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Policy Analysis for Women's Economic Empowerment
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Abstract

Women's economic empowerment is a fundamental prerequisite for Nepal's national development and the attainment of gender equality. This article presents a critical analysis of the historical, legal, and policy frameworks enacted in Nepal to advance women's economic empowerment. The constitutional provisions enshrined in the Constitution of 2015, together with national development plans and programs executed at the federal, provincial, and local levels, underscore the government's commitment to enhancing women's rights and economic participation. Nonetheless, persistent social and cultural barriers, including caste-based discrimination and entrenched traditional norms, continue to constrain women's active engagement in economic activities. Ensuring women's economic empowerment necessitates improved access to financial resources, capacity-building initiatives, comprehensive legal reforms, and the inclusive implementation of policies. Strategic emphasis on women's entrepreneurship, employment, and self-reliance, complemented by gender-responsive budgeting and coordinated institutional support, is imperative to broaden economic opportunities. Moreover, the strengthening of political will and institutional accountability remains critical to the effective realization of policy objectives. It is only through integrated, multi-dimensional, and sustained efforts that women's economic empowerment can be achieved in Nepal, thereby contributing substantially to the country's broader social and economic development.

Keywords: Women's economic empowerment, gender equality, policy analysis, financial access, entrepreneurship.

Introduction

Empowerment refers to the enhancement of autonomy and self-determination of individuals and communities, enabling them to act on their behalf, responsibly and with self-direction, representing their interests (Nussbaum, 2000; Ministry of Women, Children and Senior Citizens, 2017). It is a continuous process through which marginalized members of society gain access to and control over resources,

knowledge, opportunities, and challenge discriminatory and subordinate ideologies, thereby transforming unequal structures and institutions (Kabeer, 1999; National Cooperative Development Board, 2020).

Women's empowerment specifically refers to women gaining power, rights, and access to resources, which, through structural transformation, allows them to participate in decision-making processes and reduces gender inequality (Sen, 1999; Ministry of Women, Children and Senior Citizens, 2020). Economic participation and gainful employment are critical components of women's empowerment and essential for sustainable development (Government of Nepal, Ministry of Health and Population, 2018). The absence of women's economic empowerment hinders national prosperity and poverty reduction efforts, also negatively impacting education, health, and social outcomes (National Planning Commission, 2020).

Currently, women's empowerment is a widely discussed issue both nationally and internationally, with economic empowerment being a major focus (Provincial and Local Governments, Gender Responsive Budgeting Guidelines, 2020). It emphasizes equal access to financial resources and is considered fundamental for poverty alleviation and gender equality (Kabeer, 2001; Ministry of Women, Children and Senior Citizens, 2017). In the context of Nepal, ownership of resources, control over assets, decision-making rights, skill development, and income generation are vital aspects of women's economic empowerment (Government of Nepal, National Planning Commission, 2020).

Empowerment increases an individual's capacity to resist established controls and internalized oppression (Kabeer, 2005). Enabling those excluded from decision-making to reach decision-making levels and providing marginalized groups access to political, economic, and social structures is empowerment (Sen, 1999). It allows individuals to maximize their opportunities without undue state or social interference. This process also involves developing an understanding of internalized oppression and the capacity to resist it (Nussbaum, 2000).

Background

Both women and men have played equally important roles in the development of human civilization and society. Consequently, various efforts have been made over time to ensure equal participation of both genders. In the context of Nepal, numerous initiatives have been undertaken at different periods to promote women's economic empowerment. For instance, in 1956, the then Ministry of Panchayat and Local Development established the Women's Training Center, which provided training related to household economic activities (Ministry of Women, Children and Senior Citizens, 2017).

In the early 1970s, the concept of "Women in Development" (WID) was introduced, which aimed to shift women from traditional roles in agriculture and household work towards modernization (Moser, 1993). This approach acknowledged the equal importance of both men and women in development activities and emphasized quality of life, education, health, and wages for women. By the late 1970s, the concept evolved into "Women and Development" (WAD), focusing more on actively involving women in economic development processes (Moser, 1993). In the 1980s, the "Gender and Development" (GAD) approach emerged, recognizing the interrelated roles of men and women in development and emphasizing their complementary roles in social progress. This approach highlighted the necessity of collective

participation of both genders for the effectiveness of development programs (Moser, 1993; Ministry of Women, Children and Senior Citizens, 2020).

These various approaches have recognized women as agents of social transformation and have helped address legal barriers, traditional mindsets, and limited access to resources, illiteracy, health issues, and malnutrition, among other challenges faced by women. In this regard, the International Women's Decade and the 1979 United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) played a significant role. Adopted by the UN General Assembly, CEDAW has contributed substantially to reducing discrimination and violence against women, promoting their advancement in social, economic, and political spheres, and advocating for gender equality and freedom (UN Women, 2015).

Nepal's Constitution of 2015 (2072 BS) includes several provisions to promote women's economic, social, and political empowerment. Accordingly, the government has formulated various laws, policies, and regulations. At the federal level, the Ministry of Women, Children, and Senior Citizens oversees policy formulation, implementation, and monitoring aimed at the comprehensive development of women. Similarly, at the provincial level, the Ministry of Social Development is responsible for drafting and executing policies related to women's socio-economic advancement. At the municipal and rural municipality levels, there are dedicated offices and branches addressing women's development and child welfare. Hence, efforts for women's economic and social development are operational at all three levels of government—federal, provincial, and local through a variety of legal and policy frameworks (Government of Nepal, 2017; Ministry of Women, Children and Senior Citizens, 2020).

Historical Overview of Policies and Programs for Women's Economic Empowerment in Nepal

The concept of women's economic empowerment in Nepal was formally introduced in the Sixth Five-Year Plan (1980/81–1985/86). This plan included a separate policy aimed at promoting women's participation in development activities, to integrate women more actively into social and economic sectors. Before this, between 1979 and 1981, a study on the status of women was conducted and a report submitted to the Government of Nepal, which played a crucial role in informing subsequent policy decisions regarding women. In 1981, the Ministry of Local Development established a Women's Development Section. Alongside this, with financial support from UNICEF, a production credit program for rural women was initiated. These initiatives significantly contributed to the economic self-reliance and empowerment of women in rural areas, as noted by the National Cooperative Development Board (2020).

Another milestone in the journey of women's economic and social empowerment was the Fourth World Conference on Women held in Beijing, China, in September 1995. This conference highlighted gender equality and emphasized critical issues such as poverty reduction, health, education, skill development, violence reduction, human rights, and environmental protection. The promotion of women's economic participation and the transfer of essential knowledge and skills were key elements of this global agenda. In 2000, the Women's Awakening Income Generation Program was launched to further support women's economic empowerment. This program was implemented across 942 Village Development Committees (VDCs) in 75 districts, to expand to all VDCs within five years. The program mainly focused

on increasing women's income-generating opportunities and played a vital role in uplifting rural women economically.

Nepal also committed to the United Nations Millennium Development Goals (MDGs) adopted between 2000 and 2015. Among the eight goals, gender equality and women's empowerment were highlighted as the third goal. Following the implementation of the MDGs, there was a notable increase in women's paid employment in non-agricultural sectors, rising from 17.7% in 2000 to 44.8% in 2015. Additionally, women's participation as primary school teachers increased significantly, their representation in the civil service doubled, and their involvement in the police force, army, and foreign employment also grew substantially.

As a member state of the United Nations, Nepal pledged to implement the Sustainable Development Goals (SDGs), announced in September 2015, by integrating them into its periodic and annual development plans. Starting from the Fourteenth Plan, Nepal has internalized the SDGs with a commitment to ensure that every woman and girl fully exercises their gender rights. The national agenda includes providing women equal access to economic resources, land and other property, financial services, and natural resources, all by national laws (National Planning Commission, 2020).

In July 2010, the Global Fund for Women's Economic and Social Empowerment was established as a worldwide initiative to promote women's empowerment. Nepal opened its office in 2012 and has since implemented various programs focusing primarily on good governance, leadership development, and economic empowerment of women. This initiative marks another significant milestone in the comprehensive development of women in Nepal. The country has embraced such global efforts and incorporated corresponding policies and programs into its national framework. The cooperative sector in Nepal has also made a notable contribution to women's economic empowerment, although recently it has faced increasing criticism and challenges.

Constitutional Provisions on Women's Economic Empowerment

Following the political changes of 1990 (2046 BS), Nepal enacted the Constitution of the Kingdom of Nepal, 1990 (2047 BS). Article 11 of this constitution guaranteed equality and explicitly prohibited discrimination based on caste, sex, and ethnicity. It also allowed for special provisions regarding equal pay for equal work, ensuring no legal barriers would prevent such measures. The Interim Constitution of Nepal, 2007 (2063 BS) further strengthened women's rights. Article 20 guaranteed daughters and sons equal inheritance rights, and Article 13 ensured equality, social security, and empowerment of women. It also prohibited discrimination between men and women concerning equal pay and social security.

The Constitution of Nepal, 2015 (2072 BS), contains several important provisions related to gender equality and women's empowerment. Article 18 (Right to Equality), clause 3, prohibits discrimination based on origin, religion, caste, sex, economic status, language, region, ideological belief, or other grounds. It also states that laws providing special provisions for women's social empowerment and development shall not be considered discriminatory. Clause 4 guarantees no gender-based discrimination in remuneration and social security for equal work, while Clause 5 ensures equal inheritance rights for all children without

gender discrimination. Article 33 (Right to Employment) guarantees every citizen the right to employment, with terms and unemployment benefits regulated by federal law. Article 34 (Right to Labor) guarantees workers' rights to fair labor practices. Article 38 (Rights of Women) provides women with special opportunities based on positive discrimination in education, health, employment, and social security. Clause 6 under Article 38 ensures equal rights for spouses in property and family matters.

Supporting the policy and legislative frameworks, the National Women Commission Act, 2017 (2074 BS), mandates recommending necessary measures to enhance women's access to capital, resources, and technology to promote self-reliance and empowerment. The Industrial Enterprises Act, 2019 (2076 BS), offers specific incentives for women entrepreneurs: Clause 27(1) provides a 35% discount on legal fees and taxes for industries or firms solely owned by women entrepreneurs; Clause 27(3) prioritizes women entrepreneurs in the allocation of industrial land or sites for establishing new industries; and Clause 27(4) allows for export loans through banking systems from special funds to women-owned industries intending to export their products.

The President's Women Upliftment Program Operational Procedure, 2019 (2076 BS), aims to improve the livelihoods of economically vulnerable and disadvantaged women through skill and entrepreneurship development. It defines disadvantaged women as those who have not completed secondary education (SEE) or who live in families without sufficient income or land to meet basic needs year-round. The program focuses on livelihood improvement, financial access, and entrepreneurship to achieve sustainable development. The Ministry of Women, Children, and Senior Citizens implements initiatives under this program to promote women entrepreneurs through entrepreneurship development, skill training, financial facilitation, capital, and technology support. Local governments also participate as implementing agencies in these efforts.

National Gender Equality Policy 2020 (2077 BS)

It is a comprehensive framework explicitly aimed at promoting women's economic, social, and political empowerment alongside ensuring gender equality across Nepal. Central to the policy is the vision of empowering women economically through a series of integrated programs focused on employment, self-employment, and entrepreneurship. To achieve this, the policy sets key objectives such as ensuring equal access to and control over resources, facilitating meaningful participation of women in decision-making processes, and promoting self-reliance through economic empowerment. In pursuit of these goals, the policy provides for the establishment of women entrepreneurship training centers and facilitation centers that support the registration, financing, and provision of business incentives specifically tailored for women entrepreneurs.

For effective and coordinated implementation, the policy mandates the creation of gender coordination bodies at various administrative levels. At the central level, the National Coordination Council for Gender Equality, chaired by the Minister of Women, Children, and Senior Citizens, is responsible for overarching policy guidance and coordination. At the provincial level, Gender Policy Coordination and Monitoring Committees, led by the Minister for Social Development, oversee policy monitoring and implementation. Similarly, at the local government level, Policy Implementation and Coordination

Committees, chaired by the respective Mayors or Chairpersons, are tasked with ensuring that gender equality initiatives reach grassroots communities and are effectively integrated into local development plans.

The policy aligns closely with broader national development strategies, notably the Fifteenth Periodic Plan (2019/20–2024/25), which highlights gender equality and women's empowerment as critical social sector goals. This plan emphasizes the establishment of substantive equality and meaningful participation of women in all spheres of life. It advocates strategic measures such as expanding domestic and family care activities, scaling up the President's Women Empowerment Program to cover all regions nationwide, and increasing concessional loans and financial access aimed at fostering entrepreneurship among women. Financial institutions also play an important role in this ecosystem; for instance, Nepal Rastra Bank's 2018 guidelines on concessional loans include specific provisions for women entrepreneurship loans as well as self-employment loans targeting educated youth. These measures facilitate credit access for both individual and collective women entrepreneurs, helping to reduce financial barriers and promote sustainable business growth.

The Ministry of Women, Children, and Senior Citizens supports the establishment and operation of Women Entrepreneurship Facilitation Centers at local levels. These centers offer essential services including skill development, business counseling, financial facilitation, and access to capital and technology. Backed by enabling laws, budget allocations, and active monitoring, these centers contribute significantly to expanding women's participation in the entrepreneurial ecosystem. Since 2007–2008, Nepal has also institutionalized Gender-Responsive Budgeting (GRB), dedicating portions of national and local budgets specifically to women's economic and social development programs. GRB categorizes budget allocations into direct, indirect, and neutral expenditures related to gender and aims to allocate at least 27% of total local budgets to gender-responsive initiatives. The Ministry of Federal Affairs and General Administration has further institutionalized GRB by embedding it in local policies and forming ministerial committees to ensure accountability and effective utilization of resources for gender equality.

Employment initiatives such as the Prime Minister's Employment Program (2018) prioritize creating job opportunities for marginalized groups, particularly single female household heads and unemployed women. Complementing this, Nepal Rastra Bank's 2020–2021 monetary policy emphasizes expanding financial access and encouraging innovative financial tools that foster entrepreneurship, increase productivity, and generate employment. This integrated approach seeks to address both supply- and demand-side barriers that women face in entering and sustaining economic activities.

At the provincial level, governments have formulated context-specific policies and programs targeting women's empowerment. These initiatives often focus on skill development, livelihood improvement, financial literacy, and digital literacy training, tailored to meet the diverse needs and priorities of each province. Such decentralized approaches recognize the varied social, economic, and cultural landscapes across Nepal's provinces and aim to create inclusive and equitable opportunities for women's participation in economic development.

Local governments, empowered by Nepal's 2015 Constitution, hold legislative, executive, and judicial powers, enabling them to enact and implement policies and programs that directly support women's

economic empowerment. Numerous local laws and operational guidelines promote women's participation in income-generating activities, cooperative development, poverty alleviation, small-scale enterprises, and gender equality initiatives. The Local Government Operation Act 2017 explicitly mandates local bodies to incorporate gender and social inclusion in their planning processes, prioritizing projects that benefit women and children. These legal provisions provide a robust foundation for local governments to actively address gender disparities and advance women's socio-economic rights at the community level.

Despite these progressive policy frameworks and institutional mechanisms, persistent social and cultural barriers such as patriarchal norms, caste-based discrimination, and entrenched traditional practices continue to impede women's full economic and social advancement. These challenges require continuous efforts to transform social attitudes alongside legal and policy reforms. Nepal's commitment to both global and national gender equality agendas remain strong, reflected in its ongoing policy enhancements and programmatic interventions. To sustain and accelerate women's economic empowerment, effective implementation and resource mobilization at the provincial and local levels are critical. Strengthening institutional capacities, fostering inter-sectoral coordination, and ensuring meaningful participation of women at all stages of policy development and execution will be vital for achieving equitable and inclusive economic growth in Nepal.

Discussion

Women play an indispensable role in the holistic development of Nepal; however, their economic contributions at all levels have not been sufficiently recognized or valued within the national economy. Various surveys reveal that women's participation in economic activities remains minimal, hindered by ongoing political and economic instability. As a result, efforts to encourage and promote women's economic involvement have not yet yielded significant progress.

Activating women's economic potential and enabling their meaningful contribution to the economy requires coordinated legal, policy, operational, and collaborative efforts. Women's active engagement in key sectors such as agriculture, industry, tourism, and forestry hold strong potential to strengthen the rural economy. Political parties, government institutions, and political leadership serve as primary agents in enhancing women's access to resources and participation. The structures, policies, practices, and values within political parties profoundly affect the level of women's political and economic engagement in the country.

Meaningful women's economic empowerment depends on operational commitment within the political arena, adequate financial resources, and necessary reforms, including amendments to existing laws and the formulation of new legislation. Institutional reforms, enhanced ownership, transparency, and accountability are crucial. Additionally, promoting gender sensitivity among all stakeholders, safeguarding women's human rights, developing human resources to provide essential services, technical management, and the availability of necessary tools are vital components. Addressing contradictions within laws, resolving internal conflicts, ensuring effective disaster management, and facilitating proper credit flow further support the advancement of women's economic participation.

Conclusion

Women's economic empowerment is essential for Nepal's sustainable and inclusive development. Despite the existing challenges of under-recognition, limited participation, and socio-political barriers, comprehensive and integrated efforts can unlock women's potential as key contributors to the national economy. Strengthening legal frameworks, enhancing institutional capacities, ensuring financial support, and fostering gender-sensitive political commitment are fundamental to this process.

Only through such multi-dimensional and sustained approaches can women's economic empowerment be fully realized. This will not only improve the livelihoods of women themselves but also contribute significantly to the country's broader social and economic progress. Therefore, persistent dedication from all levels of government, political leadership, civil society, and communities is imperative to create an enabling environment where women can thrive as active economic agents in Nepal.

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