Gender, Age, and Provincial Labor Market Disparities in Nepal: Policy Insights for Federal Governance

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Abstract

This study is about labor force participation, unemployment, and involuntary inactivity in the Nepalese economy on the basis of disaggregated data from the 2021 census. It employs a feminist economics framework to evaluate the labor market outcomes and gender-based inequalities among young Nepalese people across provinces. Analysis is done using descriptive statistics relying on census employment status data by disaggregating it by age, sex, and province. Findings indicate significant differences between men and women in their labor force participation, where men participate at a rate of 71.2 %, compared to women at 60.2 %, with very low participation among women in Madhesh Province (8 %). Unemployment and lack of economic activity are high among the young people, with young women being the most exploited by their socio-cultural practices and household duties. Regional inequalities are also prominent: Bagmati Province has a relatively higher rate of formal employment, but Karnali and Sudurpashchim have a higher rate of unemployment and underemployment. The findings show the necessity of gender reactive and region-specific employment policies, such as the elimination of structural barriers, and increasing vocational training and skills development. The research will add to the existing post-federal labor market research in Nepal and will guide specific policy interventions.

Keywords: economic inactivity, federal system, gender disparities, labor force participation

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The rates of employment, unemployment, and economic inactivity in Nepal, especially among the young, are strong indicators of economic life and social development. Nepal, a South Asian developing country with a population of approximately 29.2 million (Central Bureau of Statistics [CBS], 2021), has been affected by labor market issues shaped by agriculture, informal employment, and pre-existing gender and age-based differences. This positions Nepal's challenge within a broader regional context.

The economically inactive population today comprises all people not in the labor force, including students, housewives, and people with disabilities. These indicators are crucial to understand economic productivity, youth participation, and gender equality. The geographic diversity, cultural norms, and socioeconomic conditions in Nepal, which comprises seven provinces, play a significant role in shaping labor market outcomes. With a move to a federal system in 2015, economic planning is no longer centralized, removing the need to consider provinces throughout the analysis and ensuring misalignments in the labor markets of various locales (World Bank, 2020).

The population age group 15-29 should be a critical category because many youths are already at the age when they can join the workforce and contribute to the development of Nepal (CBS, 2021). Urban provinces such as Bagmati show higher formal employment, while rural provinces like Karnali and Sudurpashchim experience even greater unemployment and poverty (Acharya, 2019).

In this study, gender and age-disaggregated factors are applied in an outlook to understand disparity in the participation in the labor force, unemployment, and economic inactivity among and within provinces among the youth. It can help to find out the obstacles to youth employment and contribute to economic inactivity, especially among young women, and based on its analysis, contribute to specific policy interventions.

Unemployment and non-participation of Nepal youth in the economy are high, present huge setbacks to the economy and to social inclusion. Gender differences in LFPR happen to indicate structural disconnection, such as unequal access to opportunities or discriminatory norms (International Labour Organization [ILO], 2022). These problems are also strengthened by differences in various provinces, such as Bagmati and Gandaki being advantaged with urban economies, whereas western and southern provinces, such as Karnali and Sudurpashchim, have fewer infrastructures and employment (World Bank, 2020).

The lack of economic activity among the youths and young women in particular constrains the economic growth of Nepal because these young people are being underutilized. Labor inequality is also supported by the high numbers of unsalaried labor work of many young women, which is commonly not included in labor statistics (Paudel, 2019). Provision of province-specific policy is possible under the federal system, but effective province-specific policy interventions cannot occur because of limited and unspecified data, and data that does not include gender or age in the provinces.

The study starts with a general overview of the situation regarding the labor force participation, unemployment, and economic inactivity in Nepal, setting the context of the issues in the geographical and federal context. The topography of Nepal, with its highlands of the Himalayas and the Terai lowlands, and multi-ethnic and multi-provincial diversity in its cultures, means that labor markets in Nepal behave differently. According to the 2015 federal structure, economic responsibilities have been moved to the provincial governments, so subnational analyses are required.

There are also gender inequalities that aid in the decline of these conditions because young women may be limited to doing unpaid labor as a result of social expectations (NSO, 2023). Comparable challenges are seen in other South Asian countries, suggesting that Nepal's youth labor market dynamics are part of a wider regional development concern (ILO, 2022). These forces are also influenced by regional differences, with the city-based provinces providing a greater number of formal sector jobs and the rural provinces experiencing unemployment and inactivity at higher rates (World Bank, 2020).

The issue of unemployment among the youth, gender gaps, and regional imbalance is the reason behind the need for this research. This study uses 2021 Census survey data to address gaps in the literature on the labor market and provide evidence-based recommendations for inclusive labor market policies within Nepal's federal context.

Research Questions

1.   How do labor force participation, unemployment, and economic inactivity among youth vary across Nepal's seven provinces?

2.   What gender- and age-specific disparities exist in youth economic activity patterns across the provinces?

3.   What are the major demographic and regional factors influencing youth labor market outcomes in Nepal?

Research Objectives

1.   To examine provincial variations in labor force participation, unemployment, and economic inactivity among youth in Nepal using 2021 Census data.

2.   To analyze gender and age-specific disparities in youth economic activity across the seven provinces.

3.   To identify key demographic and regional factors influencing youth labor market outcomes to inform targeted policy responses.

Review of Literature

In South Asia, labor force participation patterns show persistent gender and regional disparities. For instance, according to the International Labour Organization (ILO, 2022), female labor force participation in India and Bangladesh remains below 25 percent, reflecting barriers that are also visible in Nepal. The rate of women labor force participation in the younger female population aged 15-24 has declined even though the participation rate of prime-age women has been rising, thus lessening the general rates of unemployment (Cavusoglu et al., 2024).

The European historical figures indicate that there is a tremendous growth of women in the economic sectors, rather than both the aged and youthful workers. This trend is explained by the better childcare service and social changes, as well as the implications of the availability of early retirement to the old labor force (Saczuk, 2012). Decline of the participation of younger person is associated with technological progress that demands increased education levels, hence slowing down their contribution to the labor environment.

This is essential in formulating good labor policies due to the grasp of these demographic trends. To effectively mitigate the problem of economic inactivity and unemployment, policy-makers need to take into consideration the distinctive aspects of the challenges of various groups of people in terms of their age and gender (Rios-Avila, 2015; Cavusoglu et al., 2024). In the South Asian context, studies (ILO, 2022) emphasize the importance of integrating gender-sensitive and region-specific employment programs, an aspect still weakly reflected in Nepal's provincial policies. On the other hand, even though demographic changes provide a distorted picture of the labor market's health, they can also insinuate tailored interventions. As an example, the rise in women's labor force participation can conceal a deeper problem of economic inactivity among young women, which leads to the idea that the changes in the labor market are to be seen in a more nuanced way to gain a full comprehension of what is going on and how to deal with the situation.

Female labor market participation is seriously affected by the occurrence of male migration to undertake employment. In the migration of males, females tend to decrease

involvement in working in marketplaces, which depicts a woman-man division of labor in the families (Lokshin & Glinskaya, 2009). The future labor force participation of the women experiencing multiple years of inactivity, especially during middle adulthood, will be shorter, as well as the time of their retirement, as compared to that of their consistently active colleagues (Ciecka & Skoog, 2017).

The youth are relatively inexperienced, especially in terms of assets, which is a struggle in Nepal to begin their labor market. Even though they are better-educated than their predecessors, they face obstacles in the labor market, which may result in the development of long-term negative consequences (Bussolo et al., 2024). Youth unemployment is on the decline, but much of the state of employment is still in the agricultural sector, which is gradually moving towards a modern economy. The lack of decent employment and the implementation of policies are usually associated with economic inactivity. To cope with these problems, the government has started such programs as the Prime Minister Employment Program, but the problems still exist (Koirala et al., 2024). High dependency on remittances and inefficiency of labor are key issues that have led to the unemployment rate, which has to be solved by local creation of jobs with the necessity of skills-development programs.

Most immigrants are attracted to the labor market in Nepal, which is evolving; however, challenges facing the labor market include gender inequality, limited chances among the youth, as well as joblessness and poor economic activity in the market. These problems should be solved with the help of the whole range of policy measures, taking into account the specifics of the socio-economic dynamics of the Nepalese labor force. Most of the studies that have been done on the labor market in Nepal are on the national scale or a particular area, like in agriculture or on the informal sector, and little data points to the youth and the distinction across provinces. The study in the article by Acharya (2019) looks at gender differences in employment, stating that cultural norms do not allow women to engage fully in employment, and it was not disaggregated by age or province. The study by Paudel (2019) used the concept of unpaid work to explain why women are economically inactive; however, it failed to use the concept on the youth population. The World Bank (2020) brings to the fore regional inequalities in unemployment, especially within rural provinces, but has not been gender-centered or age-focused with respect to the young adult population, the 15-29 age group. Existing literature rarely examines labor outcomes across provinces in relation to the federal system. The lack of provincial data limits decentralized planning and weakens the formulation of locally responsive employment strategies.

The relationship between unemployment and economic inactivity among youth is also an understudied area, especially within the federal structure of Nepal, which has diverse economic and cultural contexts across its provinces. Therefore, the main research gap is the lack of province-specific and governance-related analyses that can help create inclusive, evidence-based labor policies under Nepal's federal system. This gap limits the development of policies that address the different needs of men and women under 30 years old across various regions of Nepal.

Research Methodology

Research Design

The study has a quantitative research design that is descriptive and analytical in nature by utilizing secondary data from the Census, 2021, by the National Statistics Office (NSO) in Nepal. It is analyzed in terms of participation in the labor force, unemployment, and economic inactivity of people aged 10 years and youth, aged between 15-29, in particular. The extensive census data on a large scale creates the possibility of disaggregation by gender and age groups and the province through which the feminist economics framework can be applied to address structural gender differences in labor market outcomes.

Sources of Data

The NPHC 2021 of the NSO Nepal is the main source of data as it gives exact indicators of economic activity, the participation rate of the labor force grouped by age and sex, and employment and unemployment distribution of each geographical area. The census establishes economic activity status during the count preceding enumeration. There are categories of the labor force where one is already involved in work and the other is in search of a job.

Measurements and Variables

The structured census questionnaires are used to obtain data at the national level. The key variables are: age, sex, employment status, unemployment status, economic inactivity, and province. The census is based on the traditional activity status method, where people are categorized in terms of typical economic activity in the last 12 months. The variables can be used in broad categories and five-year age cohorts to allow comparison on gender and region.

Methods of Analysis

The labor force participation rate (LFPR), the unemployment rate, and the economic inactivity rate are computed by use of descriptive statistical techniques and compared by gender, age, and province. It does not include any inferential or multivariate statistical models, but pursues aggregated census data. These indicators are repossessed in the feminist

economics perspective to suggest structural inequalities, but not as economic indicators.

Ethical Considerations

The study employs publicly available, secondary, anonymized census data; no data was collected directly involving any human participants. NSO confirms that there are no ethical issues associated with the use of the public, and no personal information could be accessed, stored, or disclosed.

Results and Discussion

Economic Activity Status of Population (10+ Years)

Table 1 shows the population aged 10 years and above in Nepal with respect to the economic activities based on the Census data, 2021.

Table 1

Status of Economic Activity of Population Aged 10+ Years

Population Characteristics by Activity Status	Sex	Total
Total Population 10 Years and Above	Male	11,519,621
	Female	12,439,247
	Total	23,958,868
Economically Active Population		
Usually, Active		
Employed	Male	6,043,087
	Female	4,227,360
	Total	10,270,447
Unemployed	Male	400,928
	Female	366,730
	Total	767,658
Not Usually Active	Male	1,752,493
	Female	2,899,179
	Total	4,651,672
Not Economically Active	Male	3,297,328
	Female	4,913,684
	Total	8,211,012
Economic Activity Not Stated	Male	25,785
	Female	32,294

		Total	58,079

Source: NSO, 2024

The absolute number of people within this age segment is 23,958,868, with the females (12.44 million) marginally higher than males (11.52 million). Out of this total, 10,270,447 people (42.9 %) are in employment, among whom 6,043,087 are men and 4,227,360 are women. The number of unemployed people is 767,658, with a fair variation between men (400,928) and women (366,730). This represents that, regardless of the fact that the participation in the labor force is high, there is a group that is idle, and that the gender divide is marginal.

The number of the economically inactive 8,211,012 people (34.3 %) is higher, and women 4.91 million make up a greater percentage as compared to men 3.30 million. Some did not provide information on their status in relation to economic activity (58,079). In general, the statistics show significant gender differences in economic participation as a large share of the population, especially women, stays out of active workplaces.

Labor Force Participation Rate (LFPR) by Broad Age Group and Sex in Nepal

Table 2 shows that the Labor Force Participation Rate (LFPR) among the 10-14-year-old population is 28.7% which means that child economic activity has been high, probably in informal or family work. The working age (15 64) would have an LFPR of 73.2 and those 65+ would have 45.9. The further involvement of older adults implies a deficiency of social coverage and economic need.

Karnali and Sudurpashchim have a higher LFPR by sex and age, which is perhaps because they have subsistence agrarian economies with the necessities of widespread household economic participation. Bagmati and Gandaki, which are more urbanized areas, on the contrary, have lower LFPR and particularly among women, implying that there are barriers to women accessing the labor market, whether in urban or rural areas. The lowest female LFPR (1564) is registered in Madhesh Province, with 52.9 percent, which implies a high level of socio-cultural attitudes against women's participation in the economy. The data shows the intersection of gender, age, and geography in defining the labor force in Nepal and the necessity of regionally responsive and gender-responsive labor policies.

Table 2

LFPR by Broad Age Group (Years) and Sex for Nepal and Provinces

Nepal and Provinces	Age group			LFPR (%)		
	10–14	15–64	65+	10–14	15–64	65+

Nepal						
Male	1,495,954	9,045,722	977,945	28.3	80.1	53.4
Female	1,413,911	9,981,567	1,043,769	29.1	66.9	38.7
Both sexes	2,909,865	19,027,289	2,021,714	28.7	73.2	45.9
Koshi Province						
Male	231,545	1,573,010	182,580	33.6	84.8	59.0
Female	223,513	1,726,155	190,291	34.3	72.6	43.7
Both sexes	455,058	3,299,165	372,871	34.0	78.4	51.2
Madhesh Province						
Male	352,252	1,802,918	199,938	24.5	76.9	54.9
Female	331,403	1,897,816	185,686	24.6	52.9	33.5
Both sexes	683,655	3,700,734	385,624	24.6	64.6	44.6
Bagmati Province						
Male	259,593	2,127,299	208,196	24.1	78.5	48.2
Female	237,946	2,194,102	233,555	24.8	65.1	36.5
Both sexes	497,539	4,321,401	441,751	24.5	71.7	42.0
Gandaki Province						
Male	112,774	755,131	105,494	23.8	78.0	51.6
Female	105,041	895,611	121,423	24.6	70.5	39.8
Both sexes	217,815	1,650,742	226,917	24.2	74.0	45.3
Lumbini Province						
Male	268,902	1,532,935	161,943	28.0	80.6	52.7
Female	254,176	1,796,886	169,457	28.7	67.8	38.4
Both sexes	523,078	3,329,821	331,400	28.3	73.7	45.4
Karnali Province						
Male	105,671	494,794	41,393	35.3	83.0	54.3
Female	102,701	548,232	45,102	36.3	78.7	43.0
Both sexes	208,372	1,043,026	86,495	35.8	80.7	48.4
Sudurpashchim Province						
Male	165,217	759,635	78,401	34.7	82.2	54.3
Female	159,131	922,765	98,255	36.1	77.2	41.5
Both sexes	324,348	1,682,400	176,656	35.4	79.5	47.2

Source: National Statistics Office, 2024

Labor Force Participation Rate (LFPR) by Five-Year Age Group and Sex, and Ratio of Male to Female LFPR

Table 3 shows that age-disintegrated Labor Force Participation Rates (LFPR) by sex and age groups of five by age group and sex of the 2021 census in Nepal. The statistics show that there is a strong gender gap in the participation of the labor force that cuts across all ages. The highest LFPR is observed in the age groups 3,534 among men (more than 94%) and 3,539 among women (76.5%), and then gradually decreases with increasing age. Although the LFPR among adolescents (10-14 years) is low for both genders, it rises sharply after ages 20 and 30, respectively, particularly among males.

Table 3

LFPR by Five-Year Age Group and Sex, and the Ratio of Male LFPR to Female LFPR, Nepal 2021

Age Group (Years)	Population Size			Age-Specific LFPR (%)			GPI#
	Male	Female	Both Sexes	Male	Female	Both Sexes	
10–14	1,495,954	1,413,911	2,909,865	28.3	29.1	28.7	102.8
15–19	1,494,523	1,471,881	2,966,404	43.6	42.1	42.8	96.6
20–24	1,301,018	1,482,042	2,783,060	72.2	62.9	67.3	87.1
25–29	1,122,242	1,337,107	2,459,349	88.0	71.5	79.0	81.3
30–34	978,976	1,168,736	2,147,712	93.0	74.8	83.1	80.4
35–39	936,931	1,104,561	2,041,492	94.3	76.5	84.7	81.1
40–44	828,493	919,339	1,747,832	94.3	76.9	85.1	81.5
45–49	687,525	748,515	1,436,040	93.6	75.6	84.2	80.8
50–54	692,494	721,358	1,413,852	91.1	72.8	81.7	79.9
55–59	537,558	538,386	1,075,944	86.7	68.0	77.3	78.4
60–64	465,962	489,642	955,604	76.6	58.7	67.4	76.6
65–69	379,689	391,929	771,618	68.1	49.8	58.8	73.1
70–74	292,054	317,316	609,370	52.7	37.7	44.9	71.5
75+	306,202	334,524	640,726	36.1	26.8	31.2	74.2
All ages	11,519,621	12,439,247	23,958,868	71.2	60.2	65.5	84.6

Source: NSO, 2024

Table 3 shows the Gender Parity Index (GPI) declines as people age, indicating the gender gap in the participation of the labor force has enlarged at mid and older ages. GPI, to take an example, is 102.8 in 10–14-year-olds (meaning nearly equal), 71.5 in those aged 70-74, and 74.2 in those 75 or more. The general LFPR of men at the national level is 71.2%, compared with 60.2 among women, resulting in a GPI of 84.6%, i.e., female participation is approximately 85 percent of the male participation.

These trends reflect ongoing gender disparities in labor force participation, most notably among those still in the prime working ages and the aged groups, which require policies that support women to access the labor market in various stages of the life cycle.

Table 4 shows that 42.9 percent of the unemployed are economically active (in the labor force), 46.1% are economically active with 42.9 percent and 3.2 percent of the economically inactive population of 10+ years age. The inactivity rate among females (39.5 %) is significantly greater than the inactivity rate among men (28.6 %), which shows that there are still gender disparities in the labor market. The total numbers indicate that a large proportion of the population is not in economic activity, especially women.

Table 4

Percentage Distribution of Population Aged 10 Years and Above by Economic Activity Status, Province

| Province | Economic activity | | | | | | |
	Sex	Employed	Unemployed	Not usually active	Not economically active	Economic Activity Not Stated	Total Population (10+ Years)
Nepal	Male	52.5	3.5	15.2	28.6	0.2	11,519,621
	Female	34.0	2.9	23.3	39.5	0.3	12,439,247
	Both	42.9	3.2	19.4	34.3	0.2	23,958,868
Koshi	Male	58.4	2.9	15.1	23.5	0.1	1,987,135
	Female	40.3	2.5	23.2	33.9	0.1	2,139,959
	Both	49.0	2.7	19.3	28.9	0.1	4,127,094
Madhesh	Male	49.5	3.4	14.4	32.7	0.1	2,355,108
	Female	20.3	2.9	24.4	52.4	0.1	2,414,905
	Both	34.7	3.1	19.4	42.7	0.1	4,770,013
Bagmati	Male	55.2	3.1	12.3	29.3	0.1	2,595,088

	Female	36.7	2.7	19.6	41.0	0.1	2,665,603
	Both	45.8	2.9	16.0	35.2	0.1	5,260,691
Gandaki	Male	49.8	4.0	15.1	30.0	1.1	973,399
	Female	38.2	3.1	21.7	35.8	1.3	1,122,075
	Both	43.6	3.5	18.6	33.1	1.2	2,095,474
Lumbini	Male	50.7	4.0	16.4	28.6	0.3	1,963,780
	Female	32.6	3.3	25.1	38.7	0.3	2,220,519
	Both	41.1	3.6	21.0	34.0	0.3	4,184,299
Karnali	Male	50.4	4.2	18.7	26.3	0.4	641,858
	Female	42.4	3.4	24.4	29.4	0.5	696,035
	Both	46.2	3.8	21.7	27.9	0.5	1,337,893
Sudurpashchim	Male	47.8	4.1	20.4	27.6	0.1	1,003,253
	Female	38.1	3.4	27.2	31.2	0.2	1,180,151
	Both	42.6	3.7	24.1	29.5	0.1	2,183,404

Source: NSO, 2024

There are differences in patterns at the provincial level. Koshi and Bagmati have the highest levels of male employment (58.4 % and 55.2 % respectively) and Karnali and Koshi have the highest levels of female employment (42.4 % and 40.3 % respectively). On the other hand, Madhesh Province is characterized by a low level of female employment (20.3 %) and a high level of female inactivity (52.4 %), implying that there is a high level of socio-cultural obstacles that restrict the participation of women in the workforce.

Discussion and key findings

The largest difference in gender gap is also noted through the age category of 15- 64 years, where male LFPR stands at 80.1 percent as compared to 66.9 percent by females, which is a gap of more than 13 percentage points. Such data point to universal trends in the world where the socio-cultural context obstructs female labor market participation (World Bank, 2020).

In Nepal, especially in rural regions, women have historically been restricted to unpaid domestic labor, or informal farm labor at best, which becomes a hindrance to gaining access to formal work (Paudel, 2021). It is also evident in the census that 39.5 percent of females are economically inactive, against 28.6 percent of the males (CBS, 2021). This imbalance reinforces patriarchal norms and systemic exclusion, consistent with feminist economic arguments about undervaluation of care work (Bussolo et al., 2024). The lowest

female participation (20.3%) is seen in Madhesh Province, where mobility and social restrictions remain strong (CBS, 2021). Conversely, subsistence-driven participation in provinces like Karnali (42.4%) demonstrates necessity-based engagement rather than empowerment (Buisson et al., 2023; ILO, 2022).

The male employment level is the most significant in Koshi and Bagmati provinces (58.4% and 55.2%, respectively), which is explained by the possibility of obtaining employment in the formal sector (CBS, 2021). In their turn, informal and subsistence employment increases the rate of LFPR in rural provinces like Karnali and Sudurpashchim (CBS, 2021; World Bank, 2020). Unemployment is also high in these provinces, ranging at 4.2 percent in Karnali, indicating a limited formal employment sector. Madhesh is characterized by the lowest LFPR of females (52.9 among 15-64-year-olds), which points to high levels of socio-cultural obstacles (CBS, 2021; Sharma & Bista, 2025). Sudurpashchim (24.1%) and Lumbini (21.0%) have high percentages of people who are not usually active, as this is a common characteristic of seasonal work and underemployment (CBS, 2021; ILO, 2022). Despite the federal restructuring in 2015 delegating economic planning to provinces, governance capacity and fiscal autonomy remain limited, constraining effective labor policy implementation (Gyawali, 2018). This gap highlights the need for decentralized labor data systems and province-specific policy design that respond to local employment challenges and gender inequities.

According to NPHC data, LFPR peaks among men aged 35–44 (94%) and women aged 35–39 (76.5%), with gender gaps widening at older ages (CBS, 2021). Teenagers (10–14 years old) face critical risks: LFPR is 28.7 percent for both sexes, indicating continued child labor and interrupted schooling (CBS, 2021; ILO, 2022). These findings underscore persistent violations of labor rights and the need for targeted education and child protection policies.

The economically inactive population aged 10 and older constitutes 34.3 percent of the total, with 4.91 million females and 3.30 million males (NSO, 2023). This gendered inactivity reflects both social norms and governance failure to create inclusive provincial job programs. A further 4.65 million people are "not usually active," often engaged in irregular, seasonal, or informal work (CBS, 2021; ILO, 2022). Such employment offers little security or protection, especially for women and youth (Buisson et al., 2022). Rural areas lack formal job creation, reinforcing subsistence labor patterns (World Bank, 2020).

Provincial governments lack adequate fiscal and administrative power to address gender and youth unemployment, despite federal decentralization. This calls for capacity-

building programs, localized job creation schemes, and feminist-informed employment frameworks that recognize unpaid labor and care work as economic contributions (ILO, 2022; Gotze, 2025). Rather than merely restating statistical differences, this study highlights how Nepal's federal system has yet to translate into equitable labor opportunities. Gender-responsive, youth-focused, and province-tailored policies are essential to achieving inclusive growth.

Conclusion

Nepal's labor market has a structural imbalance that is grounded in gender and regional inequalities. According to the 2021 census, the youth and especially women have been exposed to high unemployment rates and economic inactivity as a result of socio-cultural limitations, lack of education and training programs, as well as lack of industrialization in the regions. Women's labor participation has been particularly low in Madhesh and Sudurpashchim, and Bagmati is a bit better, but there is still a gap between genders. To solve these problems, the provincial and federal governments ought to adopt specific policies.

Provincial labor market planning should be strengthened and cooperation with local industries should be enhanced in order to match employment with demand. To exploit the demographic potential of Nepal, inclusive labor policies that focus on gender equity, regional diversification, as well as youth involvement are needed. This study has weaknesses due to its use of quantitative census data, which requires the use of qualitative research to study lived experiences and how effective provincial policies are.

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