

Nepal Earthquake April 2015

Preliminary Employment Impact Assessment

14 May 2015

The devastation of the 25 April earthquake

On 25 April an earthquake measuring 7.8-magnitude struck Nepal, the most severe to hit the country since 1934. The epicentre was 81 km northwest of the capital city, Kathmandu. The earthquake had a severe impact on 14 of the country's 75 districts. Overall (as of 12 May), 8,151 people are reported killed, with 17,866 injured, 288,798 private buildings have been destroyed and 254,112 damaged. The situation worsened on May 12 when a second earthquake, of 7.3-magnitude, struck eastern Nepal and northern India. The fallout from this second quake is still unfolding and is not reflected in this note.

Increased vulnerability of nearly 3.1 million workers in the worst-hit districts

Using official population projections the ILO's 2015 baseline estimates indicate there were more than nine million workers in the 39 affected districts, prior to the earthquake (see table 1). Of these, approximately 3.1 million workers were in the most severely-affected districts: Kathmandu (representing over a third of affected workers), Bhaktapur, Dhading, Dolakha, Gorkha, Kavrepalanchok, Lalitpur, Rasuwa, Makwanpur Nuwakot, Okhaldhunga, Ramechhap, Sindhuli and Sindhupalchok.

These 14 districts accounted for 99.2 per cent of all deaths and 90.9 per cent of the private buildings destroyed by the earthquake.

As a result of the April earthquake (and subsequent aftershocks), workers in these districts are highly vulnerable to losses to their livelihoods and incomes.

Recovery will need to be employment-centric

Beyond these aggregate estimates the earthquake will result in significant disruption to economic activities and the livelihoods of millions of workers.

- There are likely to be severe, negative effects on output (GDP) in the short to medium term, which will reduce overall job creation.
- Agricultural production is likely to be disrupted, affecting food security, poverty and inflation. The majority of workers in the severely-affected districts are engaged in agriculture (average of 79.1 per cent for the 11 more rural districts).

- Demand for agricultural labourers, many of whom are women, is likely to fall in affected areas. These labourers are more likely to be poor than other types of workers.
- Damage to infrastructure and buildings will adversely affect the services sector, especially in urban areas.
- The outward migration of residents from urban areas (Kathmandu) may affect local labour markets at their destinations, potentially increasing labour underutilization.
- Recovery efforts will increase demand for construction workers, which will need to be matched by a commensurate supply of workers.
- The tourism sector, which has grown strongly in recent years, will be adversely affected over the coming months.
- Micro and small enterprises are likely to face the greatest hardships, negatively affecting incomes.
- While migrants may return to Nepal to assist families with recovery, in the longer term emigration is likely to increase.

Table 1: Employment baseline estimates for 2015 and impact data for the most severely-affected districts

District	Baseline (000s)		Impact of earthquake	
	Employed population (ages 15+)	Share of agriculture in employment (%)	Deaths	Private buildings destroyed
Bhaktapur	189.9	31.6	319	7,000
Dhading	169.0	78.1	721	20,000
Dolakha	92.4	81.1	77	5,000
Gorkha	145.8	82.0	410	44,607
Kathmandu	1,139.1	9.9	1,203	27,640
Kavrepalanchok	202.5	72.1	317	30,000
Lalitpur	296.6	22.9	177	16,344
Makwanpur	216.4	67.7	33	363
Nuwakot	143.3	80.0	1,000	30,000
Okhaldhunga	80.1	84.7	19	8,000
Ramechhap	101.0	84.2	27	17,072
Rasuwa	21.8	79.7	558	8,000
Sindhuli	137.8	81.0	12	4,159
Sindhupalchok	146.0	79.5	3,213	44,310
Total - all severely-affected districts	3,081.8		8,086	262,495
Total - other affected districts	5,965.6		65	26,303
Combined total	9,047.3		8,151	288,798

Source: **Baseline:** Official projections of the population (ages 0+) for 2015 by district from the Nepal Central Bureau of Statistics. Estimates of the total employed population are derived by multiplying the working-age population by the employment-to-population ratio from the LFS 2008; Share of agriculture in employment is based on the Census 2011. **Impact:** Ministry of Home Affairs, as of 13 May 2015: drrportal.gov.np/incidentreport.