

## Understanding social protection in the Nepalese perspective



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### **Background**

There is no universal definition of social protection. It is commonly perceived as the mix of policies and programmes aimed at reducing poverty and vulnerability for individuals unable to work because of chronic illness, permanent disability or old age. It is also meant to protect the majority of the population against some of the unexpected downturns in life, namely illness, unemployment, death of the breadwinner etc. Social protection is often used interchangeably with the terms "social security" and "social safety nets". Any kind of collective activity which is designed to ensure that members of society meet their basic needs of adequate nutrition, shelter, health care and clean water supply are protected from contingencies and maintain a standard of living consistent with social norms, can be considered as social security measures. The objective of social security is to offset the substantial reduction of income from work caused by the stoppage or substantial reduction in earnings resulting from sickness, maternity, employment injury, and old age. ([http://www.nepaldemocracy.org/institutions/Informal\\_Economy.htm](http://www.nepaldemocracy.org/institutions/Informal_Economy.htm)).

Social security programmes are designed on the basis of participation and entitlements of citizens. Social safety nets, a term more recently used in social protection discussions, is associated with the more limited social assistance provided through public measures that are designed to transfer resources to assist groups which are poor and felt eligible owing to deprivation or sudden dependency. They include welfare programmes targeted at the poorest of the poor, or the short-term compensatory emergency measures undertaken during structural adjustment or other aggregate shocks (ibid).

In the current discussions on social policy, social protection is more widely used concept that refers to both social security and social safety net measures combined. Thus, social protection encompasses all forms of benefits and services such as child/family benefits, health care assistance and minimum-income provisions that are generally available on a universal basis without regard to participation, contribution or employment status (UNESCAP, 2002). Therefore, social protection can be defined as "the provision of support to individuals and households

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through public and collective measures to guarantee a socially-acceptable standard of living, and to protect them against low or declining living standards caused by exposure to structural vulnerabilities and/or market-related or contingent risks” (Bari et al 2005 cited in Hooper, 2006).

Social protection schemes contribute in the maintenance of a basic level of income for those whose direct earning capacity is lost or interrupted due to contingencies such as sickness, injury and disablement, or old age. In addition to support to individual beneficiaries, systems of social protection also play a role in maintaining demand for essential goods and services and hence the overall level of employment in the national economy (Hooper, 2006).

### **Benefits of social protection**

Some people are of the opinion that social protection increases the dependency of the people to the state and they become lethargic and unproductive losing their entrepreneurial capacity. However, its benefits outweigh shortcomings. Social protection contributes on the achievement of sustainable, pro-poor growth in a number of ways. It can finance investment in health and education, which are critical to supporting children’s development, as well as a capable, healthy workforce able to compete in a global economy. Besides, social protection can protect the assets that enable people to earn an income; encourage (economic) risk-taking; promote labour force participation and thus helps build the capacity of the workforce; increase labour market flexibility by protecting those who lose their jobs; and ease the difficulties that arise from economic transition (ibid). Growth is necessary to combat poverty. However, growth alone is not sufficient to prevent and fight poverty and social exclusion. Without additional measures, the advantages of the market economy may be limited to a part of society only, namely those who are educated, own productive assets, and have participated in economic activities. The importance of social protection can be emphasized at this point. Social protection helps reduce poverty as well as benefits both poor and non-poor (<http://www.adb.org/socialprotection/default.asp>). It can have a positive impact on underlying poverty and inequality, and thus, on human security, and on human development outcomes. It can also help disadvantaged members of society claim their rights and entitlements as citizens, to a basic standard of living and working (Hooper, 2006).

Benefits of social protection can also be justified on the ground that it helps countries become more competitive by ensuring human capital development and increasing productivity. Investments in social protection reduce risks for the whole population including the poor. In countries without social protection, people constantly worry about the health of family members, and become indebted to cover catastrophic and life cycle events, such as bad crops, disability, and natural disasters. Social protection can reduce the impacts of those risks, and allow people to fully concentrate in their livelihood and economic activities. Studies have revealed that productivity per worker is higher in those countries investing more in social protection. Next, social protection reduces loss of human capital. Education is a major investment in order to achieve human capital. If children are obliged to work, or if they are malnourished and develop lower intellectual capacities, then they do not benefit from education, no matter how good the educational system is. Moreover, social protection generates growth by raising domestic demand. There is no sustainable economic development without a stable and growing domestic demand. Poverty and social exclusion make domestic markets very small, limited only to upper or middle-income groups. Social protection contributes to a stable demand and helps achieve stable economic growth, as money invested in social protection is an investment and it stays within the economic system and stabilizes it. Most importantly, social protection prevents poverty. People should not have to sell their assets to pay for health costs. People who lose their capacity to work can have access to basic resources. Families who lose their breadwinner should be able to get support. Without social

protection all these would fall into poverty. Last but not the least, social protection increases social cohesion. It contributes to social peace and thus paves the way for social and economic stability. Social protection helps reduce criminality and social unrest.

### **Components of Social Protection**

Social protection encompasses a set of public actions that may be carried out either by the state itself, or privately to cope with risk, vulnerability and chronic poverty. There are a number of instruments used internationally to address social protection needs. These include: (i) social insurance (health and unemployment insurance); (ii) social assistance (fee waivers for health and education, social transfers to vulnerable households or individuals such as old age pensions, conditional cash transfers, child benefits, disability allowances); (iii) labour legislation (setting and enforcing minimum workplace standards; legislation and enforcement of rights in relation to land, discrimination, gender) (Hooper, 2006). Social assistance, which is extended basically to vulnerable, may be regarded as an entitlement and thus perceived to be a state's obligations. Recipients accept these kinds of assistance with greater dignity than are acquired from the perceived stigma of receiving charity in order to survive (ibid).

Social protection includes public social security schemes and also private or non-statutory schemes, such as mutual benefit societies and occupational pension schemes. All sorts of non-statutory schemes, formal or informal, are included under the definition of social protection. The concept of social protection has been broadened to cover new concerns with food provision, housing, sanitation, income generation and employment generation. Therefore, it can be interpreted as a broad pro-poor approach with preventive, protective and promotional components. Social protection is considered to be an indispensable part of government social policy and an important tool in the alleviation of poverty. In fact work cannot be decent and workers cannot have human dignity without adequate social protection ([http://www.nepaldemocracy.org/institutions/Informal Economyv.htm](http://www.nepaldemocracy.org/institutions/Informal_Economyv.htm)).

Specific assistance is urgently required for poor and vulnerable people who are unable to help themselves to exit from the "vicious" cycle of poverty. Social transfers are instrument used to break this negative cycle. These may be in the form of grants (usually in cash) provided to individuals or households in order to achieve desired human development outcomes (such as improved health, education) as well as assist in removing them from chronic poverty. However, it is important that the delivery of these entitlements is regular, predictable, and sustained over the long-term (Hooper, 2006).

According to Asian Development Bank, social protection may have different policies for different target groups depending on country specific need and realities. Generally it includes labour markets, social insurance, social assistance, micro schemes and child protection. Labor market programs address workers and focus on employment and working conditions. The sick, elderly, widowed, disabled, pregnant, and unemployed, with sufficient economic capacity are eligible for insurance schemes. Social assistance, also known as welfare services or safety nets, targets the most vulnerable. This includes the mentally and physically disabled, ethnic minorities, substance abusers, orphans, single-parent households, refugees, victims of natural disasters or civil conflicts, the sick, the elderly, the widowed, the disabled, pregnant women, and the unemployed ineligible for insurance schemes. Micro-and area-schemes are instruments to protect communities, either in rural areas or in shantytowns and poor, marginal urban areas. Child protection should serve the needs of children and youth, to avoid their exploitation and ensure that they develop healthily ([www.adb.org/socialprotection](http://www.adb.org/socialprotection)).

## **Affordability of social protection**

In countries where poverty and social exclusion are rampant, it is argued that fighting poverty through social protection is a huge and impossible task. It is also agreed that it is too expensive, reduces the welfare of those who are better off, and therefore slows economic growth. However, the histories of industrialized countries do not justify this logic. In those countries, social protection creates demand, enhances labor market participation, stabilizes economic development, and increases social cohesion. In the long run, social protection finances itself and results in everyone being better off ([www.adb.org/socialprotection.asp](http://www.adb.org/socialprotection.asp)). Inadequate investment in social protection puts human capital at stake and makes the country vulnerable to economic shocks and social disasters (ibid).

Social protection is sometimes perceived as a concern of wealthy nations that constructed sophisticated social security systems and it is conventionally accepted that welfare systems have not been a priority for the most Asian policy makers; social protection has been largely neglected, or addressed with inadequate tools and insufficient funds. However, a closer look at economic history shows that the most advanced economies of the region -- Japan; Hong Kong, China; Republic of Korea; Singapore; and Taipei, China -- built development policies through active public or public-private interventions in medical care, social and housing assistance, and minimum retirement levels. Investing in social protection has been an essential part in the modernization programs of these societies at the early stages of their development (ibid). However, it is widely accepted that launching social protection schemes is a costly affair and also warrants efficient distributive mechanism for effective delivery of services to the needy people. In the country like Nepal having meager economic base and primitive administrative machinery, it is difficult to afford social protection programs in true sense.

## **Social protection in Nepal**

Social protection is very limited in Nepal and it is only in the form of social safety nets. This counts for all five areas of social Protection identified by the ADB Social Protection Strategy, namely labour markets, social insurance, social assistance, micro-schemes, and child protection. Formal sector employment in Nepal is almost stagnant, and the growing labor force is mainly accommodated in the informal sector. While it is difficult to determine the size of the informal sector – due to its nature, being unorganized and unregulated – it is estimated that more than 60% of employed workers are in the informal sector. Among those, a much higher proportion of women than men are found. The informal sector is characterized by variation in wage rates, conditions of employment, and discrimination based on gender and age (ADB, 2003). The workers in the informal economy face a much higher vulnerability and insecurity. Agricultural workers, former Kamaiyas, construction workers, domestic servants, street vendors, home based workers and porters all belong to informal economy. Besides, most of the carpenters, plumbers, mechanics, blacksmith, electricians, shopkeepers, tailors, painters, rickshaw puller, driver, hawkers, barber; butcher and many other workers belong to informal economy in Nepal. Moreover, major portion of agricultural workers are of informal economy. However, their social protection need is yet to be addressed adequately (<http://www.nepaldemocracy.org/institutions.htm>).

Nepalese government has made different social security provisions for salary bearers in public sector, but the beneficiaries are nominal as compared to total workforce. The labour Act, 1992 makes a number of social security provisions for wage earners in formal private sector enterprises that employ more than ten people. Old age provident fund and voluntary retirement gratuity are provided to them. In case of work injury, benefits have been provided as full medical expenses under certification of Doctor plus paid leaves in case of hospitalization but half paid leaves if not

hospitalized. Salary of three years to the nearest family member and priority in employment to one of the family member is the benefit of life long invalidity. Besides, the Act has provisions of some basic protection like number of monthly payments, severance pay, and protection against layoffs, which requires the approval of the Labor Department. Accordingly, they have got the maternity benefit, sickness benefit and Medicare facilities. But those beneficiaries are less than four percent of total work force in Nepal

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Despite the provision of these legal protections, employment of workers on a non-formal basis (without contract) is still going on. The Labor Act has yet to be made more flexible in line with the introduction of better basic social insurance arrangements that take into account vulnerable populations' ability to cope with threats to income and livelihood (ADB, 2003).

Provident Fund and Citizen's Investment Fund are in the form of social insurance for the employees of government and semi governmental organizations. Such formal social security systems in the form of provident fund and citizen's investment fund cover mainly civil servants, army, police, and teachers. In total, about 400,000 government officials are covered. Any private enterprise with more than 10 employees can join the provident fund on a voluntary basis. All enterprises can join the retirement plan under the citizen's investment fund. However, there is no mandatory social insurance provision for the private sector (ibid). Social welfare arrangements for certain groups such as elderly, disabled, widows, internally displaced persons due to the insurgency, children, and victims of natural calamities, mainly under the Ministry of Women, Children and Social Welfare (MWCSW), depend very much on the availability of funds and are in generally very limited. Most of the social protection programs are under MWCSW, but other ministries like the Ministry of Labor, Ministry of Health, Ministry of Local Development, and Ministry of Education and Sports are involved in social protection programs. Ministry of Health is running a network of 69 district hospitals (out of 75 districts) and about 4,000 primary health care centers and sub health posts. The Ministry of Home Affairs and the Ministry of Defense are running rehabilitation programs and rescue operations for affected communities because of the insurgency in the past. Their programmes include among others housing and life skills development programmes (ibid).

Apart from the formal sector social security provisions, there are various informal and community-based insurance arrangements in the form of micro-insurance. Community based organizations have managerial and financial expertise in developing social protection mechanism. Traditional mechanisms for the exchange of agricultural labour and food assistance prevail in the society. Dharmabhakari, dhikur, paincho and other different types of indigenous social protection mechanism is in practice as a custom. Besides, Guthi systems are widely prevalent especially among Newari community to support each other from womb to tomb. The prevailing mechanism, however, is insufficient to undertake the social protection for all with new concept. Therefore, the roles should be revised and practice should be in support of developing social protection schemes that will reach out to workers in the informal economy.

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Conventionally in South Asia in general and in Nepal in particular, families used to help other family members when in need. However, South Asia is modernizing fast. Modernization has been accompanied by a process of social mobility, migration, urbanization, and disintegration of family and community networks. Household informal safety nets are no longer adequate. Modernization requires the provision of social protection systems for the workforce to ensure higher productivity gains, increased domestic demand, and economic growth. Vulnerable groups cannot be supported by charities alone -- their contribution is essential but not sufficient. Most of the risks that the

poor and vulnerable suffer can be easily corrected or mitigated by public action, combining the efforts of government policies, development agencies, NGOs, and private sector ([www.adb.org/socialprotection/default.asp](http://www.adb.org/socialprotection/default.asp)).

It is estimated that in Nepal 41% of children aged 5–14 and 21% of children aged 5–9 work. Concerning child protection, various nongovernment organizations (NGOs) through their various programmes try to address street children, working children, and trafficked and migrant children. The Government has committed itself to eliminate the worst forms of child labor and to eliminate all kinds of child labor by 2010.

Many projects and activities, mainly financed by international development partners, have links to social protection. ILO is playing a particularly active role in this area, having published several studies and intervened in the fields of child labor, micro-insurance (health, livestock, and life), social protection for informal sector workers, occupational and health safety, maternal protection for the informal sector, reproductive health, sexual harassment at the workplace, and the development of a Social Protection Act. Some other agencies involved in Social protection activities are the United Nations Children's Fund in the field of child protection, Norwegian Agency for International Development, Danish International Development Agency, German Agency for Technical Cooperation, World Bank through the poverty alleviation fund, and United Nations Fund for Population Activities (in the field of quality of care and micro-insurance) (ADB, 2003). However, these schemes and activities in the field of social protection are scattered. These activities are felt to be beneficial to the needy people, but they rarely contribute towards strategic change unless these are linked to policy development. This necessitates having an integrated social protection policy and strategy in the country. Hence, this would be very important as a basis for the development of an integrated social protection strategy for the country (ibid).

Affordability and sustainability of social protection are vital issues in Nepal where economic growth is stagnant and other development indicators are worsening. There can be different sources for funding social protection programmes in Nepal. Budgetary redistribution can be one of the options, but thorough analysis has to be made to justify the social protection programmes from the point of view of available scarce resources. Besides, benefits and costs of social programmes should also be analyzed. Next source can be foreign aid. However, this may face the risk of not being sustainable. Therefore, a long-term strategy is needed showing where funds might be needed. Micro insurance schemes have shown that they can protect people from economic risks like sickness, old age poverty, and natural disasters. Likely an extension of existing social insurance schemes may be an option.

Financing of social protection schemes and delivery of social protection means are issues of concern. Source of financing for social protection measures are combination of fees, grants and government subsidies. From the angle of delivery, the government can facilitate social protection access through direct intervention or through a facilitative role allowing other role players' participation at multiple levels. Allowance for senior citizen, helpless and widowed women have been made in the national annual budget. Local government for social protection of the working community has taken some imitation but it differs from place to place. District Development Committees, district administrations and other local authorities have extended social assistance to needy persons in the case of calamities like floods, landslides or earthquakes. In fact the state has priority role in the facilitation, promotion and extension of social protection. Social protection has been considered to be an indispensable part of government social policy. Government should provide a broad and responsible role. Other social partners have a strong role to play in the management of social protection with coordinated efforts

([http://www.nepaldemocracy.org/institutions/Informal Economyv.htm](http://www.nepaldemocracy.org/institutions/Informal_Economyv.htm)).

## **Issues in the implementation of the social protection schemes**

Based on the social protection system that prevails in Nepal and other developing and the least developed countries, it can be inferred that these countries have some form of institutionalized social protection system, but often these programs are ineffective due to (i) limited coverage (serving only a portion of the formal sector, often the wealthiest segments of society), (ii) insufficient funds, (iii) inadequate instruments, often copied from developed, industrial countries but not appropriate to serve specific in-country needs, and (iv) factors restricting access to statutory social protection schemes, such as legal restrictions, administrative bottlenecks, and problems with compliance.

Under-coverage is a serious drawback in many social protection regimes. Workers in the informal sector as well as those in rural areas constitute the majority of the workforce that are the most vulnerable and are often excluded from public social services. Lack of participation of private and civil society is responsible for such under coverage. Therefore, the involvement of civil society organizations and the private sector in programme implementation and monitoring is essential to enhance the efficiency and coverage of social protection policy (UNESCAP, 2002).

Existing social security systems have to be reformed and made more practical. Extending protection to the majority of citizens is a critical issue in our region. There is a need to extend coverage to the informal sector. Labour-market regulations and standards and contributory social insurance programmes designed for universal coverage in the medium and long terms have serious coverage gaps. These programmes provide mainly for public sector employees and workers at larger enterprises in the formal sector. Smaller employee and employers are often excluded from many of the provisions, as are home-based workers, daily labourers, farmers, fisherfolk and many of the urban self-employed. The informal sector often operates outside the scope of regulations, with low and unstable levels of income, and poor working conditions. The result of the statutory exclusions is that many of the most vulnerable groups are not protected.

Globalization has resulted in massive changes in trade, capital, technology, and information flows, changing values and social structures. The increased opportunities resulting from access to new ideas, goods, services, and technology are also increasing risks and volatility. Interdependence may lead to possible economic shocks and downturns. In the absence of social protection policies, countries may experience mounting unemployment, poverty, marginalization, and political conflict. Globalization warrants the development of effective social protection systems in both developed and developing countries. The world's forward-looking development agenda gives social protection a primary role to sustain growth and well-functioning markets (<http://www.adb.org/socialprotection/default.asp>).

Nearly all- developing and the least developed countries have social protection schemes. However, a large part of the funds dedicated to social protection is vested in formal social insurance schemes, mostly for government officials ignoring informal sector workers. Social protection measures often are also targeted to the poor, e.g. programs for the elderly, the disabled, orphans, disaster relief, and food for work, social funds, public health care provider networks, and micro-insurance schemes. However, they have limited coverage and scope. Studies of social protection interventions introduced in China, India, Indonesia, Malaysia, the Philippines and the Republic of Korea, among others, suggest that these schemes suffered from such weaknesses as limited funds, low benefit size, leakages in targeting, inadequate monitoring of outputs and insufficient coverage (UNESCAP, 2002).

Social protection should be treated as an overall development issue taking holistic approach rather than a series of patchwork or unrelated programmes. However, it is observed that in many

countries at both the national and sub national levels, social protection programmes are fragmented among different departments such as General Administration, Labour, Social Welfare, Women's Welfare and Health in terms of financing and budgeting, targeting and monitoring of social protection programmes (van Ginneken 1999:187). This situation clearly creates a major challenge for government structures in terms of social protection policy development (UNESCAP, 2002).

Meager financial situation of the country is another issue to be dealt with while having social protection measures. The scarcity of resources, in particular government revenues, is a common problem. This problem, in some cases, is due to policies of trade liberalization, which restrict some sources of revenue (e.g., tariffs) that were previously available to Governments for funding national social expenditures. Therefore, the importance of building nexus between social protection and other areas of policies is highly emphasized to economize and generate resources for social protection programmes and policies. In poorer countries, difficult choices need to be made in relation to the capacity of the state and the need to allocate financial, institutional and human resources in different essential sectors, including health, education and water as well as social protection. Besides, it is important not to view social protection as a field that deals only with residual problems of human welfare; it is a form of policy, which enhances human potential and promotes equality of opportunity as well as of outcome (van Ginneken 1999).

Avoiding excessive administrative costs is a major challenge for social protection programmes. Administrative expenses siphon away resources from the intended beneficiaries, needlessly increasing the cost of social protection and reducing society's capacity for providing protection. In addition to the threat they pose to programme integrity, government bureaucracies and service structures that are inefficient, unresponsive and duplicative often cause excessive administrative costs and wastage.

### **Policy considerations for strengthening social protection interventions**

This part of analysis is basically drawn on the basis of social protection situation in Nepal and issues in the course of implementation of social protection schemes in the developing and the least developed countries. As both the public and the private sectors have failed to provide effective social protection for the population, expanding access to and coverage of social protection programmes should be the main objective of the formal social protection agendas of developing countries (UNESCAP, 2002). Considering the country specific situation and realities, there should be different combinations for Social protection such interventions in the areas of labour-market, social insurance, social assistance, area-based schemes and informal social protection. Such intervention should be based on the principles of reducing vulnerability and poverty.

Considering the failure to cover the need of the informal sector workers, the developing and the least developed countries have to seriously think as to how social protection programmes can be extended to the informal sector. The poor and informal sector workers have limited resources to invest in social insurance schemes. Efforts to expand coverage should start by addressing the needs of the poor and informal sector clientele and aim at their self-sufficiency through improving their productive potential and their employment and income-generating capacity, improving the household's welfare and mitigating the risks that keep households in poverty (ibid).

Decentralization of public programmes offers great potential for improving the effectiveness of social programmes. Private-public partnerships can be agreed between governments and private companies to secure the inclusion of those excluded from any form of social protection. Where NGOs are already significant providers of social protection programmes, they can be encouraged to continue. However, NGOs often have limited and discontinuous funding and their presence is



too scattered to ensure equal expansion of coverage, thus limiting their ability to reduce vulnerability. A mixed delivery system may be best to diversify risks and address social protection priorities (ibid). Moreover, social protection strategies should be developed in a process led by Governments but having extensive dialogue with civil society, including the private sector and people in poor communities. The success of social protection depends on the effective administration of adequately designed programmes. Common operational problems among agencies include corruption, cronyism and favoritism; inadequate information processing, storage and retrieval systems; and organizational cultures that are hostile to customer service.

Many on-going social protection systems and programmes in country like Nepal are under-budgeted, receive random funding or have mistargeted benefits. If a country has the fiscal resource constraints to achieve the development of a comprehensive social security system with significant coverage, it should opt to concentrate on poverty reduction among the vulnerable groups and improvements in the labour force through a combination of labour-market policies and programmes, child protection, micro- and area-based schemes, social assistance and minimal social insurance benefits. Special attention should be paid to gender issues. Although half the population is composed of women, they receive much less assistance and fewer opportunities than men. Many poverty reduction and social development programmes are focused on households and do not consider intra-household differences. Assets and labour are normally differentially distributed between men and women, and boys and girls, within the same household. Therefore, particular attention should be paid to girls' and women's unique problems and life patterns while developing social protection policies and programmes. Besides, the most vulnerable populations - migrant workers, orphans, the homeless, and victims of disasters, refugees, nomads and marginalized indigenous groups should be given special attention owing to factors such as extreme poverty and social exclusion (Lee 2001).

Integrated approach to social protection is a must. Social protection should be seen as one of several measures that work together to promote socially inclusive human development, reduce poverty and support enhanced productivity and growth. Close collaboration among different actors is needed to ensure that social protection and other development policies are consistent and mutually supportive. Many of the problems associated with existing social protection programmes are due to a lack of integration in social and economic planning or inconsistencies between different parts of the social protection system. Moreover, no single model of social protection is applicable to each and every country. The social and economic conditions of workers in the informal sector are extremely diverse. Therefore, social protection measures have to be formulated accordingly. One common thing of workers in the informal economy of country like Nepal is vulnerability. Hence, social protection activities, targeted at vulnerable groups might be more effective. However, only the government machinery will be insufficient to gear up the social protection schemes in the informal economy. Along with government, community based organization and non-government bodies can play role in support of the development of social protection schemes. Trade unions can fit themselves with vital roles of coordinating their efforts that will reach out the social protection more effectively to workers in the informal economy

[http://www.nepaldemocracv.org/institutions/Informal Economyv.htm](http://www.nepaldemocracv.org/institutions/Informal_Economyv.htm)

## **Conclusion**

Globalization has exerted pressure to modernize existing conventional social protection system in the least developed country like Nepal. Moreover, there is a need to extend the coverage of social protection system as it is basically confined to public sector employees in the formal sector. Recognizing the fact that informal sector is characterized as the sector accommodating ever

growing labour force, it should come under the ambit of social protection policies and programmes of the state. For this, an integrated approach to social protection is a basic prerequisite. Social protection should be considered as one of several measures that work together to reduce poverty and vulnerability for the goal of human development in the country. It can be really taken as a tool to promote sustainable pro-poor growth in a country provided that collaboration between different actors is ensured with appropriate policies, strong implementation mechanism and adequate financial arrangement.

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