employers and 30 employees.

The data collected has been broadly classified under four heading:

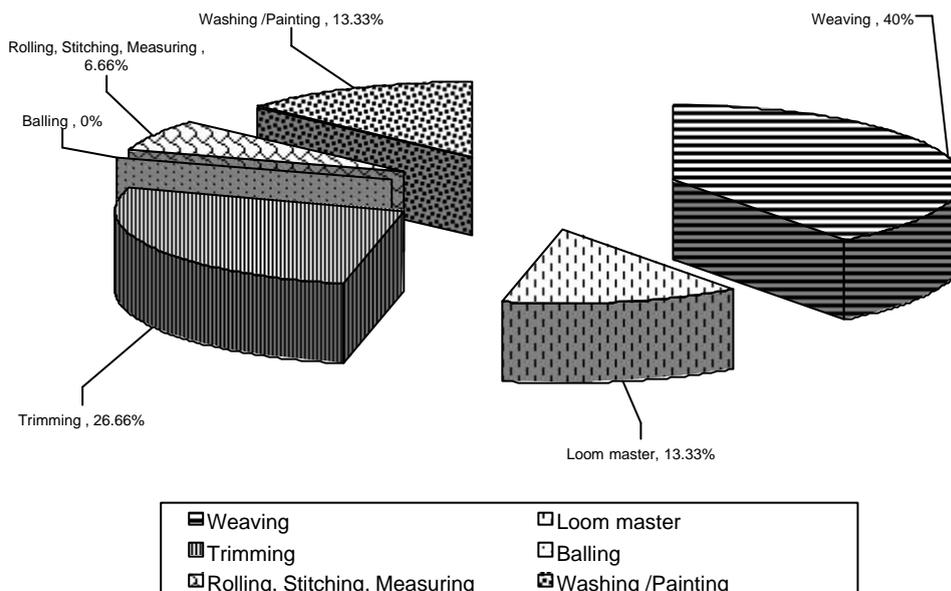
5.3.3.1 Employment Status

The number of employees in the carpet industries varied from 80 to 3500. It was found that in most of the carpet industries the employees were categorised into two levels, skilled and unskilled. The skilled employees consisted of largely of men while women were found in abundance at the unskilled level. No male employee was found to be doing the job of balling. Jobs that required physical strength like adjusting the loom, trimming, washing and painting was only a man’s job.

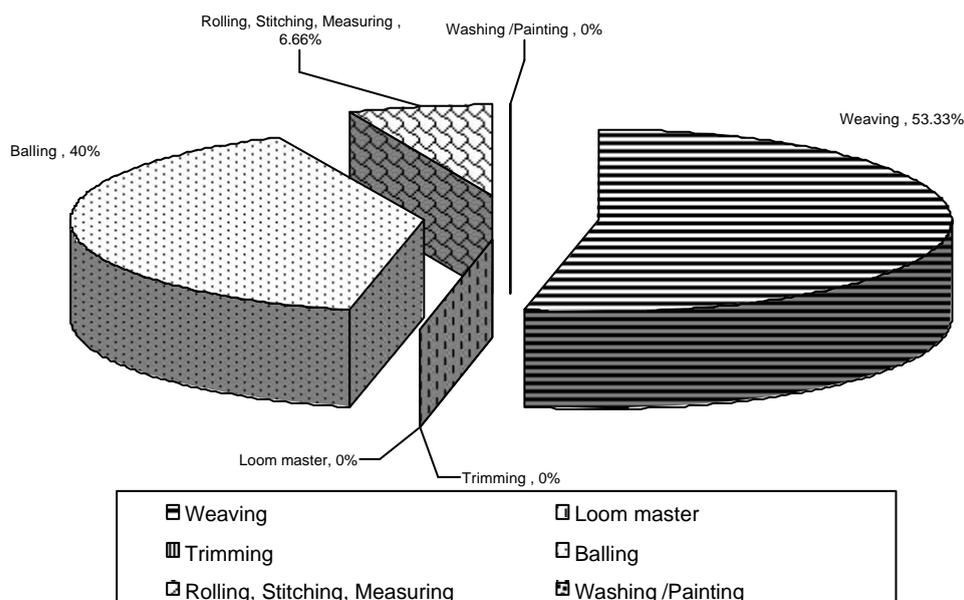
Table - 5.3 Type of Job

	Weaving	Loom master	Trimming	Balling	Rolling, Stitching, Measuring	Washing /Painting
Male	6(40%)	2(13.33%)	4(26.66%)		1(6.66%)	2(13.33%)
Female	8(53.33%)			6(40%)	1(6.66%)	

Type of Job (male)



Type of Job (Female)



The questionnaire survey in the carpet industry was conducted with 10 employers (who happened to be all male) and 30 employees (15-male and 15-female).

Majority of the employers (80%) were found to be within the age group of 35 to 65 years, whereas only two of them were below 35. Interestingly, the employees were mostly (nearly 83%) below 35. All the employers had some level of education. Majority of them (80%) were intermediate/graduate level people. On the other hand 60% of the employees were uneducated. Only 40% of the employees had some kind of education.

Table - 5.4 Respondents

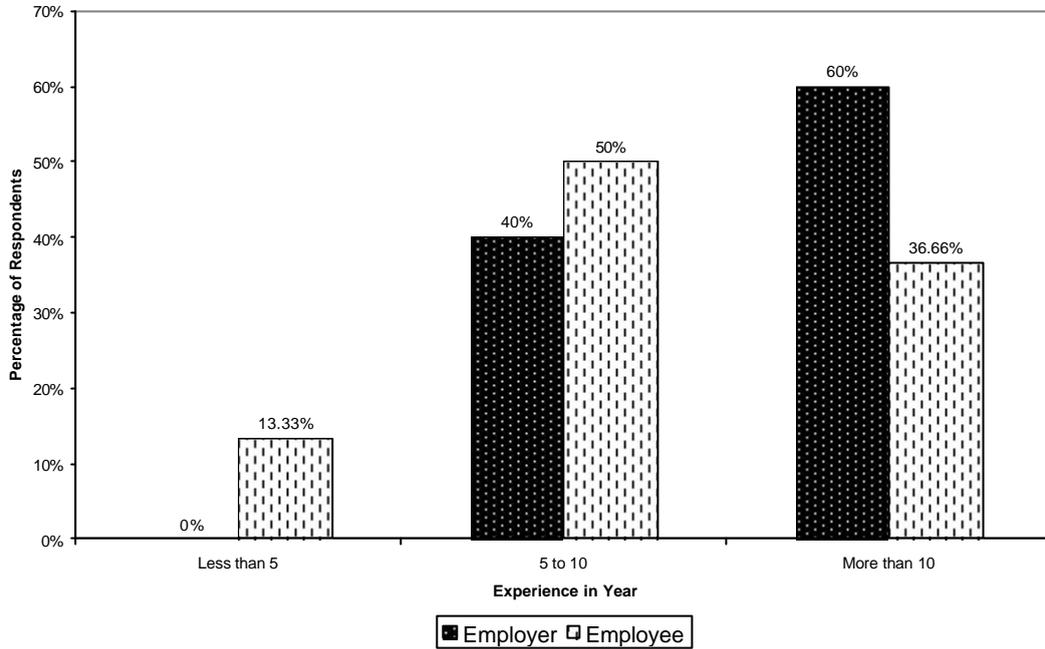
Respondents		Male	Female	
Employer		10 (100 %)	0 (0 %)	
Employee		15(50%)	15(50%)	
Age		Below 35	35-65	
Employer		2 (20%)	8 (80%)	
Employee		25(83.33%)	5(16.66%)	
Educational background	Uneducated	S.L.C. and below	Intermediate - Graduate	Post Graduate
Employer	0 (0 %)	1 (10 %)	8 (80 %)	1 (10 %)
Employee	18(60%)	12 (40%)	None	None

The employers largely (60%) had an experience of more than 10 years in the carpet industry. Such a long experience was also found among nearly 37% of the employees. Half of the employees were found to have 5-10 years of experience. This showed that both employers and employees did have some experience of this industry.

Table - 5.5 Experience in carpet industry

Experience (years)	Less than 5	5-10	More than 10
Employer	0 (0%)	4 (40%)	6 (60%)
Employee	4(13.33%)	15(50%)	11(36.66%)

Experience in Carpet Industry



Wages

According to all the employers, male and female employees working in the same job were equally paid. However, five male and three female employees did not agree with it. For them the difference was up to Rs.200 in their salary. In addition, since the job was mainly on contract basis, the amount of money received depended on the amount of work a person could do.

Table - 5.6 Equality in payment for same job

	Equal Pay	Yes	No
Employer		10 (100%)	0 (0%)
Employee	Male	10(66.6%)	5(33.33%)
	Female	12(80%)	3(20%)

Alternatives

For all the male employees, there were two major factors, money and benefit package that they would consider before shifting the job, if at all. The female employees, on the other hand, had some additional factors such as recognition including child benefits and timely payments.

Table - 5.7 Factors to consider before shifting job

Factors to consider before shifting job	Monetary	Benefit package	Recognition/ prestige	Others
Male	15(100%)	15(100%)	0 (0%)	0 (0%)
Female	5(33.33%)	6(40%)	1(6.66%)	6(40%)

Note: The Interviewee was allowed to make as many choices

Job Satisfaction

Job satisfaction was tested on two areas; namely, salary scale and working conditions. Majority of the workers were found to be satisfied with their job. Nearly 93% of them were satisfied with the working conditions and 70% with the salary scale. Only a few of them were not satisfied. This could be mainly because of their compulsion to work as they had very little education.

Sexual Harassment

There was not a single employee who complained or mentioned that they had heard of any sexual harassment in the carpet industry.

Sickness

Only three employers were found to be providing some form of assistance during the sickness of their employees. They normally gave advance money for the medical check up, which was later returned to them by the employees.

There were nearly 87% of the male employees and 60% of the female employees who mentioned about falling sick sometimes. Two women reported of falling sick very often. It was nearly 53% of the men and 20% of women who said they found their sickness to be related to their job. A significant proportion of women (5) did not know whether their sickness was related to the job or not.

It was also found that those who reported of being sick due to their job were involved in weaving (male -4, female -3), trimming (male-2) and painting (male-1).

The nature of sickness was mainly general which included, cold, fever, headache etc. Body pain was emphasised by nearly 33% of both male and female employees.

During sickness, the employer had provided assistance to nearly 67% of male and 33% of female employees. The nature of assistance included the provision of advance money for diagnoses, which was very common.

Table - 5.9 Sickness related to Work

	Yes	No	Don't Know/ Not applicable
Male	8 (53.33%)	7 (46.66%)	0 (0%)
Female	3 (20%)	7 (46.66%)	5 (33.33%)

Type - 5.10 Type of sickness

	General	Back pain/ Body pain/ Hand pain/ Leg pain	Gastric/ stomach pain	Typhoid/ Tonsil/ Chest pain	None
Male	11 (73.33%)	5 (33.33%)	1 (6.66%)	3 (20%)	0 (0%)
Female	8 (53.33%)	5 (33.33%)	1 (6.66%)	2 (13.33%)	2 (13.33%)

Note: The Interviewee was allowed to make as many choices

Table - 5.11 Assistance provided by the Employer

	Yes	No	Not Applicable
Male	10 (66.66%)	5 (33.33%)	0 (0.00%)
Female	5 (33.33%)	8 (53.33%)	2 (13.33%)

5.3.3.2 Areas of Competence

In general, employers shared their opinion that it was the women who proved better employees at work in terms of responsibility, quality of product/service, time utilisation, efficiency and value addition in business.

Discharge of responsibility was one major factor for consideration. Some 30% of the employers think that men are better in this area whereas for 40% of them it was women who had better advantage in this area. There were some of them (30%) who believed that both male and female employees were responsible.

The employees had a different opinion. While majority of the employees opined that women had a competitive edge in weaving, balling, spinning and cutting of wool, two female employees said women could do better in every area and no area identification was required. There were a few who did not want to comment (male-2, female - 4).

Table - 5.12 Employers view on areas of competence

Better Employees	Male (Only)	Female (Only)	Both	No response
Responsibility	3 (30%)	4(40%)	3(30%)	0 (0%)
Quality of product	1(10%)	3(30%)	1(10%)	5 (50%)
Time utilisation	1 (10%)	4(40%)	1 (10%)	4(40%)
Efficiency	1 (10%)1	3(30%)	1 (10%)	5 (50%)
Value addition in business	1 (10%)1	3(30%)	1 (10%)	5 (50%)

Note: The Interviewee was allowed to make as many choices.

5.3.3.3 Conditions of Service

Timing

This industry normally demands work, which has to be completed on piece meal basis. In some jobs the standard working days per week are 5-6. The standard working hours per day are eight. The time limit and the number of days did not have much significance in many cases because the employees worked on contract basis. According to the two employers, men worked for longer hours than female. For other three employers it was the opposite.

It was found that on an average male employees worked for 10.7 hours a day while the female employees worked more (11.3 hrs. a day) than their male colleagues.

There were nearly 87% of the male employees and 73% of female employees who said they worked for more than eight hours a day. There were various reasons to this. For

majority of the workers, they agreed that it was the financial constraint that led them to do so. Demand of the job itself was one reason.

Table - 5.13 Working for longer hours

Who works for longer hours	Male	Female	Both	NA
Employer	2 (20%)	3 (30%)	3 (30%)	2 (20%)
Works for more than normal hours (8hrs)				
	Male	Female		
Employee	13(86.66%)	11(73.33%)		

Table - 5.14 Reasons for working long hours

Reasons	Employer	Employee (Yes)	
		Male	Female
Demand of Job	0 (0%)	5(33.33%)	2(13.33 %)
Financial Constraint	5 (50%)	8(53.33%)	10(66.66%)
Socio-Cultural Factor	2 (20%)	0 (0%)	0 (0%)
Higher Productivity	0 (0%)	3(20%)	0 (0%)
Others	1 (10%)	1(6.66)	0 (0%)

Note: The Interviewee was allowed to make as many choices.

Provision for overtime

All the employers mentioned no such provision. However, employees had a different answer. It was found that in cases where the nature of the work is to be performed on contract basis, there was no provision for overtime. In some cases where employees worked on monthly salary basis such a provision was present. According to the three male employees who were involved in painting, packaging, rolling, measuring and stitching, they were receiving some extra money as overtime.

Table - 5.15 Provision for Overtime

Provision for Overtime	Employer	Employee
Yes	0 (0%)	3(10%)
No	0 (0%)	5(16.66%)
Not applicable	10 (100%)	22(73.33)

Leave

The system of granting leave was very liberal. Since this was only for the employees who worked on monthly salary basis, a common time off work was during weekends and other holidays. No specific number of days was mentioned though. While majority of the employees took weekends off, there were four male and five female employees who took leave as and when required.

Although no employer mentioned about providing any maternity or mourning leave, one female employer (balling wool) mentioned being provided with leave up to two months maternity leave. However, it was unknown whether this was paid or unpaid leave. No employee mentioned about the provision of mourning leave.

Table - 5.16 Types of leave

Holidays in a month		
	Employer (Entitled)	Employee (Used)
Weekends only	0 (0%)	18(60%)
Weekends and additional holiday	2 (20%)	2(6.66%)
As per need	1 (10%)	0 (0%)
Leave in off season	0 (0%)	0 (0%)
One's Will	7 (70%)	9(30%)
Maternity		
Don't Know		25(70%)
None		4(13.33%)
10-30		0(0%)
More than 30		1(3.33%)
Mourning		
Don't Know		25(100%)
None		5(16.66%)
13-15		0 (0%)
Maximum 16		0 (0%)

Benefits

There were various kinds of benefits that were being provided by the employers. Travel allowance, lunch facility and bonus were three benefits that none of the carpet industries provided.

Medical -

There were three carpet industries, which provided medical facility to their employees. There were 14 female and 11 male employees who did not receive any such facility. For those who did receive, the nature of medical benefits included advance money for treatment and in two industries employees were forwarded to *Care and Fare*¹² for check-up. Many employees mentioned that this group did not conduct proper check-up and therefore, employees were reluctant to visit the group.

Accidental Insurance -

Accidental insurance was provided by only one carpet industry (whose export value ranged between 50-75 million rupees) that pays a certain amount of premium to the insurance company on behalf of the employees. Two industries however, did mention that in case of any accidents that took place at the workplace, they would provide compensation to the employee. Only two male employees had heard of such a provision. However, they had not seen any policy paper till date.

Child benefit -

¹² A medical group which charges carpet industry a certain amount of money for conducting overall check-up of the industries employees for a period of one year

Majority of the carpet industries (seven of them) provided child benefits. The kind of benefit however varied which included, admission fee, education expenses, Rs. 100 per child a month (for only one child) etc.

There were 16 employees who did say they were receiving this benefit. Among those who did not receive were seven male and seven female employees.

Day care centre -

Day care centre was set up in one carpet industry (one having export value of more than 75 million rupees) according to the employer. No verification was possible. Among the employees four of them mentioned about the existence of this facility in the carpet industry they were working in.

Festival allowance -

Four carpet industries were found to be providing festival allowance to their employees. This facility varied from Rs. 100 multiplied by the number of years of employee experience, one-month salary (for salary based employees), and a fixed amount of Rs. 200. There were 12 employees (male -7, female-5) who were receiving festival allowance.

Other allowances

There were two male¹³ and three female employees who said they received maternity expense from Rs. 1500 to Rs. 2000.

Table - 5.17 Kinds of benefits

Other benefits	Employer		Employee	
	Yes	No	Yes	No
Travel	0 (0%)	10 (100%)	0(0%)	30(100%)
Lunch	0 (0%)	10 (100%)	0(0%)	30(100%)
Medical	3 (30%)	7 (70%)	5(16.66%)	25(83.33%)
Accidental Insurance	1 (10%)	9 (90%)	2(6.66%)	28(93.33%)
Child benefits	7 (70%)	3 (30%)	16(53.33%)	14(46.66%)
Day care centre	1 (10%)	9 (90%)	0 (0%)	30(100%)
Bonus	0 (0%)	10 (100%)	0 (0%)	30(100%)
Festival allowance	4 (40%)	6 (60%)	12(40%)	18(60%)
Other	0 (0%)	0 (0%)	3(10%)	27(90%)

¹³ The male employees received this money when their wife gave birth to their children.

5.3.3.4 Socio-economic patterns of income and expenditure

Income of industries

Majority of the carpet industries said they were facing decline in their profit for the last five years. Only two carpet industries (one with export value up to Rs. 25 million and the other between Rs. 50 million to 75 million) were said to be gaining normal profit. Six carpet industries recalled themselves reinvesting the profit in the same industry when they were in profit. Two of the industries also used the money to open up new businesses.

Table - 5.18 Use of profit

Use of profit	Yes	NA
Reinvest in the same industry	6 (60%)	4 (40%)
Open up new business (forward/ backward linkage)	2 (20%)	4 (40%)
Household consumption	3 (30%)	4 (40%)
Social cause (stakeholders value enhance)	0 (0%)	4 (40%)
Other purpose	0 (0%)	4 (40%)

Note: The Interviewee was allowed to make as many choices.

Household Situation

Many of the carpet employees had less than 6 members in their family. There was one male employee living in a joint family who had more than 10 family members. However, he was living here alone as he had come from India to work.

The majority of the employees were found to have up to three members in their family (including themselves) within the working age (15 to 60 yrs.) There were only a few (3 male and 1 female) who happened to be the only earner in the family. The rest all had other people in the family also working.

Table - 5.19 Family members

No. of members	0-3	4-6	7-10	More than 10
Total family members Including themselves	11(36.66%)	14(46.66%)	4(13.33%)	1(3.33%)
Working age	22(73.33%)	4(13.33%)	4(13.33%)	0 (0.00%)

Table - 5.20 Earnings in the family

Employee		
Are you the only person who earns	Yes	No
Male	3 (20%)	12 (80%)
Female	1(6.66%)	14(93.33%)

Alternative Sources of Income

The majority of employees (73.33%) said that they had an alternative source of income, which included agriculture, jobs as labourers in construction (of buildings), driving, house-rent, husband's salary, and marketing of cosmetic products. It was found that

seven female employees did not have any other alternative source of income whereas only one male employee was faced with this problem.

Effect

The job for some employees affected their children and family positively. There were six male and six female employees who felt their children were being affected negatively by their job. Similarly, three male and two female employees felt that there was a negative effect on their family. The positive effects on children and family included the possibility of taking care of babies at the workplace and financial support to the family. Negative effects consisted of being unable to give enough time to children and strained relations that have occurred because of the communication gap in the family (specially in cases of migrant workers)

Table - 5.21 Type of effect

Type of effect	Positive	Negative	No effect	NA*
Children affected	3(10%)	6(20%)	14(46.66%)	7(23.33%)
Family affected	1(3.33%)	5(16.66%)	22(73.33%)	2(6.66%)
*NA – no children and living single				

Expenditure Patterns

It was found that the majority of the male employees (nearly 53%) made the decision on spending in the family. Many female employees (40%) too did the same. While some of them made mutual decisions, some employees had other family members to take care of. Four female employees said that it was their male family members who decided whereas for two male employees it was their female members doing so.

Table - 5.22 Decision on spending in the family

	Self	Family member		Mutual
		Male	Female	
Male	8(53.33%)	1(6.66%)	2(13.33%)	4(26.66%)
Female	6(40%)	4(26.66%)	2(13.33%)	3(20%)

Majority of the male employees (14) spent on household consumption and themselves, while for almost all females the common heading for their expenses were household consumption and children. Only seven of the females spent for themselves. This could be the reason why only one female employee said she saved some money whereas for five male employees it was not a difficult task.

Table - 5.23 Pattern of income spending

Spend income on	Male	Female
Save	5(33.33%)	1(6.66%)
Household consumption	14(93.33%)	14(93.33%)
Children	8(53.33%)	14(93.33%)
Yourself	14(93.33%)	7(46.66%)
Others	2(13.33%)	3(20%)
Other expenses mainly were: spending for father's medical care (female), send money to their village (both male and female), purchase of land (male)etc.		

Note: The interviewee was allowed to make more than one choice.

Clothes and shoes were the major personal items employees bought for themselves. Six male employees also spent on luxury items. Female employees were also found spending money for their food and medicines, which the male employees did not mention about.

Table - 5.24 Items for self expenditure

Spend on yourself	Male	Female
Food	0 (0%)	1(6.66%)
Cloths/Shoes	12(80%)	7(46.66%)
Travel	1(6.66%)	0 (0%)
Education	0 (0%)	0 (0%)
Luxury	6(40%)*	1(6.66%)**
Medicine	0 (0%)	2(13.33%)
As per need	0 (0%)	0 (0%)
Social Work	0 (0%)	0 (0%)
* alcohol and entertainment		
** jewellery		

Note: The Interviewee was allowed to make as many choices

5.4 Tourism Industry

5.4.1 Background

In Nepal, tourism as an important economic sector was first recognised in 1959. Since then tourism has been playing a vital role in the Nepalese economy. However, tourism industry has not been performing well in the recent years. This has had its impact on various sectors since tourism is an industry with many backward linkages, generating indirect employment. Tourism covers everything from hotels, travel agencies, handicraft industry, restaurants, and souvenir shops to vendors.

Tourism is considered a key to strengthening Nepal's national economy as it provides employment opportunities to a large section of the population and helps reduce poverty. The overall development of the country depends largely on this sector that is estimated to have been providing 25,000 jobs, contributing to 4 percent of the GDP (Nirola, 2002). The Nepal Travel Trade Reporter, January 21-27, 2002 however, quotes a rough estimate of 1.5 million people directly or indirectly being dependent on tourism. This issue highlights the role of women mostly in handicraft industry. Quoting Yankila Sherpa, one of the few dynamic women entrepreneurs, "Talking about women in tourism, we found that women are working in many tourist related businesses especially in small tourism business like teashop, teahouse or lodge, grocery shop etc rather than in big business like trekking, mountaineering, and travel. We do not see women in such big section," writes the report.

This sector covers a large section of businesses and is an important source of revenue generation. The development of tourism is important since it is the major source of foreign currency. For a significant number of developing countries, international tourism has become a major and, in many instances, the largest source of foreign exchange

earnings. This has resulted in increased attention of these countries in the development of tourism (Bhatia, 2002:43-44).

The World Tourism Conference held at Manila, Philippines in October, 1980 came up with a detailed discussion on the significance of tourism to developing countries. Bhatia (2002:56) writes, the conference stated its conviction that "the world tourism can contribute to the establishment of a new international economic order that will help to eliminate the widening gap between developed and developing countries and ensure the steady acceleration of economic and social development progress, in particular of the developing countries."

Dr. Gyanendra Ratna Tuladhar's major findings of his thesis on "State-condition, Development and Perspectives of International Tourism in the Kingdom of Nepal" conclude, "In Nepal, tourism is highly affected by its centralism, seasonality and infrastructures. It is mandatory to enhance the products and services to global standard and continue with the efforts for making international tourism a highly effective branch in the running of the Nepalese economy."

Travel Agency

Travel Agency in the private sector plays a key role in the entire process of developing and promoting tourism. It is the travel agent who packages and processes all the various attractions of the country and sells these to the tourists (Bhatia, 2002:196).

According to the Nepal Association of Travel Agents, Membership Directory, 2002, there are 199 travel agencies in Nepal. It was observed that only 13 travel agencies were in the name of a female employer that accounts for nearly 6.5 % ownership.

Hotel Industry

Once the tourists are ready to visit a country, the lookout is for accommodation, a key factor to be considered as soon as one enters the host country. For this, hotels are found to be in different categories. Over the years, the concept and format of hotels has also been found to change. As per Bhatia (2002:177) the size, the façade, architectural features and the facilities and amenities provided differ from one establishment to another. Types of hotels are mainly international, resort, commercial, residential, floating and heritage hotels, writes Bhatia. A number of factors such as the type of hotel, services offered, tariff of rooms etc. play a key role in the hotel being chosen by tourists.

By the end of 2001, the country had 791 hotels out of which 97 were star hotels and 694 were non-star hotels (Economic Survey, 2002:115). According to Hotel Association of Nepal (HAN) database of October- November 2001, in Kathmandu, they have registered 160 hotels (132 hotels and 28 resorts) out of which female leadership was found to be present in 12 of them (six in hotels, and six in resorts).

5.4.2 Tourist trend

As per the Economic Survey (2002:115) , from December 1999-2000, the tourist arrival had gone down by 5.7% which further dropped to 21.2% in December 2000-01. The average number of days of tourist stay in Nepal is estimated to have decreased from

11.9 days during the period of December 1999-2000 to 11.4 days during the period of December 2000-01.

Analysis of the purpose of tourists visit to Nepal reveals that majority of tourists come to Nepal for pleasure, trekking and mountaineering, 5.9% for trade, 4.5% for official visit, 4.0 % for pilgrimage, 1.2% for conference and seminars and 4.6% for other purposes. Country wise analysis of total tourists arrival in 2001 reveals that 10.6% were from North America, 1.3% from Central and South America, 34.2% from Western Europe, 0.5% from Eastern Europe, 0.4% from Africa, 3.6% from Australia and the Pacific Region, and 48.4% from various Asian countries including India (Economic Survey, 2002:115).

The foreign exchange earning from tourism sector in the FY 2000/01 was equivalent to Rs.11, 717 million that was less by 2.9% as compared to the previous year (Economic Survey, 2002:117). Nirola (2002) writes that tourism represents 15% of the total export earnings and that it was expected to increase from USD 165 million in 1999-2000 to USD 231 million in 2003.

5.4.3 Empirical findings

Similar to the carpet industry, the primary data has been collected at two levels; one at the level of the employer and the other at the level of employee. Primary data collection was through questionnaire survey.

The data collected has been broadly classified under four headings:

5.4.3.1 Employment Status

Hotel industry had larger number of employees than the travel agency. Most of the hotels (70%) had more than 100 employees while only 10% of the travel agency had such a large number. Majority of the travel agency (70%) had employees less than 25. It was found that in hotels employees were broadly categorised under two levels, namely executive and staff. The executive level positions were almost occupied by male whereas women dominated the lower level jobs mainly housekeeping.

Table - 5.25 Numbers of Employees

Number of Employee	Hotel	Travel Agency
Less than 25	2(20%)	7(70%)
25-50	1(10%)	2(20%)
50-100	0 (0%)	0 (0%)
More than 100	7(70%)	1(10%)

The questionnaire survey in hotel and travel agency was performed with 10 employers¹⁴ and 20 employees (10-male and 10-female) each.

¹⁴ Employers in this research are those who could be contacted as main persons (holding responsible senior level positions)

The employers of hotel industry who responded to the questionnaire were 9 male and only 1 female, whereas in the travel agency, the sample found 6 male and a larger number of female (four) as employers. The employers of hotel were found to be both in equal numbers in terms of age categorised under below 35 and from 35 to 65 years. This showed that the employers were of uniform mixed age groups. The employees relatively in higher number (65%) were below the age of 35. In the case of travel agency 60% of employers were between the ages of 35 to 60 years while majority (90%) of employees were below the age of 35. In other words, young employees were found to be more in travel agencies and young employers in hotel industry.

Table - 5.26 Number and Age

Respondents	Hotel		Travel Agency	
	Male	Female	Male	Female
Employer	9 (90%)	1 (10%)	6 (60 %)	4 (40 %)
Employee	10 (50 %)	10 (50 %)	10 (50 %)	10 (50 %)
Age	Below 35	35-65	Below 35	35-65
Employer	5 (50%)	5 (50%)	4 (40 %)	6 (60 %)
Employee	13 (65 %)	7 (35 %)	18 (90 %)	2 (10 %)

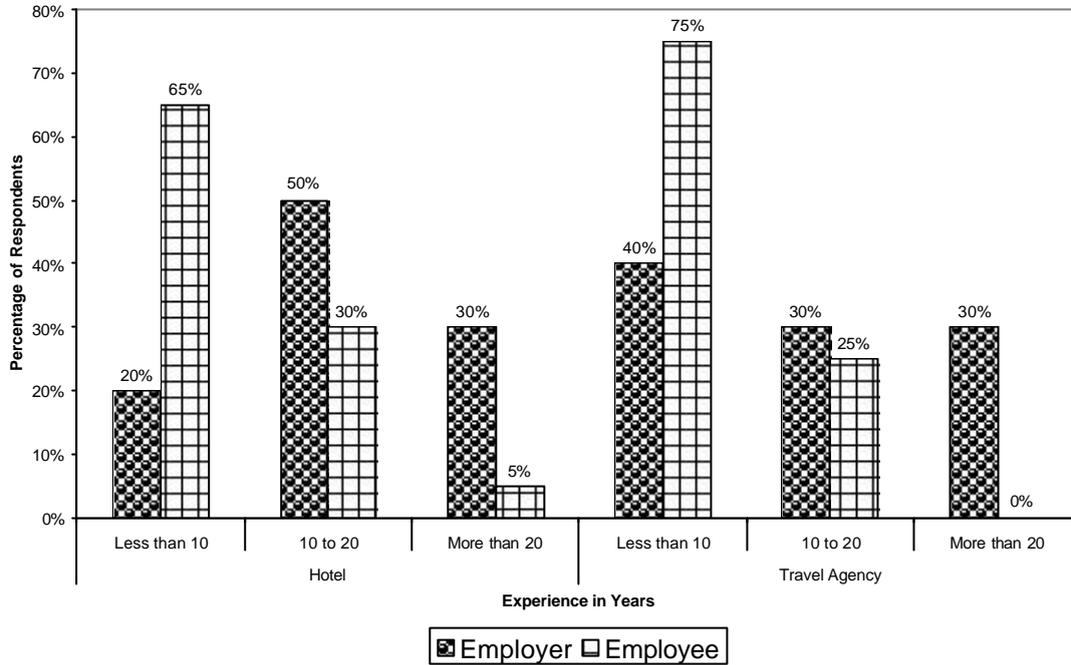
Employers in both hotel and travel agencies (80% each) had educational qualification of Intermediate/Graduate level. While no employer of travel agency had less than S.L.C qualification, hotel industry (10%) employer did exist with such a qualification. Similarly majority of the employees also were found to have Intermediate/Graduate level qualification. 60% of hotel employees and 75% of travel agency employees were within this category. This shows that educated people do join these sectors in high numbers.

The employees in both sectors had a varied degree of experiences. In hotels, it was 50% of the employers who had 10-20 years of experience whereas the majority of employees (65%) had an experience of less than 10 years. Employers were much experienced than the employees in this sector. For travel agency, 40% of employers had less than 10 years of experience while this was the case of a large section of the employees (75%). The travel agency did not have any employee who had more than 20 years of experience whereas one female employee (as security supervisor - in a five star hotel) had such a long experience.

Table - 5.27 Experience

Experience (years)	Hotel			Travel Agency		
	Less than 10	10-20	More than 20	Less than 10	10-20	More than 20
Employer	2(20%)	5(50%)	3(30%)	4(40%)	3(30%)	3(30%)
Employee	13(65%)	6(30%)	1(5%)	15(75%)	5(25%)	0 (0%)

Experience in years



80% of the employers in the hotel and 30% in travel agency said that both their male and female employees were paid equally. For others, the reason for differences was the pay scale being grounded on one's grade and experience.

For employees they had different perception. The perception in hotel employees showed that 50% of the males and 60% of the females believed they were being paid equally. It was only 20% of the males and 20% of the females who said they were not being paid equally.

In travel agencies, only 30% of males and 10% of females felt they were being equally paid. 60% of the female employees felt they were not being equally paid as their male colleagues.

Table - 5.28 Equal Pay

	Equal Pay	Hotel			Travel Agency		
		Yes	No	NA*	Yes	No	NA**
Employer		8(80%)	1(10%)	1(10%)	3 (30 %)	3 (30 %)	4 (40 %)
Employee	Male	5 (50 %)	2 (20 %)	3 (30 %)	3 (30 %)	4 (40 %)	3(30%)
	Female	6 (60 %)	2 (20 %)	2 (20 %)	1 (10 %)	6 (60 %)	3 (30 %)

In cases where it is not applicable are places where there are only males or females working in the same status or same job
 * For hotel no male and female employee at same level
 ** For travel agency no female staff in 3 and no male and female in same level in one

Alternatives -

For the employees of both sectors who were largely young in age and educated, there were many factors to consider before shifting their job if required. Such factors included money, benefit package, recognition/prestige and others.

In hotels, while these other facilities was very common 70% of males and 50% of females chose this, 60% of the male chose money followed by benefit package(50%) and recognition/prestige by 40%. For the female employees, the benefit package was desired by 30% of the employees followed by 20% of them in monetary aspects. It was seen that women employee did not value the recognition or prestige they would get by shifting into another job.

Travel agency employees had a different choice. Majority of female employees (80%) chose benefit package to be the main factor while for male employees it was the prestige and recognition of the new company. Those female employees did not attach importance to the latter. 70% of them choose prestige and recognition followed by monetary benefits.

Table - 5.29 Factors to consider before shifting job

	Factors to consider before shifting job	Monetary	Benefit package	Recognition/prestige	Others
Hotel	Male	6 (60 %)	5 (50 %)	4 (40 %)	8(70 %)
	Female	2 (20 %)	3 (30 %)	0 (0 %)	5(50 %)
Travel Agency	Male	3 (30 %)	2 (20 %)	6(60 %)	3 (30 %)
	Female	5 (50 %)	8 (80 %)	7 (70 %)	4 (40 %)

Note: The Interviewee was allowed to make as many choices

Job satisfaction

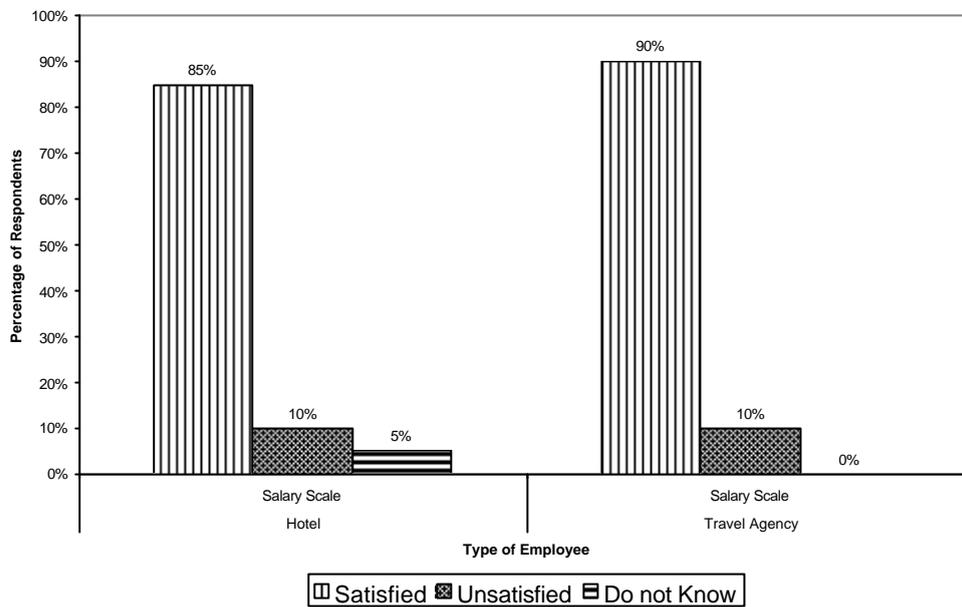
Job satisfaction was tested on two areas; namely, salary scale and working condition. For the hotel industry 95% of employees were satisfied with working condition while only one male was found to be unsatisfied, who complained of facilities not being given to employees as per the star rating of hotels. Two employees were also not satisfied with the salary scale. Surprisingly, one female employee in the hotel industry did not have any idea if she was satisfied or not in terms of salary scale (a two star hotel).

It was found that all travel agency employees were satisfied with the working condition whereas only 90% of them were satisfied with the salary scale. It was one male and one female employee who were not satisfied in this regard.

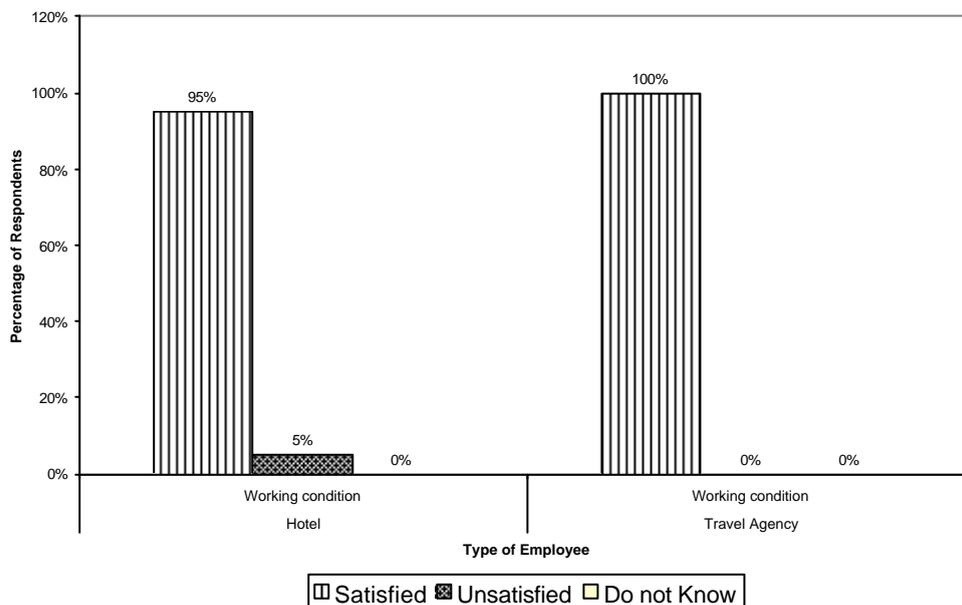
Table - 5.30 Job satisfaction

Employee		Satisfied	Unsatisfied	Do not Know
Hotel	Salary Scale	17 (85 %)	2 (10 %)	1 (5 %)
	Working condition	19 (95 %)	1 (5 %)	0 (0 %)
Travel Agency	Salary Scale	18 (90 %)	2 (10 %)	0 (0 %)
	Working condition	20 (100 %)	0 (0 %)	0 (0 %)

Salary Satisfaction



Working condition Satisfaction



Sexual Harassment

Regarding facing any forms of sexual harassment, none of the employees of travel agency said they have been faced with such behaviour. One female employee of the hotel said she had heard of such minor incidents take place in the hotel industry however she did not want to explain the details

Table - 5.31 Sexual Harassment

Sexual Harassment	Yes	No
Hotel	1 (5 %)	19 (95 %)
Travel Agency	0 (0 %)	20 (100 %)

5.4.3.2 Area of Competence

Like the carpet industry, employers of tourism industry agreed that female were better employees at work in terms of responsibility, quality of product/service, time utilisation, efficiency and value addition in business.

Responsibility was a major factor (70%) in hotels while in travel agency it was not so (20%). While 40% of hotel employees were good in terms of time management, for travel agency it was 30%. The most important factor was the value addition in business where female were better at (80%- hotel, 50%- travel agency).

Table - 5.32 Better Employees

Respondent Employer	Hotel				Travel Agency			
	Male (Only)	Female (Only)	Both	NA	Male (Only)	Female (Only)	Both	NA
Better Employees at work in terms of								
Responsibility	1 (10%)	7 (70%)	0 (0%)	2 (20%)	0 (0 %)	2 (20 %)	1 (10 %)	3 (30 %)
Quality of service	1 (10%)	3 (30%)	0 (0%)	6 (60%)	0 (0 %)	3 (30 %)	0 (0 %)	3 (30 %)
Time utilisation	1 (10%)	4 (40%)	0 (0%)	5 (50%)	0 (0%)	3 (30 %)	0 (0 %)	3 (30 %)
Efficiency	4 (40%)	2 (20%)	0 (0%)	4 (40%)	0 (0 %)	4 (40 %)	0 (0 %)	3 (30 %)
Value addition in business	0 (0%)	8 (80%)	0 (0%)	2 (20%)	0 (0 %)	5 (50 %)	0 (0 %)	3 (30 %)

Note: The Interviewee was allowed to make as many choices.

The employees had a different view. Hotel employees felt women had competitive edge in jobs relating to reception, secretary, housekeeping, front officer, guest relation and marketing. In the travel agency, it was mainly reception, secretary, ticketing, reservation, front officer, guest relation, accounting, marketing and tour guiding. Six of the hotel employees and 3 of the travel agency employees agreed that women could do better in every area in both the sectors.

5.4.3.3 Conditions of Service

Timing-

Both the sectors of the tourism industry had a standard of six day a week and an eight hour schedule. However, according to the employers of hotel industry, 60% of male employees work for longer hours. In the case of travel agency, employers had a different opinion. For them it was 50% of both male and female that worked for longer hours.

The employees on the other hand felt that 90% of the male employees and 60% of the female employees in hotel and 90% of male and female employees in travel agency

worked more than 8 hours a day. Female employees in travel agency felt they worked relatively more than normal hours than those female employees of hotels.

Table - 5.33 Longer hours of work

Who works for longer hours	Hotel				Travel Agency		
	Male	Female	Both	NA	Male	Female	Both
Employer	6(60%)	1(10%)	2(20%)	1(10%)	4(40%)	1 (10%)	5(50%)
Works for more than normal hours (8hrs)	Hotel				Travel Agency		
	Male		Female		Male		Female
Employee	9 (90 %)		6 (60 %)		9 (90 %)		9(90%)

There were several reasons drawn upon for working more than normal hours. Demand of job, financial constraint, socio-cultural factor, and higher productivity were some of them. For majority (60%) of the employers in both sectors, it was the demand of job that led to high working hours. In travel agency, employees (male-80% and female-90%) felt it was the financial constraint that was the major reason for them to work for longer hours.

Table - 5.34 Reason for working long hours

Reasons	Hotel			Travel Agency		
	Employer	Employee (Yes)		Employer	Employee	
		Male	Female		Male	Female
Demand of Job	6 (60%)	9 (90 %)	4 (40 %)	6 (60 %)	2 (20 %)	0 (0 %)
Financial Constraint	0 (0%)	0 (0 %)	0 (0 %)	0 (0 %)	8 (80 %)	9 (90 %)
Socio-Cultural Factor	3 (30%)	0 (0 %)	0 (0 %)	1 (10 %)	0 (0 %)	0 (0 %)
Higher Productivity	0 (0%)	1 (10 %)	0 (0 %)	0 (0 %)	0 (0 %)	0 (0 %)
Others	0 (0%)	1 (10 %)	1 (10 %)	0 (0 %)	0 (0 %)	0 (0 %)

Note: The interviewee was allowed to make as many choices

Provision for Overtime -

The 60% of hotel employers and 30% of travel agency employers mentioned that they did have a provision of overtime. It was however, only 50% of hotel employees and 35% of travel agency employees who agreed that such a provision existed. Both men and women were equal in number – who did not know or enjoyed such facility in hotels. In case of travel agency there were 8 male and 5 female employees who did not have any such facility.

Table - 5.35 Overtime Provision

Provision for Overtime	Employer		Employee	
	Hotel	Travel Agency	Hotel	Travel Agency
Yes	6 (60%)	3 (30 %)	10 (50 %)	7 (35 %)
No	4 (40%)	7 (70 %)	10 (50 %)	13 (65 %)
Do not know	NA	NA	0 (0 %)	0 (0 %)

About 70% of hotel employers and 60% of travel agency employers provided leave on weekends and additional holidays. This leave was used by 80% of employees in the hotel and 65% in travel agency. Both sectors also provided (10%) leave as per need of employees on for a few days (according to employers). Travel agency (10%) also had

the provision of providing leave during off season. The employers could not respond in detail the exact number of holidays that was provided to their employees.

However, when asked about the maternity and mourning leave, 65% of the employees in hotel mentioned *maternity leave* was for more than 30 days¹⁵, which was the same for 30% of travel agency employees.

A significant number of travel agency employees (60%, male - 8 and female - 4) and hotel employees (35%, male -2 and female -5) were not aware of the existence of such facility.

Regarding *mourning leave* too, many of the employees did not know if their organisation provided such kind of leave or not. In hotels it was 55% of employees (male -5 and female- 6) and in travel agency the percentage was 60%(male- 6 and female- 6) For those where such leave was available (hotel-35%, travel agency-40%), it was between 13 to 15 days¹⁶.

Table - 5.36 Types of Leave

Holidays in a month	Hotel		Travel Agency			
	Employer (Entitled)	Employee (Used)	Employer (Entitled)	Employee (Used)		
Weekends only	1(10%)	4 (20 %)	1 (10 %)	7 (35 %)		
Weekends and additional holiday	7(70%)	16 (80 %)	6 (60 %)	13 (65 %)		
As per need	1 (10%)		1 (10 %)			
Leave in off season	0 (0%)		1 (10 %)			
One respondent did not answer to the question in each sector.						
Maternity						
Don't Know		7 (35 %)		12 (60 %)		
10-30		0 (0 %)		2 (10 %)		
More than 30		13 (65 %)		6 (30 %)		
Mourning						
Don't Know		11 (55 %)		12 (60 %)		
13-15		7 (35 %)		8 (40 %)		
Maximum 16		2 (10 %)		0 (0 %)		
	Hotel			Travel Agency		
Annual leave (Entitled)	0-15 day	16-30 days	More than 30 days	0-15 day	16-30 days	More than 30 days
	3 (30%)	1 (10%)	3(30%)	3 (30 %)	1 (10%)	2 (20 %)
	Annual leave is not provided in 2 cases and one did not answer			One respondent did not answer to the question.		

¹⁵ Hotel: maternity leave ranges from 22 days to 90 days. 1 said 22 days, 5 said 45 days, 1 said 60 days, 2 said 75 days, 3 said 90 days.

TA: According to the respondents, maternity leave ranges from 15 days to 60 days. 1 said 15 days, 1 said 20 days, 4 said 45 days, and 1 said 60 days

¹⁶ Hotel: mourning leave is somewhat constant to 15 days except in few answers. The maximum is 16 days in 2 cases

TA: somewhat constant to 15 days except in few cases.3 respondents said that they could take 13 days as mourning leave and 5 respondents said that they got 15 days of mourning leave.

Benefits

There were various kinds of benefits that were being provided by the employers.

Lunch –

Lunch was being provided by 90% of the hotel employers to its employees. Only one hotel (five star) provided lunch allowance to its employees. Thus this facility was the most common facility amongst all employees.

In travel agents, only 20% of the employers mentioned that they provided lunch benefit. On the other hand the employees were equally divided amongst themselves. Thus 50% of travel agency employees mentioned that they were receiving this facility. However, among those who were not receiving any such lunch facility, they were 8 male and 2 female.

Travel –

The benefits of the travel allowance in hotel industry varied with type of work, grade, and working shift. According to the hotel employers (50%), transportation benefit is given in terms of different kinds of allowances¹⁷. Only 60% of employees said they were provided with travel benefit. There were still 4 male and 4 female who did not receive this facility

Employers of travel agency (50%) said transportation allowance was provided. Employees (60%) were using the facility that varied with types of work, grade, and working shift. However, some of the respondents were getting as high as 100% discount in domestic flights and 50% in international flights only as travel allowance. Among those who did not receive travel facility were 5 male and 3 female.

Medical –

Although all the hotel employers and 60% of travel agency employers said medical facility was provided to their employees, it was found that only 85% of hotel and 35% of travel agency employees were aware of this facility. Three employees in hotel (male -1 and female - 2) and majority (13 employees, male – 6 and female - 7) of the employees in travel agency did not receive any such facility.

The nature of medical benefits in the hotel included reimbursement of the check-up fees (that ranged from 50-100%), allowance¹⁸ and medical check-up in the hotels' own clinic. In travel agency, the benefits included reimbursement by insurance agents, and allowance (one months' basic salary)

Accidental insurance

Accidental insurance in hotels was not popular. Only 40% of the hotels were found to be providing this benefit. The awareness in employees was 50% (6-male, 4 female).

¹⁷ from the commission collected from taxi while dropping tourists, field work, according to grade etc. some of the hotel employees were getting as high as Rs. 4200 a year

¹⁸ One hotel had a maximum limit of reimbursing up to Rs.9000 a year.

In the case of travel agency (50%), accidental insurance was found to be provided only to drivers (which was automatic with the insurance of the vehicle) and for tour officers. However, only 25% of the employees (1 male and 4 female) were aware of this.

The nature of the facility in hotels included group insurance, insurance amount up to a certain limit (Rs. 1.25 lac¹⁹ in one case). There were still some others who knew of the facility but could not tell the nature.

For travel agency, the facility covered group insurance, reimbursement if governed under insurance policy and a limit of Rs. 1 hundred thousand.

Child benefit –

A very nominal 20% of hotels had the provision of child benefits. The awareness of this benefit amongst employees was 25%. Amongst those who did not receive the facility were 8 male and 6 female. In travel agency, no such facility existed according to employers. Child benefit included medical facility for children and educational scholarship.

Day care centre -

This kind of facility did not exist anywhere in the hotel or the travel agency.

Bonus

Only one hotel employer (five star) said they provide bonus to the employees in case of profit. Generally, the percentage of the bonus is 10 percent of the total profit of the business. However, due to the current political instability & insurgency (which led to the decline in tourism industry), Only 60% of hotel employees said they were receiving bonus until last year and they were not getting this year. Among those who said they were not receiving bonus at all were three male and five female.

While the employers of travel agency did not mention about providing any bonus facility, the employers (25%) said they did sometimes get bonus, which was in the form of some percentage from a large group of tourists and from profit. However, this was rare. There were nine male and six female respondents who did not receive bonus.

Festival allowance

Another facility provided to all employees in hotels and the only facility provided to all employees in travel agency is this festival allowance, which is the standard allowance equivalent to one month of salary. The allowance is normally given during the dashain festival.

All the staff in travel agency received this allowance whereas it was familiar to only 85% of the hotel employees. Among those, who did not receive festival allowance in hotel they were two male and one female all of whom were in lower level jobs (cooking, housekeeping and front desk)

¹⁹ Lac – One Hundred Thousand

Table - 5.37 Various types of benefits

	Hotel					Travel Agency				
	Employer		Employee			Employer		Employee		
Other benefits	Yes	No	Yes	No	Unknown	Yes	No	Yes	No	Unknown
Travel	5 (50%)	5 (50%)	12 (60 %)	8 (40 %)	0 (0 %)	5 (50 %)	5 (50 %)	12 (60%)	8 (40 %)	0 (0 %)
Lunch	10(100%)	0 (0%)	20(100%)	0 (0 %)	0 (0 %)	2 (20 %)	8 (80 %)	10 (50%)	10 (50 %)	0 (0 %)
Medical	10(100%)	0 (0%)	17 (85%)	3 (15 %)	0 (0 %)	6 (60 %)	4(40%)	7 (35 %)	13 (65 %)	0 (0 %)
Accidental Insurance	4 (40%)	6 (60%)	10 (50%)	9 (45 %)	1 (5 %)	5 (50 %)	5 (50 %)	5 (25 %)	15 (75 %)	0 (0 %)
Child benefits	2 (20%)	8 (80%)	5 (25%)	14 (70 %)	1 (5 %)	0 (0 %)	10(100%)	0 (0 %)	20(100%)	0 (0 %)
Day care centre	0 (0%)	10(100%)	0 (0 %)	20(100%)	0 (0 %)	0 (0 %)	10(100%)	0 (0 %)	20(100%)	0 (0 %)
Bonus	1 (10%)	9(90%)	12 (60 %)	8 (40 %)	0 (0 %)	0 (0%)	10(100%)	5 (25 %)	15 (75 %)	0 (0 %)
Festival allowance	10(100%)	0 (0%)	17 (85 %)	3 (15 %)	0 (0 %)	10(100%)	0 (0 %)	20(100%)	0 (0 %)	0 (0 %)

5.4.3.4 Socio-economic patterns of Income and Expenditure

Income of industries

The employers were hesitant to answer the question regarding their profit trend. However, it was gathered that 50% of the hotels and 30% of travel agencies had a profit trend that fluctuated. None of the hotels had profits increase. It was only 20% of travel agencies who said their profit had been increasing²⁰. 30% of hotels and travel agencies agreed that their profit had been decreasing. For 20% of both industries, they were having a normal profit.

Table - 5.38 Profit trend since last five year

	Increasing	Decreasing	Normal	Varies from increase to decrease
Hotel	0(0%)	3(30%)	2 (20%)	5 (50%)
Travel Agency	2(20 %)	3(30 %)	2(20 %)	3(30 %)

As and when profit is generated, hotels and travel agencies used this for various purposes. Reinvesting in the same industry was one of the major common activity, which 90% of hotels and 70% of travel agencies performed. These industries did not just do one activity, hotels (30%) also opened up new business including forward and backward linkages. Only 10% of the travel agency did the same. Two hotels (one five star and one resort) were also found to be using some part of the profit for social cause²¹, whereas such an activity did not exist for travel agencies.

²⁰ Both the travel agencies where profits were found to be increasing were in the category with more than ten years of experience.

²¹ Hotel: the social activities carried out by hotels were helping the underprivileged women develop their skills, supporting drug rehabilitation centre, contribution towards building roads. Other purposes included, paying back the loan taken to establish the hotel and spending money on promotional activities like fetes and festivals.

Table - 5.39 Use of profit

Employer	Hotel		Travel Agency	
	Yes	NA	Yes	NA
Reinvest in the same industry	9 (90%)	1 (10%)	7 (70 %)	2 (20 %)
Open up new business (forward/backward linkage)	3 (30%)	1 (10%)	1 (10 %)	2 (20 %)
Household consumption	1 (10%)	1 (10%)	1 (10 %)	2 (20 %)
Social cause (stakeholders value enhance)	2 (20%)	1 (10%)	0 (0 %)	2 (20 %)
Other purpose	2 (20%)	1 (10%)	2 (20 %)	8 (80 %)

Note: The Interviewee was allowed to make as many choices.

Household situation –

The employees of the hotel industry had up to 10 family members in their house. Majority of them (60%) had 4-6 family members followed by 30% up to 3 members. 55% of the members.

Majority of the employees in hotels had family member within the range of 4-6, whereas in travel agencies the number of total family members exceeded ten in 10% of the cases. 55% of the employees in the hotel industry had up to 3 members within the working age (15-60yrs); the case was slightly different in travel agency where majority of the respondents had up to 6 family members in the working age.

Table - 5.40 Household situations of employees

Employee	Hotel			Travel Agency			
	0-3	4-6	7-10	0-3	4-6	7-10	More than 10
Total family members	6 (30 %)	12 (60%)	2 (10%)	3 (15 %)	10 (50 %)	5 (25 %)	2 (10 %)
Working age	11 (55 %)	8 (40 %)	1 (5 %)	5 (25 %)	12 (60 %)	3 (15 %)	0 (0 %)

Earnings

On the whole, employees in both industries were at large having other family members also supporting them in the earnings of the family.

It was seen that 70% of the hotel employees had more than one person employed in their family. 30% of the male were found to be the only person who earns in their family while this percentage was only 10 for female employees that meant that female employees (90%) in hotel were not the only earner of the family.

On the other hand, no female employee of travel agency was the only earner in the family. They all had other members also earning in their family.

Employee	Hotel		Travel Agency	
	Yes	No	Yes	No
Are you the only person who earns				
Male	3 (30 %)	7 (70 %)	1 (10 %)	9 (90 %)
Female	1 (10 %)	9 (90 %)	0 (0 %)	10 (100 %)

Alternative source of Income

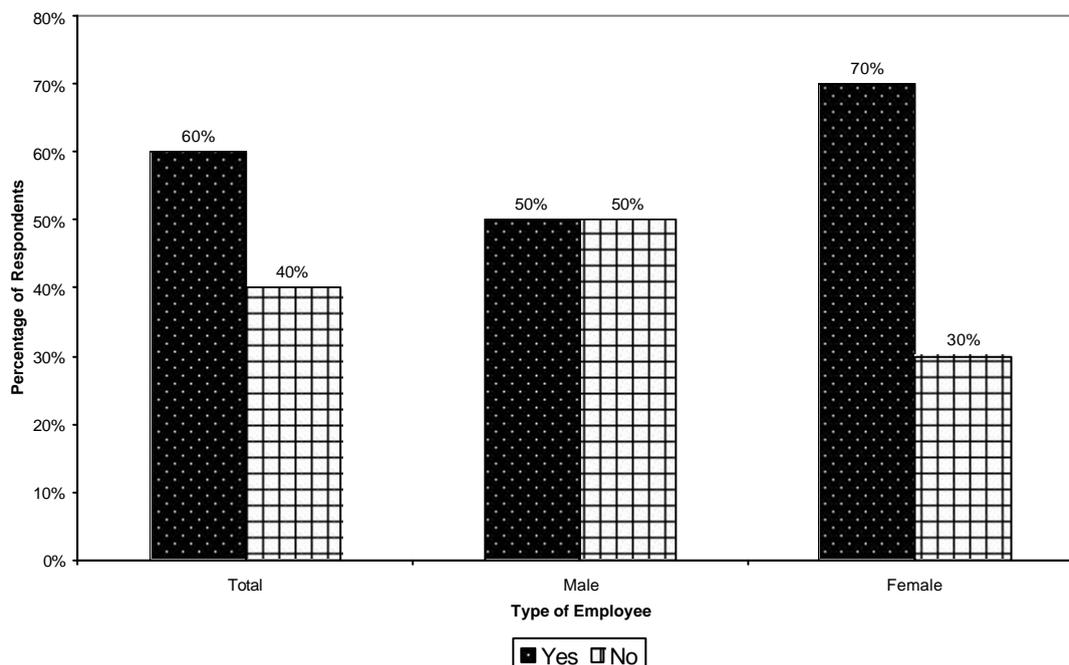
While 60 % (Male – Female -) of the hotel employees did say they have an alternative source income, the remaining did not have any alternative source of income other than the present occupation.

Table - 5.42 Alternative Income Source

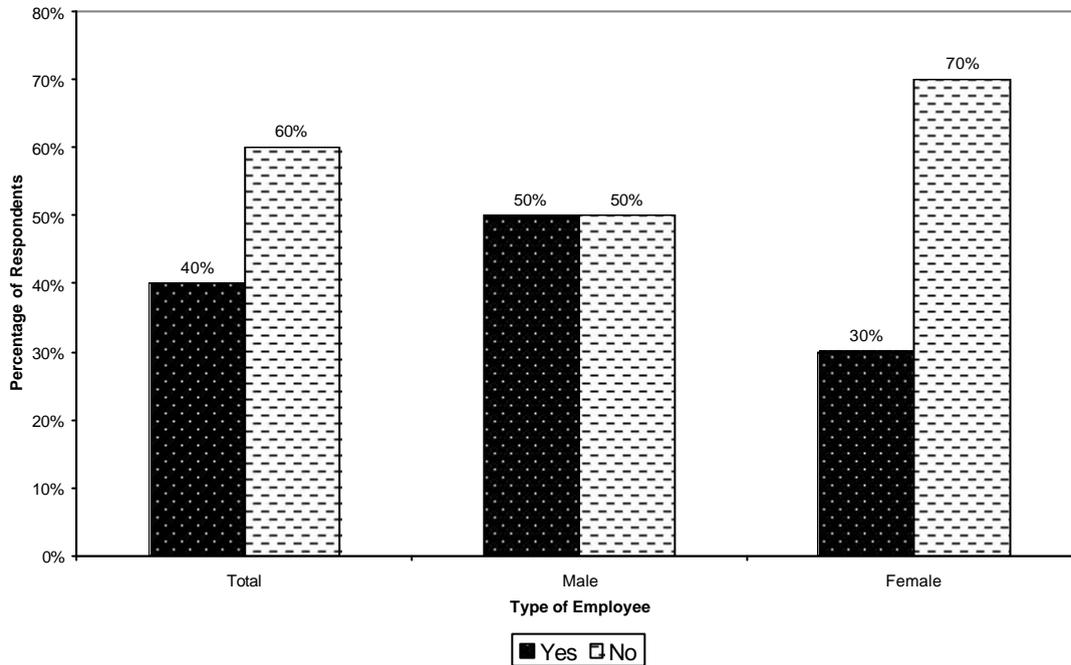
	Hotel		Travel Agency	
	Yes	No	Yes	No
Employees (total)	12 (60 %)	8 (40 %)	8 (40 %)	12 (60 %)
Male	5 (50 %)	5 (50 %)	5 (50 %)	5 (50 %)
Female	7 (70 %)	3 (30 %)	3 (30 %)	7 (70 %)

Note: The Interviewee was allowed to make as many choices.

Alternate Source of Income (Hotel)



Alternate Source of Income (Travel Agency)



Majority of employees in both industries (hotel -60% and travel agency -75%) felt their job did not have much effect on their family. There were many employees (hotel-45% and travel agency -55%) who did not know if children were affected.

The perception of hotel employees in what kind of impact does their job have on the children varied from that on the family. Positive effect on children was 20% and on family was 30%, which included prestigious job, providing good food & education etc. However, the same percentage (20%) felt their job had a negative effect on children and only 5% felt such effect was for the family. The negative effect was seen to be equally divided in the case of males and females of hotel employees. 10% of male and 10% of females said that their children were being negatively affected by their jobs whereas in travel agencies the negative effect in children was found mainly in the case of females. The families being negatively affected were in the case of 10% males in both hotel as well as travel agency. The nature of negative effect was the inability to give time to children, not being able to attend social functions and communication gap among the family members.

Only 5% of the travel agency employee felt their job had a positive effect on children. For 20% of them their family too had a positive effect.

Effects

Table - 5.43 Job related family effects

Employee	Type of effect	Positive	Negative	No effect	Do not know
Hotel	Children affected	4 (20 %)	4 (20 %)	3 (15 %)	9 (45 %)
	Family affected	6 (30 %)	1 (5 %)	12 (60 %)	1 (5 %)
Travel Agency	Children affected	1 (5 %)	2 (10 %)	6 (30 %)	11 (55 %)
	Family affected	4 (20 %)	1 (5 %)	15 (75 %)	0 (0 %)

The responses on the spending decision in the family were equal in the case of male and female employees of hotel whereas in travel agency, male as well as females did not take any spending decisions alone. In the case of hotel employees 20% of the decision was taken by the family members who are then further divided into male member (10%) or female member (10%) of the family. It could also be said that the female perceived more of the male members taking decisions in the family. (30% of the females said that the decisions on spending in the family were taken by male members of the family).

Table - 5.44 Expenditure

	Decision on spending in the family	Self	Family member		Mutual
			Male	Female	
Hotel					
	Male employees	3 (30 %)	1 (10 %)	1 (10 %)	5 (50 %)
	Female employees	3 (30 %)	3 (30 %)	1 (10 %)	3 (30 %)
Travel Agency					
	Male employees	0 (0 %)	4 (40 %)	2 (20 %)	4 (40 %)
	Female employees	0 (0 %)	2 (20 %)	2 (20 %)	6 (60 %)

Majority of the hotel employees (100% female and 90% male) were found to spend their income on themselves. Of course, they spend on other headings like household consumption (70% of male and equal % of female), children (male – 60%, female – 40%). Female employees – 30% were found to spend on other headings such as during festivals, sending money home, on rent etc, while this percentage was only 10% for male. While 40% of the male did save, only 30% of female employees did the same in hotel industry. Other expenses include: spending at home during dashain (out of valley), send money to home, house rent.

Table - 5.45 Pattern of income spending

Spend income on	Hotel		Travel Agency	
	Male	Female	Male	Female
Save	4 (40 %)	3 (30 %)	3 (30 %)	3 (30 %)
Household consumption	7 (70 %)	7 (70 %)	7 (70 %)	3 (30 %)
Children	6 (60 %)	4 (40 %)	4 (40 %)	3 (30 %)
Yourself	9 (90 %)	10 (100%)	9 (90 %)	10 (100 %)
Others	1 (10 %)	3 (30 %)	0 (0 %)	0 (0 %)

Note: The Interviewee was allowed to make as many choices.

Expenses regarding spending on themselves involved food (10% female), clothes (60%-male, 50% female), travel (10% female), education (10%-male, 20% female), luxury (10% each), medicine (10%- male), as per need at different occasions(30%-male, 40% female) and social work (female-20%).

Table - 5.46 Self expenses of employees

Spend on yourself	Hotel		Travel Agency	
	Male	Female	Male	Female
Food	0 (0 %)	1 (10 %)	2 (20 %)	0 (0 %)
Cloths	6 (60 %)	5 (50 %)	5 (50 %)	4 (40 %)
Travel	0 (0 %)	1 (10 %)	2 (20 %)	2 (20 %)
Education	1 (10 %)	2 (20 %)	0 (0 %)	3 (30 %)
Luxury	1 (10 %)	1 (10 %)	1 (10 %)	4 (40 %)
Medicine	1 (10 %)	0 (0 %)	0 (0 %)	1 (10 %)
As per need	3 (30 %)	4 (40 %)	1 (10 %)	1 (10 %)
Social Work	0 (0 %)	2 (20 %)	0 (0 %)	0 (0 %)

Chapter 6

Summary of discussions with experts

6.1 Focus Group Discussion

A focus group discussion was organised on 23 February 2003 to discuss the emerging findings so far. The group consisted of experts from different sectors: representatives from the Ministry of Industry, Commerce, and Supplies, National Women Commission, Nepal's Accession to WTO Project, carpet and tourism industries, women activists, and trade experts

The main concern raised at the meeting was that the issues related to gender implications of trade had been ignored. In this context, it would be necessary to study all aspects of the impact of WTO agreements on gender. A summary of observations made at this occasion is presented below.

6.1.1 *WTO membership of Nepal*

There was a general consensus that women are a vulnerable group in international trade. A number of programmes and policies should be designed in order to allow women to come to the fore. Conducting studies to determine the areas where women have a competitive edge and encouraging them in these sectors are equally important. The participants identified some of the major areas where women have a competitive edge. These areas include the tourism sector, seasonal industry and semi-industrial enterprises. Among these, tourism was identified as the most appropriate industry from the point of view of women. In other industries women are involved as labourers while in tourism they have opportunities to be entrepreneurs. On the other hand, tourism is an industry, which can absorb unskilled to highly skilled workers. So there is a wide scope for women. There was an emphasis on the importance of gender mainstreaming. It was also observed that Nepal should focus on this aspect before proceeding towards WTO accession.

6.1.2 *Female labour in trade*

Women are hard working. They are doing well despite very limited opportunities available to them. Women are more efficient, creative and hardworking in comparison to their male counterparts. If women are provided with further opportunities, they are highly likely to succeed. An example where women could show their capacities and promote trade was Women Entrepreneurs Association of Nepal (WEAN), which had distributed seed money to women in Gandhruk to start small businesses. As tourism prospered, women entrepreneurs did very well. This increased their income, and also raised standard of living.

However, we should bear in mind that other factors should also be favourable in order to make trade competitive. No matter how hardworking women are, they cannot excel in

business unless other problems are addressed. Factors like expensive raw materials could have an adverse impact on their products. The focus should be on achieving competitiveness, and not on exploiting female labour through minimum compensation and extensive work. Acknowledgement of the contribution of women's labour is also important.

6.1.3 Trade promotion and labour policies

The country needs to be clear on its long-term vision and plans. Accordingly, the government should come up with appropriate policies to increase women's participation. Legislative changes need to be brought about for this. Markets for Nepalese products are becoming stagnant. Since this problem has arisen due to our dependence on very limited product, diversification is necessary in order to promote trade. Likewise Nepal has great potentiality in agro-based industries and indigenous spices. Promotional schemes for these sectors are essential. Women should be mobilised in all these sectors. The importance of labour issues was also stressed. Nepal should realise that it should not let itself be used as a "post office". It should rather identify ways to add greater value to export products.

6.1.4 Capacity building

Capacity building should be the centre of the focus before we join the WTO. In the era of competition the world does not care whether we are rich or poor; it only wants value for money. So the need to strengthen our capabilities has become acute. Measures to improve capabilities of women are very important, as they have been sidelined till now. Stakeholders should be aware of the implications of a competitive trade regime and should have enough resources to be able to face it. There is also the need to generally encourage industries where minimum raw materials from other countries have to be used so that we do not need to heavily rely on others. Tourism is such an industry. Though the carpet industry uses imported raw materials and other inputs, it employs a significant workforce, especially women. In addition, we need to make the workforce more competitive through various types of education and training measures.

Use of women's creative faculties for enhancing trade has been affected by the lack of access to property. This makes women unable to contribute to the economy in a more efficient manner. Further, in a country like Nepal with a very high incidence of poverty, survival often becomes the primary question. These issues should be given top priority before we actually proceed towards the accession to the WTO.

The government is the only agency to be involved in direct negotiations with other trading partners within the WTO framework. Therefore, sensitising the government on the pros and cons of the issues at stake is important. This can be achieved, among others, by lobbying. The protection of national interest should be the fundamental objective. It is with this view in mind, the objective of gender mainstreaming in development should be pursued. The WTO is a complicated system, and many have not understood the implications of the WTO membership. Even in this context, joining the WTO is not a choice but a necessity. Keeping this in mind, we should try to maximise gains while at the same time minimising the losses.

The WTO membership is associated with costs that are immediate. However, Nepal would have to wait long for reaping its potential benefits. Nepal's preparations so far have been only in terms of the access to international markets. The WTO influences all macro-economic policies. Gender dimension has been totally ignored in the process of accession. It needs to be taken into account during the accession negotiations. Further, comparative studies are important in order to identify Nepal's areas of advantage. If we are not careful excessive liberalisation may lead to poverty. There are chances of feminisation of poverty to occur. We also have to analyse the internal competencies of Nepal with regard to gender specifically. Since Nepal is signatory to CEDAW, Nepal should make extra efforts to protect the interests of women in the pre- and post-accession phases.

The Focus Group Discussion suggested the following measures.

- UNIFEM should play the lead role in lobbying and sensitising on Gender and Trade, since it is an organisation with regional network working on gender issues and can influence different sectors.
- Awareness of WTO issues should be raised among women working in various sectors.
- Awareness programmes of the inter-linkage between gender and trade policies are required specifically targeting government institutions and civil society.
- An in-depth research should be conducted in order to identify areas where women are competitive. For this, a SWOT (Strength, Weakness, Opportunities and Threats) analysis of women's wider involvement should be carried out.
- Studies regarding potential gender implications of WTO agreements on different sectors (based on competitive areas for women) should be undertaken.
- The government should conduct research in identifying a niche market for promoting entrepreneurship of women.
- Equal footing should be provided to both men and women in the context of liberalisation through legislative changes.
- Gender perspective should be mainstreamed in any study on trade agreements/policies by the government and other stakeholders.

6.2 Interviews with key informants

6.2.1 Impact of WTO Accession

The move towards WTO was perceived by most of the key informants as a result of globalisation. Instead of arguing whether or not to accede to the global trade regime, some of them expressed the urgent need for our government and concerned stakeholders to do proper homework. To many, the impact of Nepal's accession to WTO was negative. In the case of tourism industry, the reasons could be the rise of sex industry and the exploitation of cheap female labour. On the whole some other negative implications were

- global exploitation and inequality
- market uncertainty due to global changes.
- loss of ownership of entrepreneurs
- small enterprises will be hard hit by the MNCs.

- displacement of employees with the marginalisation of weaker economies (small scale enterprises)
- exploitation of female labour (specially in informal sector)
- those dependent on agriculture (women at large) facing problems

In view of these negative implications, many respondents agreed that Nepal should try its best to minimise the negative implications rather than running away from the WTO regime. For this policies should be formulated accordingly.

On the other hand, respondents saw some positive implications, which included;

- increase in female employment opportunities
- increased movements of Goods/services/capital formation
- market access
- redefinition of the role of state actors

6.2.2 Policy initiatives

So far, no stakeholder has assessed the gender implication of WTO although some of them realise the need to do so. Since the WTO agreements are perceived as gender neutral, there are very few governments who question this assumption. This could be the main reason for the government for not assessing the gender implications. The importance of incorporating and sensitising gender issues has been reflected in all government policy and plan documents since 6th Five Year Plan. With respect to the WTO perspective government has started sensitisation programmes for different stakeholders. Yet the issue of gender is missing.

In addition, the awareness of WTO itself is not present among various stakeholders. It is an emerging issue. However, all respondents do not agree to this. To them the awareness is present in a broad sense. It is the decentralisation of the information that is lacking. Since WTO issues touch people at all levels in society, information needs to be disseminated accordingly. Most of the respondents agreed to the fact that advocacy on the WTO issues is the primary concern of all.

6.2.3 Competitive capacity

There were many who were unable to say whether it was good to liberalise the carpet and tourism industries. One of the respondents felt it was good provided protection measures are taken to promote and protect the ownership of enterprises. For this she recommended a study on the extent of the absorptive capacity of the economy so that appropriate degree of liberalisation could be identified.

The respondents identified, the following areas of competitive advantage in terms of trade –

- Agriculture
- Tourism (Eco-tourism)
- Telecommunications
- Hydropower

- Carpet
- Handicraft
- Knowledge based trade.

Among these areas, while some feel that it is industries such as tourism, agriculture and handicrafts that offer women competitive advantage. However, others view that this needs to be established by conducting a proper gender analysis.

Women could be the winners in terms of competition if their potential areas of advantage could be developed properly. This could be done through investment in human capital and protection measures for industries where high female employment is present, such as the service industry. Women could also be losers in the process. Main reasons for this are the existing discriminatory laws and practices, the poor status of women (in health, education etc.), and the lack of access to and control over resources.

Some respondents praised the government for having established a) a separate ministry to address all women related concerns, b) National Women's commission, and c) focal points at different ministries to integrate gender perspectives in planning/ implementation /monitoring and evaluation phases.

Respondents recommended the following strategies for building up women's competencies to enable them face competition.

- Using rights based approach in sensitising women in terms of their economic rights.
- Advocating on WTO issues and its gender implications at all levels.
- Conducting programs related to capacity building, training (both technical and non-technical), information and knowledge enhancement.
- Enhancing the level of education for women through various programmes.
- Reviewing policies and legislations that discriminate women
- Building a strong women's network such that the unity of women's movements is developed.
- Linking up with such global women's networks in order to promote/expand business of women.
- Identifying and setting up an informative database regarding the niche products as well as niche market.
- Ensuring coordination between the concerned ministries and civil society organisations regarding policies concerning development and trade.
- Conducting sector wise studies relating to women's competitive advantage and the existing industrial and trade policies.
- Studying and analysing global trends in competitive market on a continuous basis.
- Implementing concepts with regard to rating of women's contribution. This would enhance philanthropic contribution to women's empowerment. (egg. In USA – products now mention the social, cultural, aspects involved in the production process)

6.2.4 Major Challenges

There are some organisations working towards the removal of structural disparity while some advocate on the rights of women. However, there are challenges that exist which act as obstacles in taking pro-active measures towards enhancing women's trade competitiveness. Such challenges could be enumerated as follows:

- Lack of gender perspective in the accession process
- Persistence of discriminatory laws
- Lack of women's education
- Enhancement of women's education
- Poor capacity among women (specially women entrepreneurs)
- Lack of access to productive resources (egg. Credit, information etc.)
- Lack of unity amongst women's movements
- Government commitment limited to only in lip-service
- Failure to link economic opportunities for women with social and political rights

In addition to the general challenges mentioned above, the women's movement is facing specific challenges in terms of incorporating gender issues in trade. They include:

- Inadequate understanding of the link between gender and trade
- Lack of expertise among women activists in matters of trade
- Absence of gender analysis in trade agreements (bilateral, regional and multilateral)
- Missing linkage with global movements of gender and trade such as IWGGT
- Inadequate mechanism for institutional coordination among agencies responsible for gender and trade

Chapter 7

Major findings

7.1 Present situation

Quantitative information on different aspects of employment in the two industries has already been presented (Chapter 5). Qualitative information gathered through focus group discussions and interviews with key individuals has also been presented (Chapter 6). In this section, the study team attempts to draw major inferences from what has been discussed so far.

- a. The carpet industry is developing on its strengths, including product quality and linkages with clients at international market. Goodwill of the industry has also contributed to the expansion of markets. However, the industry is also facing some serious challenges both at home and abroad. Challenges at the national level include political instability, law and order problems, and inappropriate policies. At the international level, product prices are coming down whereas prices of raw material are going up. This has eroded the competitiveness of Nepali carpets. Unhealthy competition with foreign companies has aggravated the situation.
- b. These opportunities and challenges are applicable to the tourism industry also. In this industry, the location of a particular service and the ability to carry out public relations activities are also very important. In addition, tourism infrastructure, which is not well developed in Nepal, plays a key role. However, the unique traditional culture offers an important advantage to the tourism industry.
- c. Given the change occurring worldwide in the scope of government in terms industrial promotion, the industry sector sees an enabling role for the government. On the one hand, the government could create a supportive environment for the industry, for example, by improving the security situation. On the other, the government could promote the industry through appropriately designed taxation and Exim policies. These policies could then be complemented by reviewing the existing labour legislation in view of growing resentment against unionism. In addition, people need to be sensitised on the importance of these industries. This could begin right from the school years.
- d. Many people in the industry view the process of globalisation as a positive outcome of trade liberalisation. They see healthy competition as necessary for the growth of industry and are preparing themselves accordingly. In addition, it would encourage FDI in the country. That is why they support Nepal's intended accession to the WTO. However, a large section of entrepreneurs (40%) is still unaware of WTO issues. Interestingly, tourism entrepreneurs seem to be less open than carpet entrepreneurs in terms of trade liberalisation. They hold the view that Nepali industry is still not in a position to compete with foreign firms. Whatever the level of awareness, the industry is not taking any forward-looking strategies. The government should also think about some compensatory measure for losers to be affected by the WTO system.

- e. Women do have some areas of comparative advantage in these industries. There are examples to show that they are not only hardworking but also creative and efficient. However, in order to benefit from their potentials, a favourable climate should be in place. This has not happened. Mostly, they occupy lower-level positions. Compensation package for women is generally less attractive than that of men and other conditions of services are poor as well. Discrimination in terms of service conditions and working environment is prevalent. In fact, there is tendency to employ women as cheap labour. Gender mainstreaming has yet to materialise both in government policies and industrial practices.
- f. Women have poor access to property. This weakens their industrial position vis-à-vis men both as employees and employers.
- g. Women also are far behind in terms of human capabilities. They have very poor access to services such as, health, nutrition, education and training. The socio-cultural perceptions relating to girl child and women hinder their overall advancement.

7.2 Gender implications

Increased trade provides better income opportunities for women. This has happened in the industries covered by the study. However, these income opportunities should not be neutralised by the loss of social opportunities. It is therefore necessary to assess the implications comprehensively.

7.2.1 Positive implications

Positive implications of trade liberalisation in general and Nepal's accession to the WTO in particular may be summarised as follows:

- a. **Job opportunity:** Trade liberalisation is associated with increase in job opportunities. Women would have access to jobs that could lead to an improvement in their situations, in their influence within the household, in their freedom to select life options such as whether or not to say married, and also in the possibility of improving their children's quality of life if they divorce.
- b. **Income –** Job opportunities for women would lead to increase in women's income thereby narrowing the income differentials between men and women. This helps in contributing to the improvement of gender relations. In the longer term, employment for women can also shape parental attitudes towards girls as parents will begin to perceive girls as a benefit rather than a financial burden. Parents are more likely to send their daughters to school as a result.

In relation to non-industrial activities, women in the industrial jobs will be earning substantially more. In addition to new jobs, women have the option to undertake home-based work through sub-contracting. This helps them to combine their household earnings with income generating activities providing job security.

- c. **Self employment** – With the development of industries like tourism, women will have more self employment opportunities. Examples are production of handicraft or organic vegetables. Other economic activities in the informal sector will also provide employment to women without the need for huge capital.
- d. **Technology** – Production processes could be made more efficient through the use of technology making women’s labour more productive. On the other hand, advanced technology (especially IT supported industries) has made it easy for the developed countries to outsource jobs in developing countries like ours.
- e. **Access to global market:** Even small scale women entrepreneurs can have access to global markets. In a way, they would be responding to global demand. This link to the global markets would be enhanced through the application of technology, which is relatively easy to obtain in the local market.
- f. **Deregulation** - With trade liberalisation, industries will be free from unnecessary government controls in the areas such as pricing (egg, floor pricing in the carpet) and supply of raw materials. This enables industries to compete in the international market. This not only saves women from retrenchment but also promotes job opportunities for them.

7.2.2 *Negative implications*

- a. **Access to information:** In the existing situation, women have very limited information to business related information. This poses serious challenges to their ability to realise their potentials. This is one of the reasons why most women work in the informal sector under poor working conditions. For those few who are in the formal sector, the lack of access to information means adjustment problems in responding to market conditions, which are dynamic.
- b. **Working condition:** Although the policy regime speaks of favourable working conditions for women, working conditions in these industries, especially in the carpet industry is appalling. Poor hygiene and sanitation, the nature of the job that demands physical level, long working hours all combine to weakening the position of women workers.
- c. **Displacement:** The increased feminisation of the export led employment creates demand for female labour, which could lead to human trafficking. The carpet industry itself provides an example for rural women in Nepal being lured away from their villages in pursuit for better job opportunities.
- d. **Productive role:** Once a woman gets a job outside the home, her daily work load increases as she has to carry out her paid job, plus all routine household tasks. Job opportunity does not necessarily enhance income opportunities for women because of the tendency to offer low wages to women. They are forced to accept physical abuse, sexual harassment and job violence. In the absence of changes in the division of labour within the household, higher participation by women in paid employment may reduce their unpaid labour time at the household level, which may have negative effects on children’s welfare. In addition, female leisure time seems to suffer more than male leisure time.

As export production becomes more specialised, there will be an increased demand for male labour that means displacement of women.

- a. **Retrenchment:** It has been observed that mostly women occupy lower level positions. This makes them vulnerable to external shocks for e.g., if for any reasons jobs have to be cut; women become the first victim of retrenchment. They are employed at large in daily wages on a temporary basis. They are also not eligible for fringe and other benefits that are available to permanent employees. The lower positioning of women and the repetitive routine nature of the job – makes it difficult for them to take advantage of career development activities.
- b. **Technical Barriers:** International trade agreements, especially those under the WTO provide for technical barriers to trade. Specifically, product and process standards are evolving. In many cases, these standards are too high for producers in developing countries generally. For women producers, they become almost restrictive. This means that whatever attempts have been made in terms of expanding market access could be taken away from such standards.

Chapter 8

Conclusion and recommendations

8.1 Conclusion

The present study indicates that trade liberalisation in general and Nepal's accession to the WTO in particular could have mixed consequences for women. They refer to access to resources, women's participation rate in the economy, educational status, employment opportunities, and wages. With regard to employment, it appears that opportunities will expand. However, the quality of job will not necessarily be enhanced; neither will women's working conditions. Concentration of women's creative faculties on the production of goods and services may also lead to strained social and family relations. In Nepal, women have less access to education, technological training, credit, and land ownership. This limits their opportunities to take advantage of liberalised trade. In some cases, this even reinforces the existing inequalities.

There is also a bright picture. Growth in women's employment and incomes could promote their economic independence. As a result, their influence in the family and society would increase. Further, their range of choices will expand. Increased incomes could be reflected in their children's quality of life (e.g., education, health). Higher incomes for women could also contribute to narrowing the gap between men and women in terms of exclusion and subordination. In other words, gender relations can improve.

This indicates that trade policies are not really gender-neutral as they are sometimes supposed to be. They have to be studied within our socio-cultural and political context, and not in isolation. If so, Nepal's trade policies may not be regarded as gender-sensitive. In fact, they have always lacked gender perspective. This runs counter to Nepal's stated development objectives, which show a clear commitment to gender equity. Nepal's international obligations in this area offer a further example.

What we need is a holistic approach to 'mainstreaming' gender in development, an important policy objective of the Tenth Plan. Despite the apparent emphasis on gender mainstreaming (which means viewing every development activity from a gender perspective), our trade policies seem to have ignored it. This continues to be the case in the institutional mechanism set up for facilitating Nepal's accession to the WTO.

There is thus a clear case for reviewing our position. Strategic options are available to move ahead with redefined commitments. Government agencies have a very important role to play in this context. However, it would be impractical to look to the government alone. The private sector and civil society organisations have to come on board. This notion of partnership has guided the study team in drawing up

recommendations for achieving a more meaningful participation of both women and men in international trade.

What is often bypassed in the debate on female employment is the vulnerability of contractual labour especially in the informal sector. This needs proper attention.

8.2 Recommendations

Public sector agencies

- a. Enhance the level of education for women through various programs.
- b. Review discriminatory laws that affect women's entrepreneurial activities (which is necessary also under the government's CEDAW obligations).
- c. Identify and set up, in cooperation with private sector and civil society organisations, an informative database on niche products with export potentiality.
- d. Ensure coordination between the concerned ministries and civil society organisations regarding policies concerning trade and development.
- e. Implement, in cooperation with civil society organisations, capacity building measures for women entrepreneurs (e.g., training, exposure visits, and technology promotion) with a view to enhancing the bargaining power of women.
- f. Provide equal footing to both men and women in the context of economic liberalisation through legislative changes, if needed.
- g. Involve gender experts while concluding trade agreements, including the WTO, with a view to undertaking gender analysis of such agreements in time.
- h. Enhance women's access to productive resources (e.g., credit, land, information etc.) through legislative and promotional measures.
- i. Undertake gender mainstreaming in the trade and industry sector more thoroughly.
- j. Conduct research/studies on the relationship between trade and gender focusing on areas of women's competitive advantage, which would also require a SWOT analysis of women in this sector.
- k. Create institutional mechanisms for the study and analysis of global markets and their implications for women on a continuous basis so that proactive measures could be taken together with other stakeholders.
- l. Implement skills development programme for women.

Civil society organisations

- a. Promote awareness about the linkage between women's social and political rights and economic opportunities for them.
- b. Adopt a rights-based approach in promoting understanding of trade and economic issues as regards gender relations.
- c. Undertake advocacy functions on WTO and other trade agreements with special focus on gender implications of these agreements at all levels

- through the publication of demystifying materials on relevant subjects (egg. monographs, bulletins, briefing papers, newsletters etc.)
- d. Promote public dialogue forums on different aspects of gender and trade including within the WTO framework.
 - e. Conduct research/studies on the link between gender and trade.
 - f. Conducting programs, in cooperation with other stakeholders, related to capacity building measures (both technical and non-technical).
 - g. Mount an awareness campaign in relation to international trade agreements and the possibility to include gender perspective in such agreements.
 - h. Lobby to the government for appointing gender experts in trade negotiation teams.
 - i. Join the global campaign to integrate gender and trade issues.
 - j. Set up linkages with global women's movements relating to gender and trade (e.g., IWGGT)
 - k. Build a strong women's network in order to develop unity and trust among women's movements
 - l. Link up with global women's networks in order to promote/expand businesses promoted specifically by women.
 - m. Develop professional expertise among women activists in matters of trade

Private industries

- a. Adopt a gender-sensitive approach in designing conditions of service (e.g., flexi-timing arrangements, childcare centres).
- b. Undertake research/studies on the competitive advantages of women in trade and industry in order to optimise returns on investments.
- c. Provide a favourable working environment to women workers (e.g., ergonomics, safety, and security)
- d. Promote awareness on women's rights and other issues that influence gender relations among all employees.
- e. Set up counselling services with special focus on women employees.

The development partners (UNIFEM in particular)

- a. Take a lead role in lobbying/sensitising policy-makers and other actors involved in gender and trade issues at national, regional, and international levels.
- b. Provide appropriate supports to government and non-government agencies engaged in streamlining the issues related to trade and gender.

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Annexes

Annex: A - Sampling Criteria

1 Carpet Industry-

Assumption – Within each category higher the export value, there exists higher the employment opportunity.

- The list of top carpet exports within the period 2058/09/01 to 2059/09/01 was obtained from the Carpet and Wool Development Board, Dumbarahi (a Govt. undertaking)
- The list was then classified into four categories based on the exported amount which is as follows:
 1. Up to Rs. 25 mio. (sample size – 3)
 2. Rs. 25 mio. – Rs. 50 mio. (sample size – 2)
 3. Rs. 50 mio. – Rs. 75 mio. (sample size – 2)
 4. Above Rs. 75 mio. (sample size – 3)

Total population of carpet industries = 441

Total sample size = 10

- Sample size of 10 carpets was selected on the basis of stratified sampling with the assumption above.
- While selecting the individual carpet industry from each category, random sampling (lottery system) was followed.
- In order to cross –verify information provided by employees, the number of respondents were 30 (male – 15, female – 15) on the overall.

2 Travel Agency

Assumption – Within each category high star hotels/older travel agencies would have high employment opportunity.

- The list of travel agents based on the year of establishment was obtained from Nepal Association of Travel Agents (NATA – which is a Government-Private collaboration), membership directory 2002.
- The list was then classified into three categories based on the year of establishment which is as follows:
 1. Up to five years old (sample size – 3)
 2. 6 to 10 years old (sample size – 3)
 3. 10 years and above (sample size – 4)

Total population of Travel agents – 2003

Total sample size – 10

- Sample size of 10 travel agents was selected on the basis of stratified sampling with the assumption above.

- While selecting the individual travel agents from each category random sampling (lottery system) was followed
- In comparison to the number of employees in carpet industries, travel agencies hold a much smaller number. The number of respondents were 20 (male-11 and female – 9) on the overall in travel agencies despite effort made to interview equal no. of male and female employees.

3. Hotel Industry

- The list of hotels based on the category of stars was obtained from *Hotel Association Nepal, List of member hotels, Tariff 2000-2001*.
- The list was then classified into seven categories based on the stars which is as follows:
 1. Five star (sample size -2)
 2. Four star (sample size -2)
 3. Three star (sample size - 1)
 4. Two star (sample size - 1)
 5. One star (sample size - 1)
 6. None star (sample size -1)
 7. Resort (sample size - 2)

Total population = 160 (132 hotels and 28 resorts)

Total sample size – 10

- Sample size of 10 was selected on the basis of stratified sampling with the assumption above.
- While selecting the individual hotel from each category random sampling (lottery system) was followed.
- In comparison to the number of employees in carpet industries, tourism industry holds a smaller number employment. The total number of respondents were 20 (male -10 and female -10)

Annex: B - List of industries (sample size)

Annex: B1 - Carpet Industry

With export value of Rs.75, 000,000 and above:

S.N	NAME	ADDRESS	TEL NO
1	Paramount Carpet Industry	P.O. Box No. 8725 Shantinagar, Baneshwor	482598, 487510
2	Senon Carpet Industries(P) Ltd.	P.O. Box No. Ekantakuna, Jawalakhel	522665
3	Khumbu Himal Carpet Ind	P.O. Box No.5604, Narayanthan,	370061, 372071

With export value from Rs. 50,000,000 to 75,000,000:

S.N	NAME	ADDRESS	TEL NO
4	Pagoda Carpet Industries	Balkumari, Lalitpur	537998
5	New Horizon Carpet Ind	P.O. Box No. 676, Balaju, Kathmandu	350131, 350197

With export value from Rs. 25,000,000 to 50,000,000:

S.N	NAME	ADDRESS	TEL NO
6	Endless Knot Carpet Ind	P.O. Box No 5390, Gongabu, Kathmandu	351972, 355292, 351792
7	Thakur Oriental Crafts	Bhaisepati, Kathmandu	535568, 544631

With export value from Rs. 0.00 to 25,000,000:

S.N	NAME	ADDRESS	TEL NO
8	New Reeta Woollen Carpets	P.O. Box No.5632 Maharajgunj, Kathmandu	416654, 532225
9	Bhrikuti Carpet Industries	P.O. Box No.11531, Jorpati, Kathmandu	488867, 474798
10	Soorya Carpet Ind	BabarMahal, Ktm	482923, 483063

Annex: B2 - Hotel Industry

Five star

S.N	NAME	ADDRESS	TEL NO
1	Hotel del' Annapurna	P.O. Box: 140 Durbar Marg, Kathmandu	221711
2	Soaltee Crown Plaza	P.O. Box:97 Tahachal, Kathmandu	273999, 272555

Four Star

S.N	NAME	ADDRESS	TEL NO
3	Royal Singi Hotel	P.O. Box: 13168 Lal Durbar, Kamaladi, Kathmandu	424191
4	Grand Hotel	P.O.Box: 12872, Tahachal, Kathmandu	282482

Three Star

S.N	NAME	ADDRESS	TEL NO
5	Kathmandu Guest House	P.O. Box:2769 Thamel, Kathmandu	422800, 413632

Two Star

S.N	NAME	ADDRESS	TEL NO
6	Hotel Paradise Plaza	P.O. Box: 347, Jyatha Kantipath, Kathmandu	255153, 249983

One Star

S.N	NAME	ADDRESS	TEL NO
7	Thorong Peak Guest House	P.O. Box:1657 Thamel, Kathmandu	253458

Non Star

S.N	NAME	ADDRESS	TEL NO
8	Hotel Melungtse Pvt. Ltd.	P.O. Box: 8413 Maharajgunj, Ring road, Kathmandu	373137, 373119

Resort

S.N	NAME	ADDRESS	TEL NO
9	Godavari Village Resort	P.O. Box: 12446, Amarbati Godavari, Lalitpur	560675
10	Dwarika's Hotel	P.O. Box:459 Battispatali, Kathmandu	470770, 479488

Annex: B3 - Travel Agency

More than 10 years old:

S.N	NAME	ADDRESS	TEL NO
1	President Travels and Tours	P.O. Box: 1307, Durbar marg Kathmandu	220245
2	Nepal Kamaz Tours & Travels	Gha2-517, Harsha Bhawan, Kantipath, Kathmandu	241811, 245820
3	Vardan Travels & Tours Pvt. Ltd.	P.O. Box: 469 Durbar Marg, Kathmandu	241197, 224238, 246154
4	Experience Travels and Tours	P.O. Box:2811, Thamel, Kathmandu	257031 257032

6-10 years old:

S.N	NAME	ADDRESS	TEL NO
5	The Explore Nepal Pvt. Ltd.	P.O. Box: 536, Kamaladi Kathmandu	226130, 247078, 247079
6	Marco Polo Travels Nepal Pvt. Ltd.	P.O. Box: 2769 Heritage Plaza II Kamaladi Kathmandu	247215 (Hunting Line)
7	Himal Reisen (P) Ltd.	P.O. Box:8601, Thamel, Kathmandu	426913, 416068

Up to 5 years old:

S.N	NAME	ADDRESS	TEL NO
8	Interworld Travel Services (P). Ltd.	P.O. Box: 980, Kamalpokhari, Kathmandu	440407, 440408
9	C&K Travels &Tours (P) Ltd.	P.O. Box: 2281, Kamalpokhari, Kathmandu	420950, 421688, 421689
10	Verge Voyage (Pvt.) Ltd.	P.O. Box:7831, Naxal, Kathmandu	418824, 415738

Annex: C - List of participants for Focused group discussion

**Hotel Orchid, Tripureshwore
February 23, 2003**

S.N	NAME	ORGANISATION
1	Dr. Chandra Bhadra	Padma Kanya Campus
2	Ms. Shanti Chadda	Nepal Woman Crafts, Naxal.
3	Dr. Suman Sharma	Central Department of Economics, TU.
4	Dr. Puspa Shrestha	Central Department of Economics, TU.
5	Mr. Rajendra Khetan	FNCCI,
6	Dr. Binod Karmacharya	ADB, Kamaladi
7	Mr. Surendra Dhakal	NCEA, Gairigaon, Sinamangal
8	Ms. Bhim Kumari Thapa	Ministry of Industry and Commerce, Singha Durbar
9	Mr. Prachanda Man Shrestha	Ministry of Industry, Commerce and Supplies.
10	Ms. Padma Mathema	UNFPA, Pulchowk, Lalitpur
11	Ms. Lakshmi Rai	National Women Commission
12	Mr. Devendra Upadhyaya	President, FNCSI
13	Dr. Posh Raj Pandey	Nepal's accession to WTO Project
14	Ms. Babita Basnet	Ghatana Ra Vichar Weekly/Sanchiraka Samuha
15	Mr. Bhaskar Sharma	The Kathmandu Post.
16	Mr. Sudeep Shrestha	Kantipur Daily
17	Mr. Gopal Tiwari	The Himalayan Daily
18	Mr. Narayan Sapkota	The Rajdhani Daily

Annex: D - List of key informants

S.N	NAME	ORGANISATION/ADDRESS
1.	Ms. Bharati Silwal Giri	Assistant Resident Representative, UNDP, Pulchowk
2.	Ms. Bhim Kumari Thapa	Ministry of Industry, Commerce and Supplies, Singha Durbar
3.	Dr. Chandra Bhadra	Department of Women Studies, PK CAMPUS
4.	Ms. Indu Pant Ghimire	MGEP, UNDP
5.	Ms. Saloni Singh	DIDI BAHINI, Anamnagar, Kathmandu
6.	Ms. Yamuna Ghale	ActionAid Nepal, Lazimpat, Kathmandu

18. What do you think is the economic reason for the slack in carpet/tourism business these days?

19. Do you think it is good to open up the economy in this sector?

20. What strategies would you take in order to further enhance the competitiveness with other industries if liberalisation in this sector takes place?

5. Do you see your relationship with family members affected by your job?

Positively Negatively
And Why.....

6. If in case you have to leave this factory, do you have any other alternative source of income?

7. What factors would you consider prior to shifting the job (if you were given the option)?

- Monetary
- Benefit package (non-monetary)
- Recognition/Prestige
- Others.....

