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INTERNATIONAL LABOUR ORGANIZATION

**Promoting rural employment  
for poverty reduction**

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# Conclusions on promoting rural employment for poverty reduction

## Introduction

1. As stated in the Declaration of Philadelphia, “poverty anywhere constitutes a danger to prosperity everywhere”.
2. The Governing Body, at its 295th Session in March 2006, chose the promotion of rural employment for poverty reduction for discussion at the International Labour Conference. The intended outcome was to comprise: a stocktaking of the nature, magnitude and changing patterns of rural employment in the world, with a particular focus on developing countries; a comprehensive strategy to promote employment and decent work in rural areas around the world; and an integrated plan of action for the ILO to implement this strategy, including a conceptual framework, standard setting, technical cooperation and knowledge management.
3. The importance of the rural sector has risen on the political agenda both nationally and globally because of factors such as the persistence of poverty in rural areas, urbanization, globalization and climate change – and most recently, the food crisis, food shortages and rapidly increasing food prices. The Millennium Development Goal on the eradication of extreme poverty and hunger, and the global goal of achieving decent work for all, will not be achieved unless rural poverty is reduced.
4. Historically, agriculture has been an engine of economic development, providing the food, feed, fibre and fuel with which to create more diversified products and services in other sectors. In many countries, agriculture continues to be the mainstay of rural livelihoods, a major contributor to GDP and an important source of export earnings. Agriculture cannot play this dynamic, wealth-creating role without an enabling policy environment, which ensures adequate institutions, decent work, and sufficient, well-targeted public and private investment.
5. Three-quarters of the world’s poor live in rural areas where decent work deficits are typically severe. Rural labour markets are often dysfunctional. Labour market institutions, organization and representation tend to be weak. Underemployment is widespread and incomes are generally low. Access to social protection is extremely limited. Rural workers are often vulnerable, they are, in numerous circumstances, not fully covered by national labour law and, more broadly, their rights are often not realized or enforced. As in urban areas, a large share of economic activity in rural areas tends to be informal.
6. A paucity of economic opportunities and under-investment in rural areas, together with poor infrastructure and public services including education and, in many cases, the prevalence of weak governance and underdeveloped markets compound the difficulties incumbent on working life in rural areas.
7. There are common and particular features to the world of work in rural areas. Among these are the predominance of agriculture and the importance of seasonal and climatic factors. Particular challenges include:
  - prevalence of child labour, migrant workers, family and informal work;
  - the unequal treatment of women in rural areas;

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- the unequal treatment of youth and indigenous peoples in rural areas;
  - poor occupational health and safety and working conditions;
  - poor infrastructure and access to public services;
  - lack of training.
8. However, rural areas are also characterized by great diversity and should not be conceived of as being exclusively agricultural. There is a mixture of on- and off-farm activities ranging from smallholder agriculture or pastoralism to highly sophisticated commercial agribusiness supplying global markets and with intense regional and national linkages with industrial and services sectors.
9. Because national and local contexts are diverse, there is no single policy response to the challenge of addressing rural employment for poverty reduction and decent work deficits. The diverse nature of rural communities affects employment patterns and income generation. Employment is characterized by seasonality and is often based on family units. Policies also need to recognize diversity of country and regional situations in line with the level of development, resources and institutional capacity, without undermining the importance of labour and environmental standards.

## **Framework for action**

10. In developing countries, which suffer greatly from lack of resources and means, poverty reduction through job creation in rural areas cannot be achieved at the national level alone. The challenge posed by poverty in least developed countries represents a much more general challenge that must also be addressed at the global level.
11. Employment and poverty in rural areas are multifaceted and this calls for multifaceted policy responses. The Decent Work Agenda provides a framework for addressing the multiple challenges of promoting rural employment for poverty reduction. The four pillars of decent work – rights, employment, social protection and social dialogue – are recognized as interdependent and mutually reinforcing parts of a whole. The Global Employment Agenda (GEA) and the resolution on the promotion of sustainable enterprises additionally provide useful frameworks.

## **Strategies to promote decent and productive employment in rural areas**

12. Rural employment strategies should form an integral part of national employment strategies and should aim to eliminate poverty. A key objective should be to develop and implement effective regulations, where applicable, that enable the shift from informality to formal status, which can assist in raising productivity, increasing earnings and extending coverage of existing rights, social protection and social dialogue.
13. Agriculture is usually the mainstay of most rural economies and can be an engine of economic growth, poverty reduction and social progress. Because increased per capita agricultural output and value added tend to have a disproportionately positive impact on the incomes of the poorest, and because of its strong linkages with non-farm activities, agriculture and rural development are key to promotion of rural employment for poverty reduction.

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14. Increasing diversification and agricultural productivity through technical progress and investment is central to poverty reduction. For this to happen, agricultural support services need to be tailored to serve the needs of small-scale farms that engage the bulk of the rural population and account for most food production in developing countries.
  15. New sources of demand, especially for certain high-value products, and the overall trend towards greater global integration, offer opportunities and challenges for rural employers and workers. Modern commercial farming is often associated with the concentration of commodity markets and the economic power of a limited number of multinational agribusinesses in the industrial food chain. Notwithstanding the potential of exploiting new market opportunities, in many countries, the production of food for local consumption remains the primary focus. Innovative measures are required to ensure that small farmers have access to wider markets. Strategies should be developed to ensure access to adequate training and technology, land and water for the development of food production, according to national circumstances.

### **Priority policy guidelines**

16. The ILO's GEA is an integrated approach. The employment pillar of the Decent Work Agenda is fully relevant to the rural context. The GEA recognizes that decent and productive employment is the fundamental link between growth and poverty reduction.

### ***Economic policies to support rural employment for poverty reduction***

17. *Growth and macroeconomic policy.* The generation of more and better jobs in rural areas requires first and foremost an enabling legal and regulatory framework for the promotion of growth and investment that is socially, economically and environmentally sustainable. Monetary, fiscal and exchange rate policies should guarantee stable and predictable economic conditions and should avoid biases against rural areas. Sound economic management should balance the twin objectives of creating more and better jobs with combating inflation, and provide for policies and regulations that stimulate long-term productive investment.
18. *Trade and investment policy.* The varying development levels of countries must be taken into account in lifting barriers to domestic and foreign markets. Efficiency gains caused by trade integration can lead to positive employment effects either in terms of quantity or quality of jobs or a combination of both. However, as trade integration can also lead to job dislocation, increased informality and growing income inequality, measures must be taken by governments in consultation with the social partners, to better assess and address the employment and decent work impact of trade policies. Actions are also needed at regional and multilateral levels to remove trade distortions and to assist developing countries in building their capacity to export value-added products, manage change and develop a competitive rural and agricultural base.
19. *Productive physical and social infrastructure.* Investment in rural infrastructure is crucial for employment and growth. It works as a bridge between rural and urban areas and between agricultural and non-agricultural sectors. Transport and IT infrastructure, for instance, is crucial to link rural producers and businesses to markets. A wide variety of infrastructure projects can directly support agricultural productivity and lend themselves to implementation using labour-intensive methods, where appropriate. Social infrastructure, such as schools, health, potable water and other basic facilities, are also essential to stimulate shared and sustainable rural development. Public-private partnerships can extend the reach of resources.

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20. *Technology policy.* Public and private investment in research and development activities is an important catalyst for innovation in agriculture and other rural sectors as well as in environmental protection and can stimulate strong productivity gains. Communicating the results of research and providing training in good agricultural practices and the use of new technologies to small and medium-sized farmers through extension services contribute to raising agricultural productivity, improving livelihoods and environmental sustainability.
  21. Technical progress is not just a question of mechanization, but rather the application of good agricultural practice and new technologies with a view to improving sustainable productive land use. In that sense, technical progress is aided by the tripartite partners facilitating the development of a skilled and educated agricultural workforce as well as on the availability of information, credit and markets. Application of technologies in agriculture may be labour displacing or labour augmenting. Hence, the employment impact of various approaches to increasing productivity needs to be considered and strategies developed to manage these effects, including economic diversification in rural areas.
  22. *Sectoral approaches.* At the heart of the sectoral approach is the effort to strengthen mutually beneficial linkages among enterprises so that they work together to take advantage of market opportunities. Targeting labour-intensive subsectors as well as sectors with high growth potential in rural areas has significant potential to integrate farmers and rural enterprises into national and global production systems. More and better jobs could be created.

### ***Policies to develop skills, technology and employability***

23. In developing policies for extending the availability and improving the quality of skills development provision in rural areas, it is important to take account of the strategic orientations of the conclusions to the general discussion on skills for improved productivity growth and development (ILC, 2008).
24. Education, skills training and lifelong learning are key drivers of capability, productivity, competitiveness, and social development in rural areas. The development of a skilled workforce and the strengthening of human capabilities through appropriate systems of education, vocational and technical training and lifelong learning are important for helping workers to find and sustain decent and productive jobs and keep pace with changing technologies and new employment opportunities.
25. Public policy should provide access to quality compulsory and free, basic public education without denying access due to inability to pay. Public policy also should target investment to rural areas in developing countries to ensure basic education, reduce illiteracy and strengthen numeracy skills. Policies should also strengthen secondary education and vocational training in rural areas and ensure equal access for all men and women with a view to creating career pathways to retain workers in rural areas. Quality education is a key tool in eliminating child labour. As part of the process to encourage lifelong learning, public policy should give due recognition to prior learning as a means to promote access to education.
26. The outreach and effectiveness of rural training infrastructure may be improved, among others, through the use of community-based intercultural training approaches, mobile training and the use of mass media and the Internet.
27. Modern agriculture is characterized by improved plant varieties, poultry, fish and livestock, the application of new technologies and sophisticated processing and handling techniques. Workers should be consulted prior to the introduction of significant new

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technologies and work processes. Non-farm enterprises, too, increasingly use modern information and management systems requiring new capabilities for workers and managers alike, as well as expanding electricity distribution. New measures for sustainable development and quality standards require continuous skills upgrading, which is the joint responsibility of governments, employers and workers. In order to upgrade their skills, workers should have access to and opportunities for training.

### ***Policies to promote sustainable enterprises***

28. The conclusions of the 2007 discussion on the promotion of sustainable enterprises provided detailed guidance on what constitutes a conducive environment for sustainable enterprises and responsible enterprise-level practices. These conclusions in their entirety provide a relevant framework for promoting sustainable rural enterprises and paragraph 11 of these conclusions is included in Annex I.
29. Policies to promote non-farm employment and enterprise creation in rural areas are essential if development is to be sustainable. Small and medium-sized enterprises, including cooperatives or other community-based organizations, provide a major source of rural employment. Rural non-farm activities are especially critical as they offer the rural poor economic alternatives to traditional activities.
30. Cooperatives are often a major source of employment in rural areas. Cooperatives can be an important element of local economic development. It is important to ensure an appropriate legal framework in line with the ILO Promotion of Cooperatives Recommendation, 2002 (No. 193).
31. Entrepreneurship needs to be fostered in order to stimulate the creation of rural enterprises and create the conditions for innovation, the uptake of new technologies and participation in expanding markets. Awareness raising of the benefits of enterprise and training in basic management skills can encourage the creation of enterprises and be targeted at women and specific groups and sectors such as youth, indigenous peoples and smallholders.
32. Within a rural context, the following elements are particularly important to facilitate the creation and development of sustainable enterprises:
  - (i) *Access to financial services.* A well-functioning financial system provides the lubricant for a growing and dynamic private sector. Making it easier for SMEs, including cooperatives and start-ups, to access financing, for example, credit, leasing, venture capital funds or similar or new types of instruments, creates appropriate conditions for a more inclusive process of enterprise development. Financial institutions, particularly multilateral and international ones, should be encouraged to include decent work in their lending practices.
  - (ii) *Enabling legal and regulatory environment.* Poorly designed regulations and unnecessary bureaucratic burdens on businesses limit enterprise start-ups and the ongoing operations of existing companies, and lead to informality, corruption and efficiency costs. Well-designed transparent, accountable and well-communicated regulations, including those that uphold labour and environmental standards, are good for markets and society. They facilitate formalization and boost systemic competitiveness. Regulatory reform and the removal of business constraints should not undermine such standards.
  - (iii) *Rule of law and secure property rights.* A formal and effective legal system which guarantees all citizens and enterprises that contracts are honoured and upheld, the rule of law is respected and property rights are secure, is a key condition not only for

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attracting investment, but also for generating certainty, and nurturing trust and fairness in society. Property is more than simply ownership. Extending property rights can be a tool for empowerment and can facilitate access to credit and capital. They also entail the obligation to comply with the rules and regulations established by society.

- (iv) *Access to transparent and competitive markets, services and inputs*, including through clusters and to national and global value chains. This includes local infrastructure, efficient customs systems, predictable legal systems and effective public services.
- (v) *Social dialogue*. Social dialogue based on freedom of association and the right to collective bargaining, including through institutional and regulatory frameworks, is essential for achieving effective, equitable and mutually beneficial outcomes for governments, employers, workers and wider society.
- (vi) *Respect for universal human rights and international labour standards*. Competitiveness should be built on values. Respect for human rights and international labour standards, especially freedom of association and collective bargaining, the abolition of child labour, forced labour and all forms of discrimination, is a distinctive feature of societies that have successfully integrated sustainability and decent work.
- (vii) *Social justice and social inclusion*. Inequality and discrimination are incompatible with sustainable enterprise development. Explicit policies for social justice, social inclusion and equality of opportunities for employment are needed. Effective exercise of the right to organize and bargain collectively is also an effective means to ensure fair distribution of productivity gains and adequate remuneration of workers.
- (viii) *Adequate social protection*. Sustainable tax-based or other national models of universal social security that provide citizens with access to key services such as quality health care, unemployment benefits, maternity protection and a basic pension, are key to improving productivity and fostering transitions to the formal economy. Protecting workers' health and safety at the workplace is also vital for sustainable enterprise development.

33. Local economies usually have specific roots and traditions, are anchored in social networks and woven into unique institutional relationships. Local and regional development approaches need to be promoted that build on the unique potential of rural economies and that foster dialogue and cooperation among local governments and organizations of workers and employers, in cooperation with other community organizations. National policies for rural employment promotion can be made more effective by adapting them to the economic, environmental and social conditions of specific territorial contexts.

### **Labour market regulations, institutions and policies**

34. Rural areas need strong labour market institutions and effective labour administration, including labour inspection and appropriate training and extension services. Rural areas also need the strong involvement of independent representative organizations of workers and employers in social dialogue. Collective bargaining is one important means of promoting decent and productive employment and livelihoods in rural areas. All these must be relevant to, and meet the needs of, rural communities.
35. In order to formulate effective evidence-based policies and regulations for rural areas, better data collection on rural employment is required and the ILO may assist with this process.

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36. Meeting the employment challenge in rural areas requires specific and effective active labour market policies. These could include demand-led technical and vocational training, labour market information services, enterprise promotion, and employment guarantee schemes.
  37. Governments, employers and workers should promote employment opportunities for youth who have reached the minimum legal age for employment in their country, whether in agriculture or in non-farm activities in rural areas. This means addressing the quality of employment provided, especially levels of skills training and career prospects, when creating decent jobs for rural youth.

## **Strategies to extend rights at work in rural areas**

38. Most rural workers, especially those working in agriculture, are poorly protected by national labour law. Many are excluded from the scope of legislation, such as casual or seasonal workers, due to the nature of their employment. Others are excluded on the basis of their membership in a particular group, such as migrant workers or indigenous peoples. Governments should ensure that national labour standards are applicable to all forms of contractual arrangements, including those involving multiple parties, so that employed workers have the protection they are due. The legal protection afforded to rural workers is often not realized in practice.
39. The huge gap in protection and implementation affects not only the realization of fundamental principles and rights at work – freedom of association, forced labour, child labour and discrimination – but also other workers’ rights related to wages, working time, occupational safety and health, and social security, for example. To create decent jobs in rural areas, legal and practical hurdles to effective protection must be removed.
40. International labour standards are one of the essential elements to guide national legislation and policy to help address labour protection gaps, as they provide an internationally recognized framework for governments in the implementation of decent work principles in all areas of labour, including in rural areas. Most ILO Conventions and Recommendations are of general application, that is, they cover all workers, including rural workers. However, the fundamental principles and rights at work – in particular freedom of association and the right to collective bargaining – are essential as they are enabling rights for access to other rights.

## **Priority policy guidelines**

41. *International labour standards.* The ratification and effective implementation of the fundamental Conventions, that play an important role in the attainment of social justice, should be promoted. In addition, other instruments relevant to rural employment for poverty reduction should be promoted (see Annex II). This should not compromise the consideration of other relevant international instruments.
42. *Labour legislation.* National legislation should be reviewed with a view to promoting the extension of national labour law to all rural workers, including agricultural workers, as well as its effective implementation. National legislation should take into consideration the specificities of rural work and spell out the rights and responsibilities of all concerned, governments, employers and workers.

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43. *Occupational health and safety.* Urgent, immediate and effective action is needed where necessary by governments and employers to improve safety and health in agriculture. Use of WIND (Work Improvements in Neighbourhood Development) methodologies can also improve occupational health and safety for rural communities.
44. *Freedom of association and collective bargaining* are enabling rights. They are a means to achieve decent work for all. Freedom of association and the right to collective bargaining can contribute to stable economic development and sound industrial relations. Therefore governments should facilitate a conducive environment to the creation of independent rural workers' and employers' organizations and eliminate obstacles to their establishment and growth.
45. *Equality of opportunity and treatment.* Many rural workers, in a number of countries, can suffer from discrimination on a number of levels. Certain groups of rural workers are particularly disadvantaged, including women, migrant workers and indigenous peoples. Effective action needs to be taken to remove all forms of discrimination, which have the effect of nullifying or impairing equality of opportunity or treatment in employment and occupation. Extending coverage, implementing laws and enforcing rights at work in rural areas are essential for equality.
46. *Forced labour.* Forced labour is a significant feature in the rural areas of some countries. Induced indebtedness is often backed by intimidation and the threat of violence against workers or their families. The legal status of millions of migrants in an irregular situation makes them particularly vulnerable to coercion, because of the additional and ever-present threat of denunciation to the authorities. Member States need to address the structural concerns, including policy failure, that give rise to forced labour. Governments should take active measures to enforce the rule of law, and to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of ILO Conventions on the elimination of all forms of forced or compulsory labour so as to eradicate the use of forced labour and apply criminal sanctions to those who exploit forced labour.
47. *Child labour.* Urgent, immediate and practical action is needed by governments, employers, and employers' and workers' organizations and in cooperation with other partners, to eliminate child labour in rural areas. Governments should ensure that the fundamental principles as derived from the Minimum Age Convention, 1973 (No. 138), are applied to agriculture. Approximately 70 per cent of working children are found in agriculture. Child labour should be seen not only as a breach of labour law but equally as a violation of children's rights. Child labour undermines decent work, and the effective functioning of rural labour markets is undermined by the presence of child labour. It exacerbates existing insufficient household income and deepens poverty. Strengthening cooperation among relevant ministries is critical to addressing this problem.
48. *Labour inspection.* Labour inspection is often absent or inadequate in rural areas. This contributes to poor compliance with labour law. An effective system of labour inspection at the national level, carried out by professionally trained and adequately resourced inspectors, who are suitably qualified and knowledgeable about rural labour market issues and independent of improper external influence, benefits governments, employers and workers. Labour legislation based on transparent and predictable laws and regulations can assist in this regard. It provides better protection of rights, encourages safe and healthy work practices and productivity improvements at work including through the provision of information and advice, and contributes to the creation of a workplace health and safety culture. The Labour Inspection (Agriculture) Convention, 1969 (No. 129), provides guidance on improving labour inspection in agriculture.

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49. *Information on rights and responsibilities.* There is a need to embark on advocacy and information dissemination campaigns to inform rural workers and employers on their rights and responsibilities. Awareness raising is not a substitute for law enforcement.

## **Extending social protection and social inclusion**

50. Rural populations are often characterized by high levels of vulnerability. Many rural people rely on small-farm agriculture, casual and temporary work that renders them particularly vulnerable to exposure to chemical hazards, climatic and natural disasters as well as the seasonal variations in the availability of work and food. As they can lack basic services, they are particularly at risk in terms of health shocks, illiteracy, poverty and social exclusion and low levels of education and skills. Internationally, agriculture is one of the most dangerous occupations in terms of accidents at work, fatalities, injuries and work-related ill health. Rural populations share with their urban counterparts the risk of exposure to major pandemics, in particular HIV/AIDS, which is devastating many rural communities. The high level of poverty and underemployment in many rural areas also reduces the capacity for rural workers and their families to cope with the financial impact of risks. Geographical isolation, lack of health services and poverty also reduce access of rural workers to treatment and antiretrovirals.
51. Too few people have access to the strategies and mechanisms usually employed to face risks. In many developing countries, social security coverage is quite low or non-existent in rural areas. Access to market-based and other savings and insurance mechanisms remains low, especially for the poorest. Preventive measures to minimize, control or eliminate occupational risks do not reach the most vulnerable, especially in remote rural areas, and legislation in this field is rarely applied.

## **Priority policy guidelines**

52. Social protection is an important means of reducing poverty and vulnerability and of improving the health, nourishment and literacy of populations, and greatly improves chances of achieving sustainable and equitable growth, well-being and high productivity. Social protection is indispensable to social inclusion to assist women and disadvantaged groups in rural areas, notably children, the elderly, the disabled, and the large number of unemployed and underemployed rural people. Measures to extend social protection, particularly social security, should be a priority.
53. Social protection should be based on sound and stable macroeconomic policies. Extending social protection to all is a shared responsibility. Successful strategies should be specific to national circumstances, but are likely to involve a number of complementary approaches. Regardless of the approach adopted, sound administrative and financial management is essential.
54. To strengthen capabilities of poor people, to maximize their access to opportunities and to improve financial sustainability, measures to extend social protection should be linked with efforts to provide basic education and health services, to boost rural employment and to enhance employability. Recent approaches to extend social protection in rural areas, such as employment guarantee schemes or conditional cash transfer programmes that require school attendance, may offer useful examples.
55. Governments, employers and workers should take urgent, immediate and effective action to reduce workplace accidents and work-related ill health, to secure a safe and healthy

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working environment and to develop a safety and health culture based on prevention in rural workplaces. National strategies to improve occupational safety and health need to be developed and implemented by the tripartite partners.

56. Migration is a common feature of many rural societies. Migrant workers in rural areas are in many cases vulnerable groups that often experience discriminatory treatment on the job and can face strong disadvantages in terms of pay, social protection and representation. The non-binding principles and guidelines for labour migration included in the ILO Multilateral Framework on Labour Migration provide useful guidance to address such situations and indicate how best to facilitate access for migrant workers to decent work. Governments and the social partners should strive for better integration of migrant workers and full respect of their human rights. One of the main outcomes of migration is the growing flow of remittances to developing countries. Remittances contribute to domestic consumption, growth and economic security. Lowering the costs of remittances is an important step to enhancing their development impact.
57. Efforts to promote the application of the ILO *Code of practice on HIV/AIDS and the world of work* must continue. This code of practice is a comprehensive vehicle that covers education, prevention, training, assistance, discrimination, and occupational safety and health among other issues. It forms a sound basis for developing partnership at the workplace as well as for effective action on HIV/AIDS beyond the workplace in rural and urban areas. United action among the key actors on HIV/AIDS should also be strengthened.

## **Promoting social dialogue and better governance**

58. Decent work deficits are often traceable to governance deficits. The interests of poor rural populations should be reflected in national policy frameworks on employment, rural development, health, education, social security, agriculture and infrastructure.
59. Good governance covers tripartism, employment policy and labour inspection. Good governance means voice and accountability, and construction of a legal infrastructure establishing public institutions that are characterized by predictability, transparency and are reliable over time. The purpose is to hinder corruption and inefficient administration and to create an enabling environment for sustainable enterprises which will assist in the migration of informal enterprises into the formal economy.
60. Knowledge and enforcement of the law tend to be weak in rural areas and labour codes frequently treat the agricultural sector differently from other sectors for a variety of reasons. Collective agreements can play an important role in setting out agreed principles and processes of governance at the enterprise or sectoral level, defining the terms and conditions of employment, and clarifying the rights and duties of employers and workers, and can thus provide the basis for stable labour relations.
61. Wage fixing is one of the most contentious rural labour issues, largely due to the lack of bargaining mechanisms through which workers and employers can freely negotiate mutually agreeable outcomes. Wages in agriculture tend to be low, with many workers being paid below the national minimum wage, where one exists. Non-payment or deferred payment of wages, inappropriate deductions from wage packets and other abusive practices deepen the poverty of the working poor.
62. Sharp inequalities in the distribution of and access to land are a major source of extreme poverty. However, land reform alone does not offer a universal solution to reducing

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poverty. In some countries, successes have been achieved, where distribution of and access to land have provided a sustainable livelihood and stimulated rural employment, whilst in others land reform has led to damaging effects. Effective land reform relies on broad political support and substantial state support in the form of registration of land rights, public investment, credit and technical assistance to enable newly endowed farmers to make productive use of their land, access markets and raise themselves from poverty. The International Conference on Agrarian Reform and Rural Development (ICARRD) in 2006 provided useful insights in this regard.

### **Priority policy guidelines**

63. Social dialogue based on freedom of association and the right to collective bargaining and supported by institutional, legal and regulatory frameworks is one of the most essential means for achieving effective, equitable and mutually beneficial outcomes for governments, employers, workers and wider society. Better organization of rural employers and workers and stronger labour market institutions are necessary to foster social dialogue in rural areas.
64. Strong institutions of social dialogue can promote good governance in the world of work. In this context, good governance requires the representation and participation of the social partners at national, regional and local levels. The social partners need to increase their outreach to rural employers and workers, and to assist in developing social dialogue for workers and employers to assist in the migration of the sector into the formal economy.
65. Social dialogue, at international level, can include the conclusion of International Framework Agreements between multinational enterprises and Global Union Federations in different sectors.
66. Employers' and workers' organizations should fully participate in the formulation of Decent Work Country Programmes (DWCPs) and should seek to include rural employers and rural workers to encourage the inclusion of rural issues in DWCPs.
67. Sound labour administration enables governments to give effect to key economic and social policies that have direct impact on the workplace. In the context of an effective regulatory and legal framework, government and the social partners should work together to extend the functions of effective labour administration and labour inspection to informal entities and, through information and training, encourage compliance with labour law.
68. In the context of a coherent national plan, governance may be improved by decentralizing or delegating powers to competent and accountable local and regional authorities. Greater effectiveness and efficiency of local administrations may be realized through ongoing training of locally elected officials, empowerment, flexibility and capacity building.
69. National policies for rural employment promotion can be made more effective by adapting them to the economic, environmental and social conditions of specific contexts. An approach that integrates different sectoral or territorial policies can improve the coherence and effectiveness of public expenditure in rural areas.

### **The roles of governments, employers and workers**

70. Cooperation between governments, workers and employers at the national, regional and local levels is an important element in promoting employment through the development of

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integrated strategies and programmes that are focused on reducing poverty in rural areas. This cooperation requires the support and commitment of the tripartite parties to shared roles and responsibilities, for example in promoting social dialogue, partnerships and access to services such as education and training. In addition to these areas of shared responsibility, there are areas where governments, workers and employers respectively should take the lead or would play a particularly useful role and these are listed below.

**71. Governments should:**

**A. Governance**

- Promote peace and social stability.
- Ensure the application of the rule of law and good governance based on transparency, predictability, stability and freedom from corruption. Good governance also covers tripartism, employment policy and labour inspection.
- Create an enabling environment for effective social dialogue and tripartism in rural areas.
- Develop policies in a manner that ensures the systematic analysis of their potential impact on different policy spheres and stakeholders.
- Ensure a formal and effective legal system which guarantees all citizens and enterprises that contracts are honoured and upheld, the rule of law is respected and property rights are secure.

**B. Rural employment policy (national and local)**

- Include rural employment issues in national development policies.
- Encourage a coherent and integrated approach to employment promotion and poverty reduction in rural areas among all relevant government ministries and agencies at all levels of government.
- Consult representative organizations of rural employers and workers at the national and local levels with regard to:
  - the formulation and implementation of national and local policies on rural development;
  - the formulation, implementation and evaluation of DWCPs.
- Invest adequately in agricultural and rural development taking into account national conditions.
- Encourage and support territorial approaches to rural development, where appropriate, and ensure coherence with the national development policy framework including sound environmental practices.
- Support skills development including lifelong learning and vocational education and training for both farm and non-farm activities.
- Create, maintain and promote as appropriate a conducive enabling environment for sustainable rural enterprise development and ensure responsible enterprise-level practices.

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- Promote the formalization of work in rural areas without hindering the livelihoods of the rural poor.
  - Encourage the effective use of public–private partnerships to implement policy measures in rural areas.
  - Ensure the sustainable utilization of the environment and natural resources.

#### C. Rights in rural areas

- Ensure that national legislation guarantees and defends the freedom of all workers and employers, irrespective of where and how they work, to form and join organizations of their own choosing without fear of reprisal or intimidation.
- Prevent violence against employers, leaders of employers’ organizations, workers and trade union leaders.
- Develop and enhance social protection for all which is sustainable and adapted to national circumstances.
- Provide the necessary legal and institutional provisions in order that rural workers can access their rights.
- In the context of a national plan, review legislation with a view to extending existing employment and labour rights to all.
- Conduct information campaigns to better inform rural employers and workers including:
  - their rights and responsibilities at work;
  - occupational safety and health;
  - HIV/AIDS at the workplace;
  - fundamental principles and rights at work.
- Promote gender equality, the empowerment of women, equal access to education and vocational training, and better possibilities for all to reconcile work, private and family life.

#### D. Services in rural areas

- Improve and promote access to basic services and investment in rural areas, including in the fields of health, education, energy, transport, technology and communications.
- Adequately staff and resource labour administrations, including labour inspection services.
- Where there is no existing labour inspection in rural areas, adequately staff and resource a labour inspection service.

#### E. Government capacity

- Collect reliable data on the livelihood characteristics of rural households, including gender-disaggregated data, to assist policy-makers in evidence-based policy

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formulation and make such data available in accordance with national law and practice.

*72. Employers' organizations should:*

- Advocate for effective rural economic and social development policies that produce an enabling environment conducive to enterprise creation and development.
- Extend their representation to rural areas and help their members in terms of representation to gain the benefits of cooperative actions.
- Act as a coordinator or broker among value chain actors from rural and urban areas to promote improvements and bring together member companies to negotiate with third parties.
- Provide direct services to help enterprises develop, along with information on legislation, markets, market and regulatory requirements, as well as quality and safety standards of importers and retailers.
- Promote training to improve productivity and good enterprise practices.
- Participate in the formulation, implementation and evaluation of DWCPs and ensure adequate attention to issues of rural employment and poverty reduction.

*73. Workers' organizations should:*

- Organize and represent rural workers through the processes of collective bargaining, including at sectoral level.
- Continue efforts to extend their representation to rural areas, including by organizing workers in the informal economy.
- Assist workers – including migrant workers – with information, services, and education.
- Strengthen the participation of women and youth in workers' organizations in rural areas.
- Promote youth employment.
- Promote occupational safety and health in rural enterprises and communities.
- Participate in the formulation, implementation and evaluation of DWCPs and ensure adequate attention to issues of rural employment and poverty reduction.

## **Plan of action for the Office**

74. The ILO should develop a strategy and a programme of work for rural employment. The plan of action needs to be rapidly and efficiently focused on practical interventions which are formulated in light of the ILO's financial and human resource capacities taking into account the Programme and Budget for 2008–09 and the Strategic Policy Framework for 2010–15. Actions will draw on the ILO's comparative advantage and core mandate. In this regard, it is important to recall instruments which guide the ILO's wider Decent Work Agenda. The ILO Constitution, including the Declaration of Philadelphia, as well as the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998,

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emphasize that economic and social policies are essential and mutually reinforcing components in leading to broad-based sustainable development and social justice in rural areas.

75. The ILO is well equipped to develop a strategy on rural employment for poverty reduction due to its mandate covering the world of work and its unique tripartite structure, which constitutes a comparative advantage in the multilateral system. The ILO should commit to develop and implement a strategy on rural development and rural employment in line with its four strategic objectives in relation to social and economic issues in rural areas. The ILO should coordinate efforts with other intergovernmental agencies at both the international and country levels in order both to achieve greater policy coherence in the multilateral system and to deliver as one. The growing collaboration with the Food and Agriculture Organization of the United Nations (FAO) should be further encouraged, as should the ILO's engagement in the International Partnership for Cooperation on Child Labour in Agriculture.
76. The plan of action should take DWCPs as the ILO's entry point at the country level. Governments should formulate and implement DWCPs in consultation with representative organizations of workers and employers.

## Employment

77. *The ILO should:*

- In order to inform future workplans, provide to its Governing Body a comprehensive report analysing the impact of prior activities focused on rural employment and gaps in coverage and barriers to ratification and implementation of international labour standards in rural areas.
- Ensure that national employment strategies and DWCPs adequately incorporate the promotion of productive employment in rural areas in accordance with the strategic orientations provided by these conclusions and the GEA.
- Encourage member States to adopt gender- and family-sensitive national rural employment policies.
- Promote the implementation of the 2007 conclusions on the promotion of sustainable enterprises in rural areas.
- Promote sustainable small and medium-sized enterprises, cooperatives and other community-based organizations.
- Promote entrepreneurship in rural areas, paying particular attention to the situation of women as well as young people, indigenous peoples and smallholders.
- Review data-collection systems and tools in order to support government efforts to strengthen evidence-based policy-making concerning rural employment and related issues.
- Provide technical assistance to constituents and support research on the linkages between economic growth, productive and decent employment and poverty reduction, including in the context of trade policies and practices.
- Undertake research on the enterprise and employment implications of biofuel production.

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- Support constituents in developing policies to extend education, skills development, training and retraining programmes.
  - Promote effective employment programmes such as employment guarantee schemes that target rural workers for the purpose of providing decent work.
  - Develop territorial approaches to promote rural employment and poverty reduction.
  - Promote accessible, universal, quality education and skills training in a system of lifelong learning in accordance with the needs of the rural economy.

## Standards

### 78. *The ILO should:*

- Promote the Declaration on Fundamental Principles and Rights at Work, 1998.
- Promote the ratification and effective application of labour standards relevant to rural areas. (See Annex II.)
- Promote the extension of national labour laws to all rural workers, including agricultural workers, migrant workers and indigenous peoples, where appropriate, through a programme of advocacy, capacity building and technical assistance.

## Social protection

### 79. *The ILO should:*

- Promote the extension of social protection to all, including the rural poor. In this respect the Governing Body is encouraged to explore the concept of a global social floor.
- Promote occupational safety and health in rural enterprises and communities.
- Promote the use of adequately staffed and resourced labour inspection to ensure compliance with occupational safety and health legislation in rural enterprises.
- Promote the ILO *Code of practice on HIV/AIDS and the world of work* in rural areas.
- Promote universal access to potable water.

## Social dialogue

### 80. *The ILO should:*

- Support the development and help build the capacity of rural employers' and workers' organizations, particularly in the agricultural sector.
- Encourage linkages between rural employers' and workers' organizations and their national and international counterparts.
- Promote effective social dialogue and labour market institutions in rural areas.

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- Provide training, policy advice and technical assistance to build capacity in labour administration, including labour inspection, in rural areas.

## Implementation

81. All constituents must be engaged in the development of their DWCP. This means that the priorities of the constituents must be reflected in their DWCP so that they are demand-driven. In particular, DWCPs should help to build the capacity of constituents.
82. Within the parameters of the programme and budget, the Office should ensure that the above plan of action is implemented by the concerned programmes at headquarters in a coordinated and efficient manner and in cooperation with other international bodies as appropriate. Priority should also be given to ensuring that the plan of action is reflected in the design and implementation of DWCPs. Arrangements should be put in place to adequately monitor progress and impact. In addition, progress should be reported to the appropriate Governing Body organs.

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## Annex I

### Paragraph 11 of conclusions concerning the promotion of sustainable enterprises

11. The enabling environment for sustainable enterprise development comprises a large array of factors, the relative importance of which may vary at different stages of development and in different cultural and socio-economic contexts. However, there are some basic conditions that are generally considered to be essential. These interconnected and mutually reinforcing conditions are the following:
- (1) *Peace and political stability.* Peace and political stability are basic preconditions to nurture the formation and growth of sustainable enterprises while war and civil conflict are major deterrents of investment and private sector development.
  - (2) *Good governance.* Democratic political institutions, transparent and accountable public and private entities, effective anti-corruption measures and responsible corporate governance, are key conditions for making market economies and enterprises perform in superior ways and be more responsive to the values and long-term goals of society.
  - (3) *Social dialogue.* Social dialogue based on freedom of association and the right to collective bargaining, including through institutional and regulatory frameworks, is essential for achieving effective, equitable and mutually beneficial outcomes for governments, employers, workers and wider society.
  - (4) *Respect for universal human rights and international labour standards.* Competitiveness should be built on values. Respect for human rights and international labour standards, especially freedom of association and collective bargaining, the abolition of child labour, forced labour and all forms of discrimination, is a distinctive feature of societies that have successfully integrated sustainability and decent work.
  - (5) *Entrepreneurial culture.* Governmental and societal recognition of the key role of enterprises in development and strong support, both public and private, to entrepreneurship, innovation, creativity and the concept of mentorship, particularly for start-ups, small enterprises and targeted groups such as women and youth, are important determinants of a conducive business environment. Respect for workers' rights should be embedded in programmes targeting entrepreneurial culture.
  - (6) *Sound and stable macroeconomic policy and good management of the economy.* Monetary, fiscal and exchange rate policies should guarantee stable and predictable economic conditions. Sound economic management should balance the twin objectives of creating more and better jobs with combating inflation and provide for policies and regulations that stimulate long-term productive investment. Attention should also be given to increasing aggregate demand as a source of economic growth contingent on national conditions. In the case of developing and least developed countries, achieving sound macroeconomic conditions usually requires the decisive support of the international community through debt relief and official development assistance.
  - (7) *Trade and sustainable economic integration.* The varying development levels of countries must be taken into account in lifting barriers to domestic and foreign markets. Efficiency gains caused by trade integration can lead to positive employment effects either in terms of quantity or quality of jobs or a combination of both. However, as trade integration can also lead to job dislocation, increased informality and growing income inequality, measures must be taken by governments in consultation with the social partners, to better assess and address the employment and decent work impact of trade policies. Actions are also needed at regional and multilateral levels to remove trade distortions and to assist developing countries in building their capacity to export value-added products, manage change and develop a competitive industrial base.

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- (8) *Enabling legal and regulatory environment.* Poorly designed regulations and unnecessary bureaucratic burdens on businesses limit enterprise start-ups and the ongoing operations of existing companies, and lead to informality, corruption and efficiency costs. Well-designed transparent, accountable and well-communicated regulations, including those that uphold labour and environmental standards, are good for markets and society. They facilitate formalization and boost systemic competitiveness. Regulatory reform and the removal of business constraints should not undermine such standards.
  - (9) *Rule of law and secure property rights.* A formal and effective legal system which guarantees all citizens and enterprises that contracts are honoured and upheld, the rule of law is respected and property rights are secure, is a key condition not only for attracting investment, but also for generating certainty, and nurturing trust and fairness in society. Property is more than simply ownership. Extending property rights can be a tool for empowerment and can facilitate access to credit and capital. They also entail the obligation to comply with the rules and regulations established by society.
  - (10) *Fair competition.* It is necessary to establish, for the private sector, competition rules that include universal respect for labour and social standards, and to eliminate anti-competitive practices at national level.
  - (11) *Access to financial services.* A well-functioning financial system provides the lubricant for a growing and dynamic private sector. Making it easier for SMEs, including cooperatives and start-ups, to access financing, for example, credit, leasing, venture capital funds or similar or new types of instruments, creates appropriate conditions for a more inclusive process of enterprise development. Financial institutions, particularly multilateral and international ones, should be encouraged to include decent work in their lending practices.
  - (12) *Physical infrastructure.* Enterprise sustainability and human development critically depend on the quality and quantity of the physical infrastructure available, such as physical facilities for enterprises, transportation systems, schools and hospitals. Reliable and affordable access to water and energy also remains a major challenge, especially in developing countries. Enterprises are also particularly assisted by local access to supporting industries such as service providers, and machinery suppliers and producers.
  - (13) *Information and communication technologies.* Expanding access to information and communication technologies (ICTs) is another crucial challenge in the era of the knowledge economy. The use of ICTs is, therefore, fundamental to the development of sustainable enterprises and must be fully utilized in this regard. Affordable broad-band technology is also of extreme importance to countries and enterprises and should be facilitated.
  - (14) *Education, training and lifelong learning.* Human talent is the single most important productive factor in today's economy. Focusing on the development of a skilled workforce and the expansion of human capabilities through high-quality systems of education, training and lifelong learning is important for helping workers to find good jobs and enterprises to find the skilled workers they need. Financial support should also be made available to enhance access of poor workers to training and skills upgrading. In this way, society can achieve the twin goals of economic success and social progress.
  - (15) *Social justice and social inclusion.* Inequality and discrimination are incompatible with sustainable enterprise development. Explicit policies for social justice, social inclusion and equality of opportunities for employment are needed. Effective exercise of the right to organize and bargain collectively is also an effective means to ensure fair distribution of productivity gains and adequate remuneration of workers.
  - (16) *Adequate social protection.* Sustainable tax-based or other national models of universal social security that provide citizens with access to key services such as quality health care, unemployment benefits, maternity protection and a basic pension, are key to improving productivity and fostering transitions to the formal

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economy. Protecting workers' health and safety at the workplace is also vital for sustainable enterprise development.

- (17) *Responsible stewardship of the environment.* In the absence of appropriate regulations and incentives, markets can lead to undesirable environmental outcomes. Tax incentives and regulations, including public procurement procedures, should be used to promote consumption and production patterns that are compatible with the requirements of sustainable development. Private market-based solutions, such as the use of environmental criteria in assessing credit risk or investment performance, are also effective means to tackle this challenge.

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## Annex II

### Instruments of the International Labour Organization relevant to the promotion of rural employment for poverty reduction

#### I. Core Conventions

- Forced Labour Convention, 1930 (No. 29)
- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Equal Remuneration Convention, 1951 (No. 100)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)

#### II. Priority Conventions

- Labour Inspection Convention, 1947 (No. 81)
- Employment Policy Convention, 1964 (No. 122)
- Labour Inspection (Agriculture) Convention, 1969 (No. 129)
- Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)

#### III. Other relevant instruments

##### A. Conventions

- Protection of Wages Convention, 1949 (No. 95)
- Migration for Employment Convention (Revised), 1949 (No. 97)
- Social Security (Minimum Standards) Convention, 1952 (No. 102)
- Plantations Convention, 1958 (No. 110)
- Protocol of 1982 to the Plantations Convention, 1958 (No. 110)
- Equality of Treatment (Social Security) Convention, 1962 (No. 118)
- Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121)
- Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128)
- Medical Care and Sickness Benefits Convention, 1969 (No. 130)
- Minimum Wage Fixing Convention, 1970 (No. 131)
- Rural Workers' Organisations Convention, 1975 (No. 141)
- Human Resources Development Convention, 1975 (No. 142)
- Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)
- Labour Administration Convention, 1978 (No. 150)
- Workers with Family Responsibilities Convention, 1981 (No. 156)
- Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)

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Indigenous and Tribal Peoples Convention, 1989 (No. 169)  
Home Work Convention, 1996 (No. 177)  
Maternity Protection Convention, 2000 (No. 183)  
Safety and Health in Agriculture Convention, 2001 (No. 184)  
Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)

#### Conventions with interim status <sup>1</sup>

Right of Association (Agriculture) Convention, 1921 (No. 11)  
Minimum Wage-Fixing Machinery Convention, 1928 (No. 26)  
Forty-Hour Week Convention, 1935 (No. 47)  
Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (No. 99)  
Holidays with Pay Convention (Revised), 1970 (No. 132)

#### **B. Recommendations**

Migration for Employment Recommendation (Revised), 1949 (No. 86)  
Equal Remuneration Recommendation, 1951 (No. 90)  
Indigenous and Tribal Populations Recommendation, 1957 (No. 104)  
Plantations Recommendation, 1958 (No. 110)  
Discrimination (Employment and Occupation) Recommendation, 1958 (No. 111)  
Tenants and Share-croppers Recommendation, 1968 (No. 132)  
Rural Workers' Organisations Recommendation, 1975 (No. 149)  
Migrant Workers Recommendation, 1975 (No. 151)  
Tripartite Consultation (Activities of the International Labour Organisation) Recommendation, 1976 (No. 152)  
Workers with Family Responsibilities Recommendation, 1981 (No. 165)  
Vocational Rehabilitation and Employment (Disabled Persons) Recommendation, 1983 (No. 168)  
Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169)  
Home Work Recommendation, 1996 (No. 184)  
Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)  
Maternity Protection Recommendation, 2000 (No. 191)  
Safety and Health in Agriculture Recommendation, 2001 (No. 192)  
Promotion of Cooperatives Recommendation, 2002 (No. 193)  
Human Resources Development Recommendation, 2004 (No. 195)  
Promotional Framework for Occupational Safety and Health Recommendation, 2006 (No. 197)

#### Recommendations with interim status <sup>1</sup>

Social Insurance (Agriculture) Recommendation, 1921 (No. 17)  
Minimum Wage-Fixing Machinery (Agriculture) Recommendation, 1951 (No. 89)

<sup>1</sup> Interim status refers to a category of instruments which are no longer fully up to date, but remain relevant in certain respects.

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## Resolution concerning the ILO's and the tripartite constituents' role in tackling the global food crisis

The General Conference of the International Labour Organization,

Having adopted the report and conclusions of the Committee on the Promotion of Rural Employment for Poverty Reduction, meeting in Geneva, 2008,

*Noting* that the Executive Heads of the UN specialized agencies, Funds and Programmes and Bretton Woods institutions (CEB), meeting in Berne, 28–29 April 2008, chaired by the United Nations Secretary-General, agreed on a common strategy in support of developing country governance to confront the global food crisis,

*Further noting* that the UN Secretary-General called on world leaders to make every effort to participate in the High-Level Conference on World Food Security: the Challenges of Climate Change and Bioenergy in Rome on 3–5 June 2008,

*Mindful* that the dates of the High-Level Conference coincided with those of the International Labour Conference 2008 thereby limiting participation of the ILO's constituents,

*Confirming* that the poor are the hardest hit by the food crisis,

*Noting* the vital role of workers and employers in food production and distribution, and that they are affected by this crisis,

*Concerned* that even before the food crisis there were 800 million people living in hunger;

*Calls* on the Governing Body of the International Labour Organization to request the Director-General to consider allocating resources to enable the ILO to convene a tripartite technical workshop on the global food crisis and its impact on decent work. Such a meeting should:

- take account of the work by the CEB Task Force on the Global Food Crisis;
- share with other UN agencies the expertise of the ILO tripartite partners on rural employment and poverty reduction;
- contribute to an informed discussion within the UN on the social and employment impact of food prices on decent work.