Nepal Expands Public-Works Program

By Kaleb Nygaard and Mallory Dreyer

The Nepali government introduced the public-works program, called the Prime Minister Employment Program, in early 2019, “to create job opportunities within Nepal and end Nepal youth dependency on jobs abroad.” Unemployed persons between the ages of 18 and 51 are eligible to apply. They are assigned jobs based on their qualifications and interest areas, and receive vocational and skill-oriented training.

The jobs include traditional infrastructure projects like tree planting, public toilet construction, road construction and improvements, drainage repair, playground improvements, soil irrigation, drinking water and irrigation projects, and trekking trail building.

Originally, the program guaranteed a minimum of 100 days of work along with a subsistence allowance; however, due to a relatively slow start, the guarantee was reduced to 30 days. For the first year, the government allocated NPR 3.1 billion (USD 25.6 million) for the program, NPR 100 million of which was to be spent on administration. Each project, administered at the local level, could receive up to NPR 500,000. The program faced accusations of malpractice and fraud. Government statistics show that 175,909 were hired for these public-works projects but only for an average of 13 days per person.

On December 30, 2019, the Nepali government announced an expansion of the Prime Minister Employment Program. The government allocated an additional NPR 5.01 billion for the fiscal year. The larger total was made possible by a loan from the World Bank worth NPR 2.62 billion. This year’s program saw a number of amendments. Localities now must submit their project proposals first before funds will be given; local units must spend at least 70% of the allocated budget on payment for work to the registered citizens; and projects like rearing stray animals and gardening are no longer allowed.

In addition to the employment program, on April 26 Nepal announced that informal sector workers who had lost their jobs due to the crisis would receive 25% of a local daily wage if they chose not to participate in the public-works projects.