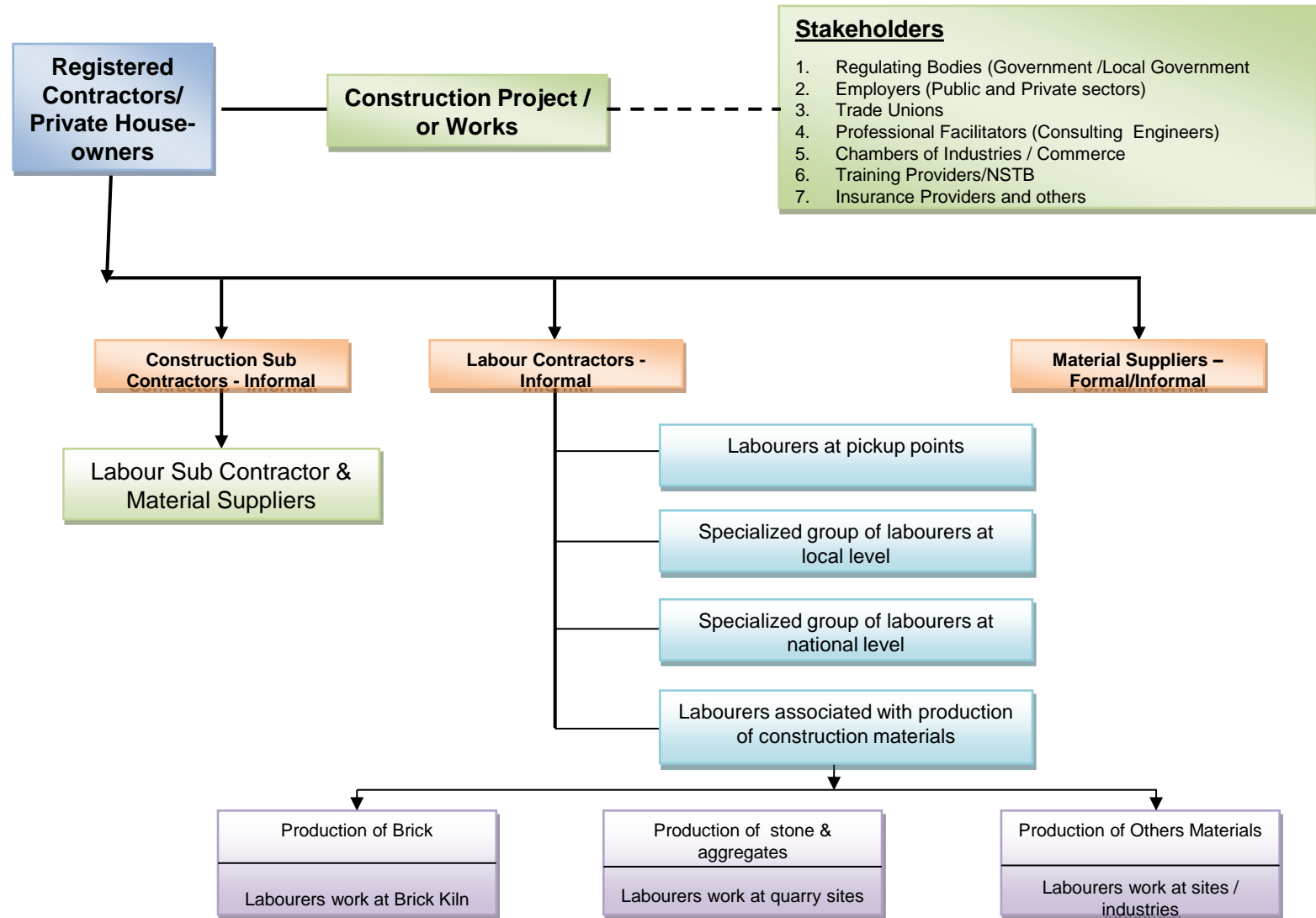


Presentation on construction sector in Nepal

Nepal Engineers' Association (NEA)
by General Secretary Kishore K. Jha
15/06/2015 – NSET, 04:00pm

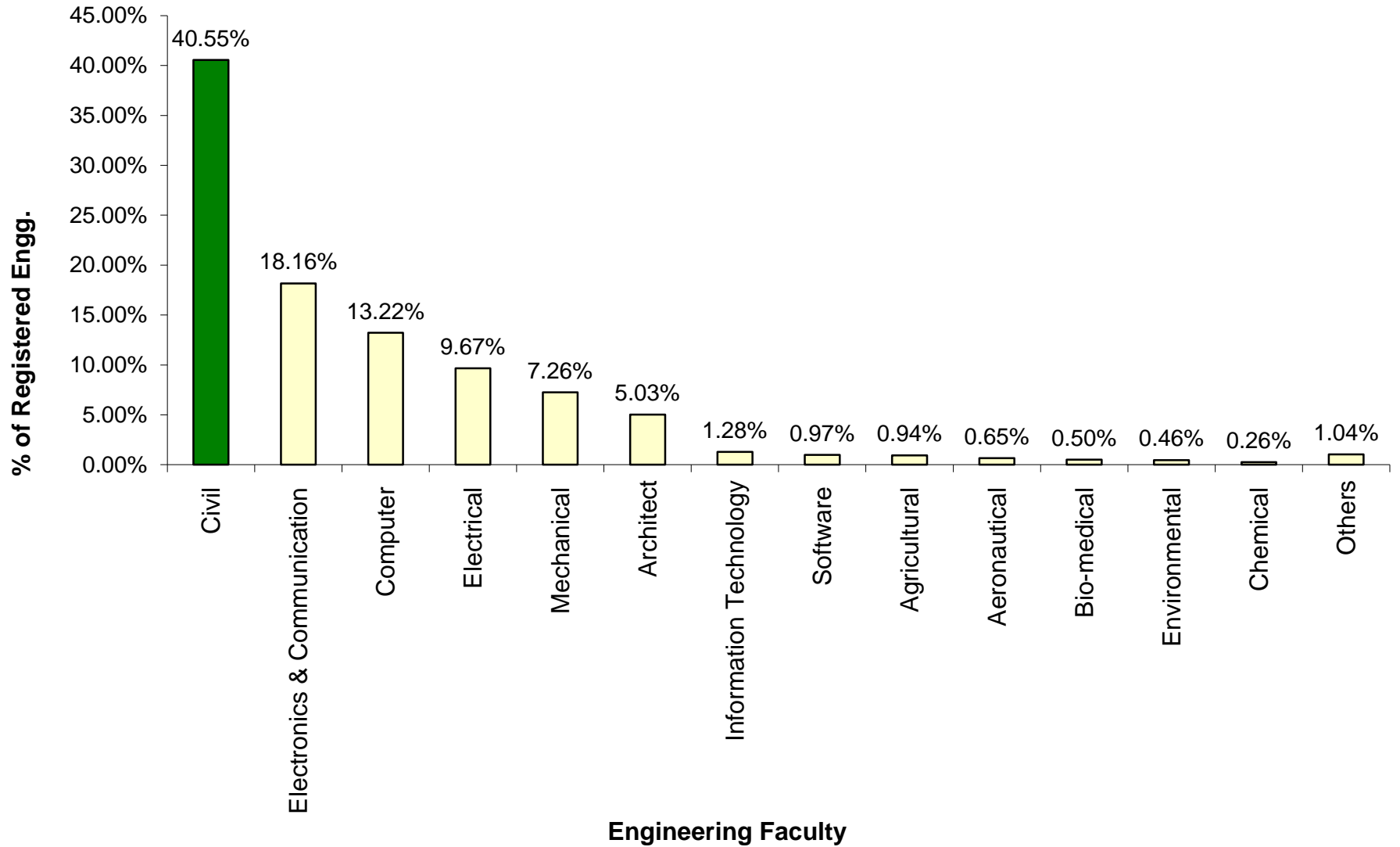
THE VALUE CHAIN OF THE CONSTRUCTION INDUSTRY

Stakeholders of the Construction Industry



Registered Engineers in Nepal

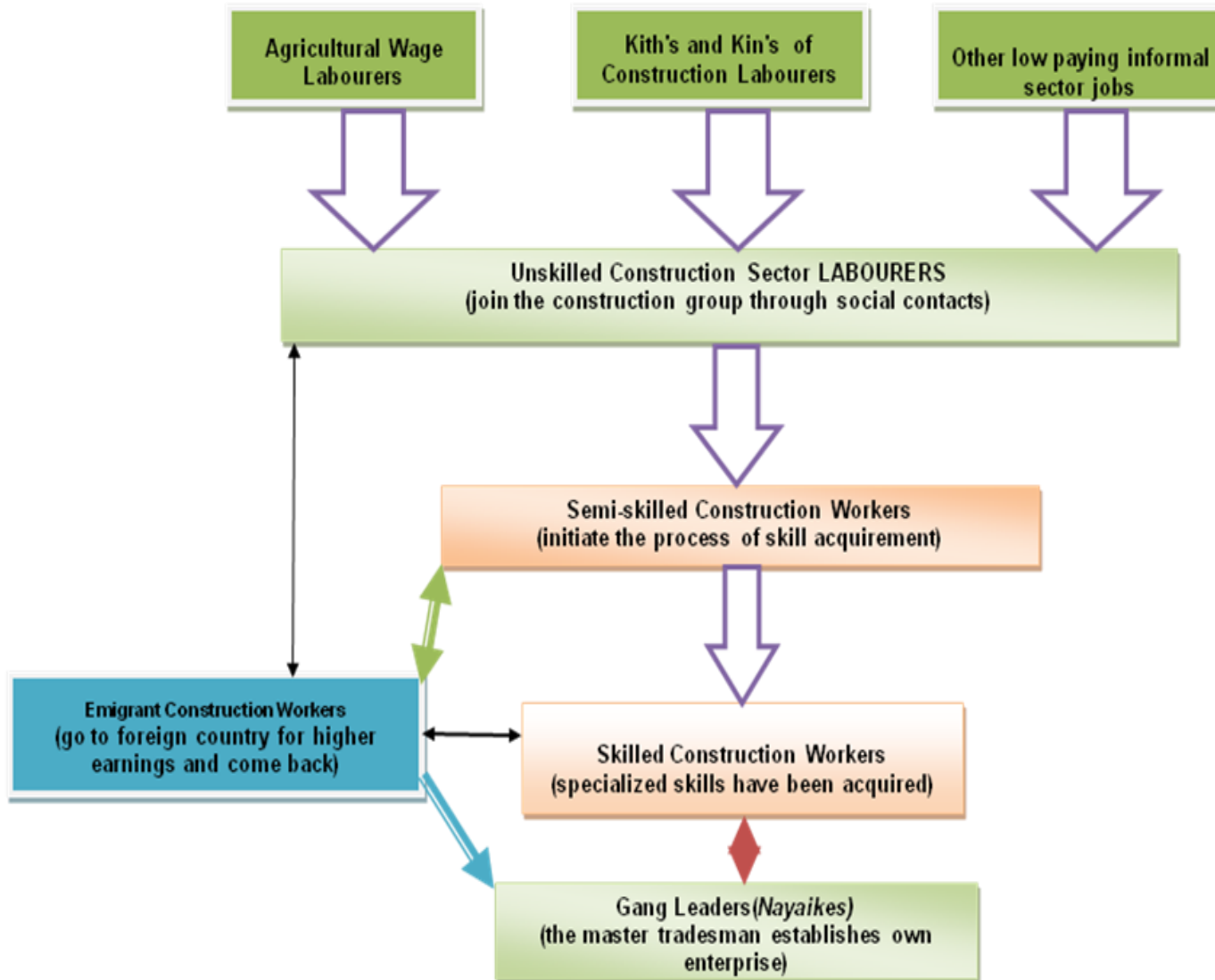
(Total No. 29,722)



Registered Jr. Engineer & Sub Engineer in Nepal

- **Total No. @ 20 thousand :**
 - Jr. Engineer (Overseer) – @70% and
 - Sub Engineer (Sub Overseers) – @30%

Status Ladder of Construction Labourers in Nepal



Note:

Some of the gang leaders and foreign returned workers establish larger construction enterprises and eventually register as contractors. A few of them start own business in other sectors such as manufacturing, wholesale and retail trades, transportation etc.

THE TRADE UNIONS

Trade Unions : Three major Federations of Trade Unions :

- i. General Federation of Nepalese Trade Unions (GEFONT) affiliated with UML Maoist – CUPPEC
- ii. Nepal Trade Union Congress Independent (NTUC - I) affiliated with Nepali Congress – CAWUN
- iii. All Nepal Federation of Trade Union (ANTUF) affiliated with United Maoist.

Affiliation of Trade Unions with the International Organization :

Nepal Affiliate Council (NAC) : NAC is an association of GEFONT and NTUC – and affiliated with

- ❖ International Trade Union Confederation (ITUC) and
- ❖ Building and Wood Worker's International (BWI)

Other trade unions affiliated to smaller political parties :

All Nepal Trade Union Congress (ANTUC), Nepal Trade Union Federation (NTUF), All Nepal Trade Union Congress (ANTUC), Trade Union Centre (NTUC) and All Nepal Democratic Free Trade Union (ANDFTU) and others.

THE VALUE CHAIN OF THE CONSTRUCTION INDUSTRY

Training Providers : include

- ✓ Council of Technical and Vocational Education Training (CTEVT) under MOE
- ✓ Vocational and Skill Development Training Center under MOLE
- ✓ Occupational Safety and Health Project (OSHP) under MOLE
- ✓ Enhanced Vocational Education and Training (EVENT) Project under MOE,
- ✓ Private training institutes including technical / engineering colleges

Private training institutes and technical / engineering colleges - seek permits to run the trainings from the regulating agencies such as CTEVT, EVENT and others : responsible to provide the trainings to the labourers to upgrade their vocational skills

NSTB is under CTEVT and responsible for taking skill test and provide the certificates.

About 500,000 candidates have taken training from the various training institutions in FY 2069/070.

Till date, NSTB has developed National Occupational Skill Standards/Profiles in 265 different occupations, 169,122 candidates are skill tested and 131,829 are certified as of April 2013.

Kathmandu Valley

CLIENTS / OWNERS

- Private Owners ~ NRs. 50,000 million
- KMC, LSMC , KM, TM, BM ~ NRs. 2500 million
- Other agencies (DoR, Water Supply, Irrigation, NGOs, INGOs & etc) ~ NRs. 5000 million
- DDCs (Kathmandu, Lalitpur & Bhaktapur) ~ NRs. 800 million
- VDCs of Kathmandu Valley ~ NRs. 700 million

**TOTAL CONSTRUCTION TURN OVER
~ NRS. 59 BILLION**

CONSTRUCTION PRODUCTS

Road /
Bridge

Drinking
Water
Supply

Public
Buildings

Private Buildings
(Residential, Commercial
& others)

Manufacturing Bricks /
Other Construction
Materials

Irrigations

Others

Nos. of Contractors involved ~ 500
Regular Staff Employed by the Contractors ~ 4000
Labourers outsourced to Informal Sector ~ 60000
Nos. of *Naikes* involved ~ 400

Labourers outsourced to Informal
Sector ~ 125000
Nos. of *Naikes* involved ~ 2000

Nos. of Contractors involved ~ 100
Regular Staff Employed by the Contractors ~ 500
Labourers outsourced to Informal Sector ~ 65000
Nos. of *Naikes* involved ~ 300

**Total nos. of Informal labourers involved ~ 250,000
Nos. of *Naikes* involved ~ 2700**

Pokhara

CLIENTS / OWNERS

- Private Owners ~ NRs. 18000 million
- Pokhara SM City ~ NRs. 200 million
- VDCs of Kaski District ~ NRs. 50 million
- Other agencies (DoR, Water Supply, Irrigation, NGOs, INGOs & etc) ~ NRs. 1000 million
- DDC Kaski ~ NRs. 300 million
- Lekhnath Municipality ~ NRs. 50 million

**TOTAL CONSTRUCTION
TURN OVER ~ NRs. 20
BILLION**

CONSTRUCTION PRODUCTS

Road /
Bridge

Drinking
Water
Supply

Public
Buildings

Private Buildings
(Residential,
Commercial & others)

Manufacturing
Bricks / Other
Construction
Materials

Irrigations

Others

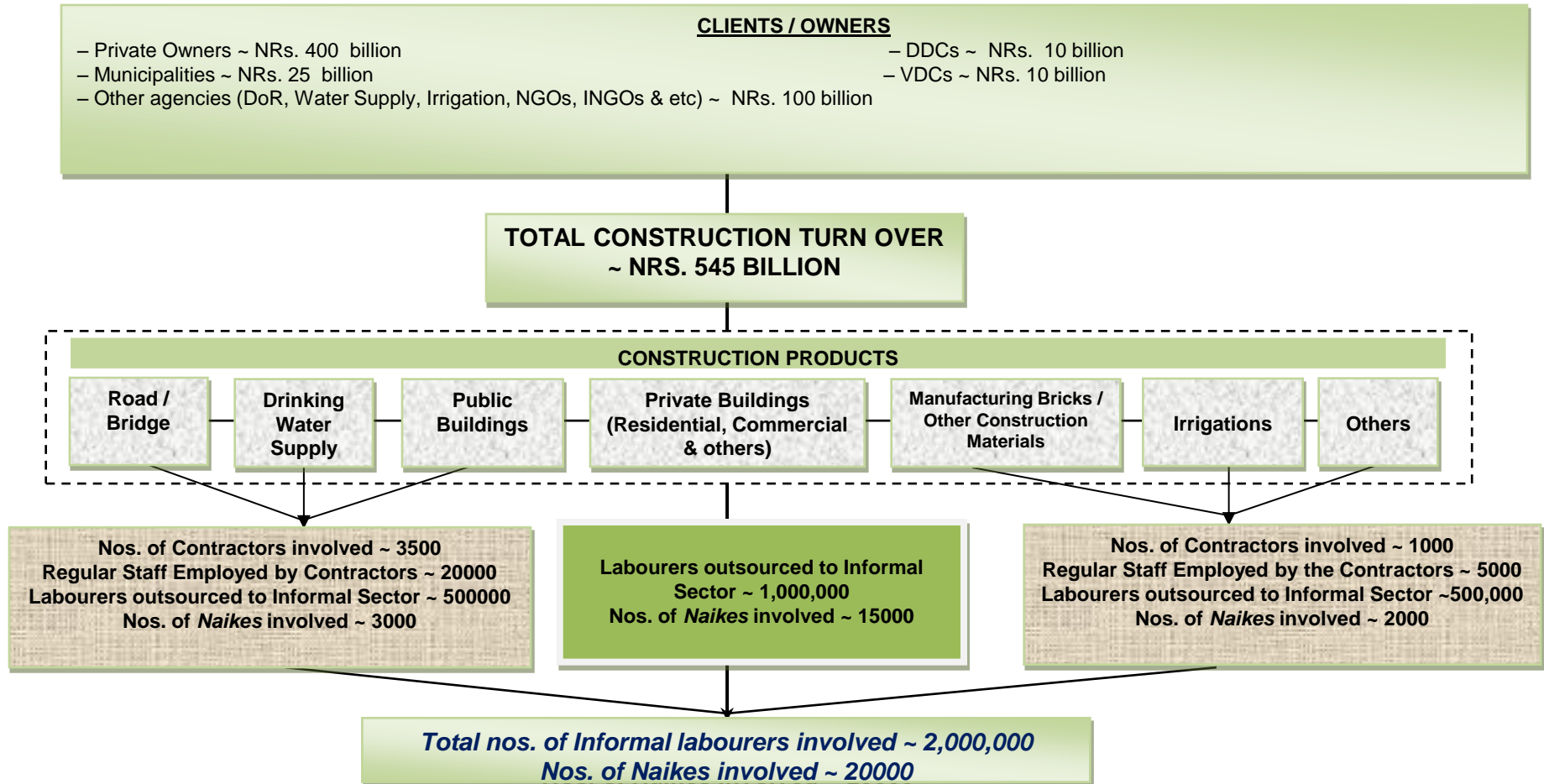
Nos. of Contractors involved ~ 30
Regular Staff Employed by the
Contractors ~ 150
Labourers outsourced to Informal
Sector ~ 3000
Nos. of *Naikes* involved ~ 100

Labourers outsourced to Informal
Sector ~ 50,000
Nos. of *Naikes* involved ~ 1000

Nos. of Contractors involved ~ 10
Regular Staff Employed by the
Contractors ~ 80
Labourers outsourced to Informal
Sector ~ 5000
Nos. of *Naikes* involved ~ 50

***Total nos. of Informal labourers involved ~ 58,000
Nos. of *Naikes* involved ~ 1200***

Scale of Construction Industry & Labour Mobilization- Nepal



Share of informal sector in total GDP by major broad categories

Major broad categories of GDP	Fiscal year 2012/13 (%)
Agriculture and Forestry (all)	34.33
Manufacturing	14.6
Construction	29.90
Hotel and Restaurant	18.45
Transport Storage and communication	0.64



Labourers on work at building construction site and discussions with them



Labourers on work at quarry site in Gachhiya River and discussions with them



Labourers on work without any safety measures at Brick Udhyog



Discussions with labourers involved to collect aggregates from Seuti Khola

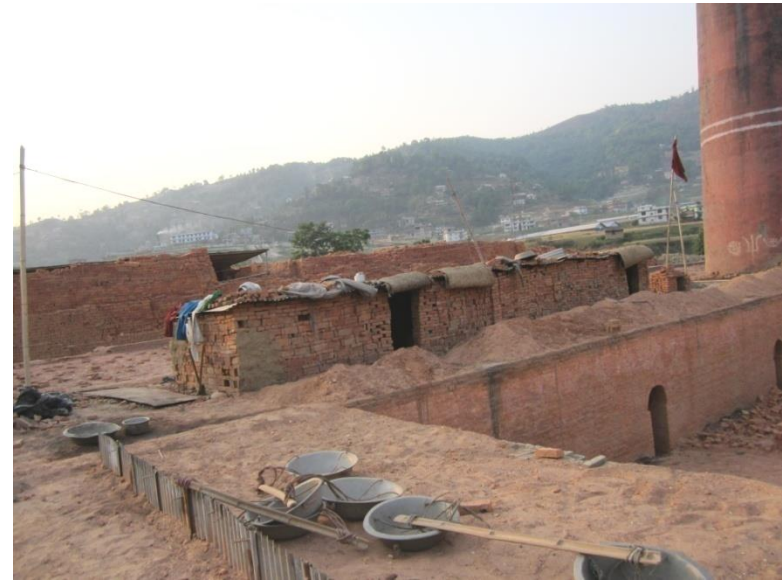


Discussions with labourers at pickup point

Existing Working Conditions of Labourers



Labourers on work for burning of bricks



Houses for labourers at Brick Kiln



Labourers involved to unload coal from truck without any safety measures at Brick Kiln



Labourers on work without any safety measures at Brick Kiln

Existing Working Conditions of Labourers



Female Labour on work without any safety measures in Crusher Udhyog with her child



Labourers collecting aggregates at Gachhiya Khola,



Labour on work at Crusher Udhyog, Chitwan



Female worker aged ~ 55 yrs. collecting sand from Seuti Khola, Pokhara

Existing Condition of Labourers



Labourers involved in laying and placing of concrete for the building construction work without safety measures



Labourers preparing bituminous concrete for road pavement without safety measures at Biratnagar



Labourers on laying & placing of reinforcement at bridge site without any safety measures, Pokhara

Existing Condition of Labourers



Labourers involved to collect aggregates from Seuti Khola

Comparative Matrix of Sources and Mobility of Construction Workers

Pokhara City - dependent more on outsider labourers (75% of total labourers in Pokhara City) followed by Kathmandu Valley (65%), Biratnagar Area (50%) and Chitwan (40%).

Kathmandu Valley - dependent more on outsider *Naikes* (70%).

Involvement of more of Indian labourers and *Naikes* in Chitwan –

The outsider labourers / or *Naikes* in Chitwan include labourers from Banke, Bardiya and Dang districts mainly involved in road construction and from Parsa, Bara and Rautahat districts mainly involved in building & preparation of raw bricks.

The outsider labourers / or *Naikes* in Pokhara include labourers from Dhading, Parsa, Rautahat, Bara, Banke, Bardiya and Dang districts mainly involved in road construction and labourers from Manang, Myagdi, Parwat, Lumjung, Mustang, Dhading, Syngja, Dolpa, Rolpa, Rukum districts mainly involved in building construction and preparation of raw bricks and material quarry site.

SOURCES AND MOBILITY OF CONSTRUCTION WORKERS IN THE STUDY AREA AND NEPAL

Out of 2 million construction labourers, 0.8 -1.2 million are also involved in agriculture and other activities.

About 6 million Nepalese labourers are abroad (3 million in India and 2 million in Arab + Asian countries) - one forth is *construction labourers*

Nepalese Construction Industry - Scarcity of construction labourers (skilled and unskilled) due to trend of out migration of experienced labourers

Previously, labours working in the construction sector : got lesser amount than labours working in other sectors and also felt inferior

PRESENT SCENARIO - completely reversed owing to more wages, introducing of new technology and equipment.

Major Problems _Labourers

- no identification
- no contract agreement
- Minimum wages to meet at least the basic needs of the labourers
- no provision of insurance, social / health security of the labourers
- no guarantee of job of the labourers
- exploitation of labourers
- social exclusion
- lack of social security, vocational training and awareness regarding the safety
- increased accidental rate

Major Problems _Female Labourers

- exploitation of female labourers
- gender discrimination particularly in wages
- sexual harassment
- lack of toilets facilities at construction site
- lack of children care room at the site
- relaxing Room

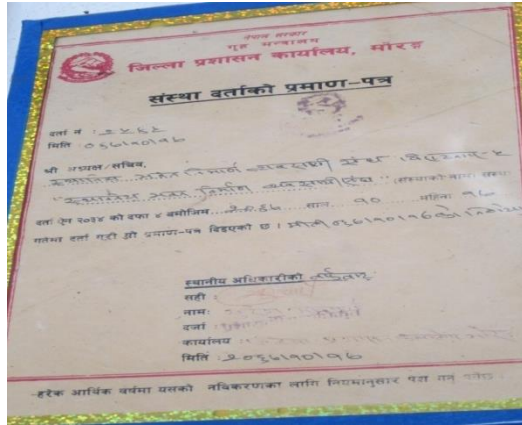
Good Practices

Good Practices of Naikes' Associations

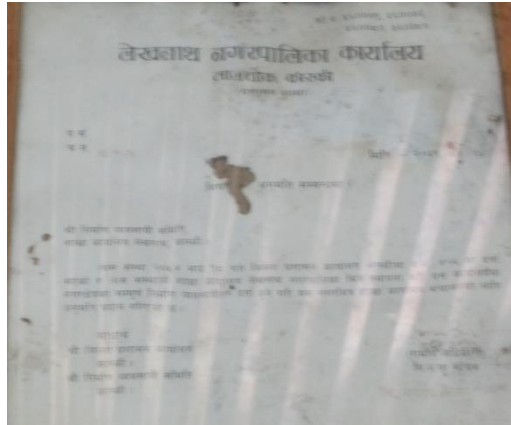
- Registration of Naikes as the Local Building Contractors by Local Government Body
- Naikes' Associations registered in CDO Office
- Affiliation /or coordination with the concerned municipal office
- Providing vocational training to the members and labourers on the construction of building and earthquake resistant buildings
- Awareness campaign on operation health and safety to the members and labourers
- Contract between house owner and *Naike*
- Providing identity card to its members
- Issuing of attendance card to the labourers for the payment
- Work as a bridge between owner and labourers for dispute
- Pressurize owner to provide treatment cost when accidents occurred
- Provides certain amount to the victim against loss of life and pressurize the house owner to pay the victim

Associations have forwarded a risk plan that covers the cost of treatment / medical and loss of life of labourers during the working period at the sites. For this, house owners have to deposit certain amount in security fund of association as per rule of the association. However, the plan is not materialized as yet.

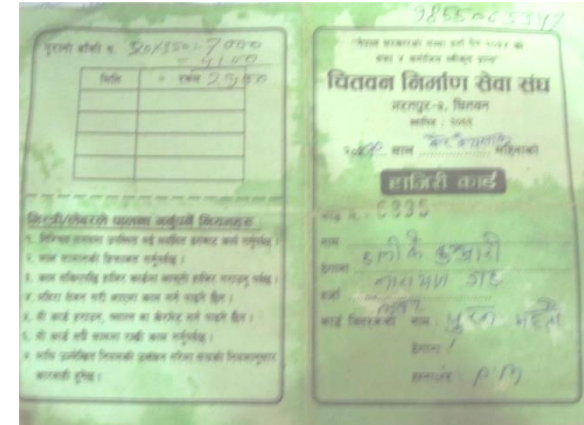
GOOD PRACTICES



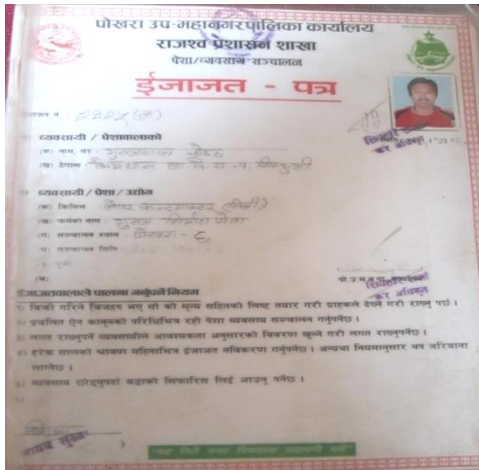
Certificate of LBCWA issued by CDO, Morang, Biratnagar



Permission letter to the association issued by Lekhnath Municipality



Attendance card issued to labour by CNSS, West Chitwan



Certificate provided to Naik by PSMC



Concrete mixers owned by members of Naikes's Association (Lekhnath Nirman Byabsayi Samiti), Lekhnath and operated and managed by the association



Naikes's Association providing vocational training to the workers

CONSTRUCTION WORKERS

The Government Agencies shall:

- ✓ Reorganize and make Identification of labourers across the country
- ✓ Supportive policies for the most vulnerable workers
- ✓ Social protection
- ✓ Develop of the labour market and the strengthening of labour institutions
- ✓ Create employment
- ✓ Make provision of appropriate education and skills training at all levels for their skill development
- ✓ Make provision of gender sensitive approaches and institutions to ensure that women are not disadvantaged in the workforce.
- ✓ Ensure social security and occupational safety and health to the workers
- ✓ Scientifically fix the wages of the labourers and eliminate discrimination in the wages of male and female workers
- ✓ Facilitate positive and prestigious culture for construction sector labourer, Individual respect, language, dress-up, lodging and feeding behavior, sanitation activity etc.
- ✓ Assist in friendly working environment for women workers
- ✓ Facilitate for establishment of the welfare fund, compensation, gratuity, provident fund and medical expenses, leave, provision of quarters, provisions relating to children, relaxing room as well as canteen for the labourers
- ✓ Establish social welfare fund for construction workers and deposition of amount in the fund based on the economic performance on the regular basis by the employers and others
 - Unemployment Facilities Plan
 - Differentable Facilities Plan
 - Maternity Conservation Facilities Plan
 - Medical Treatment Facilities Plan
 - Dependent Facilities Plan
 - Old aged Facilities Plan and Others
- ✓ W/S Facility at site, particularly for female workers

CONSTRUCTION WORKERS

The Stakeholders including Trade Unions shall:

- Lobby for and collectively bargain with the government agencies to fix the scientific wages to meet their basic needs of four family members including three dependents
- Provide awareness to labourers about their rights, duties and responsibilities
- Provide awareness to the female workers to ensure that women are not disadvantaged in the workforce.
- Concern toward labourer's problems not only distribution of membership, create common understanding in labourer's issues within trade unions for their welfare
- Pressurize the government agencies to fulfill their responsibility to implement the welfare schemes for the welfare of the labourers, such as
 - Unemployment Facilities Plan
 - Differentable Facilities Plan
 - Maternity Conservation Facilities Plan
 - Medical Treatment Facilities Plan
 - Dependent Facilities Plan
 - Old aged Facilities Plan and Others
- ✓ Pressurize the government agencies for Social protection, Develop of the labour market and the strengthening of labour institutions, Create employment, implement the skill development scheme, ensure social security and occupational safety and health to the workers , eliminate discrimination in the wages of male and female workers
- ✓ Lobby in positive and prestigious culture for construction sector labourer, Individual respect, language, dress-up, lodging and feeding behavior, sanitation activity etc.

ACTIVITIES CARRIED OUT BY NEPAL ENGINEER S' ASSOCIATION (NEA)

- Mobilization of @3500 nos. Engineers including engineering students (1000 Nos.) to assess the recent earthquake damaged building
 - Assessment of buildings till date : 60,000 Nos.
 - Assessment of Telecom Tower till date : 80 Nos
- Training - 500 nos. Engineers on Detailed Assessment and Repair & Maintenance of Building – still continued

PROPOSED PLAN OF NEPAL ENGINEER S' ASSOCIATION (NEA)

- Retrofitting Training - 150 nos. Engineers
- Advocacy for Construction of new buildings with indigenous materials, by considering local social and cultural aspect
- Quality control with cement in remote areas

**Thanks for your Kind
Attention !**