



International
Labour
Office

Promoting Decent Work for Rural Workers at the Base of the Supply Chain

**DECENT WORK IN THE RURAL ECONOMY
POLICY GUIDANCE NOTES**

Supply chains influence the structure of labour markets and transform production, trade and employment. They are important in the rural economy for economic development and the promotion of decent work, particularly as rural workers are often found at the base of the chain. The International Labour Organization (ILO) plays an active role in working towards a situation in which rural workers can achieve effective and beneficial participation in supply chains, facilitating both economic and social upgrading while ensuring good governance and the respect of fundamental rights.



1. Rationale and justification

Supply chains are growing in importance,¹ including in largely rural-based sectors, such as agriculture, fishing, tourism and mining.² Many rural areas are linked to the local, national and global economy via supply chains, as millions of rural workers participate in supply chains either through formal employment or informal work, including non-standard work arrangements.³ Supply chains are leading to changes in the structure of labour markets around the world, in the international division of labour, and in trade flows between countries.⁴ Creating opportunities for decent work and promoting rural workers' participation and voice in supply chains can help build sustainable, inclusive and thriving rural economies.

Supply chains can positively impact performance and productivity through enterprise and employment creation and growth⁵ and the dissemination of knowledge and productive technologies across economies at different stages of development.⁶ They can also lead to increased employment opportunities for women, migrants and youth in rural areas.⁷ Supply chains can be an important avenue through which developing countries can build productive capacity, and local businesses can capture a fair share of the value added. This is important for both ensuring sustainability of production and a thriving rural economy. Yet at the same time there are concerns about the implications of the rise

of supply chains for the quantity, quality and distribution of employment and incomes.⁸

Although working conditions can be poor at any level of the supply chain, the poorest working conditions tend to be found at the level of production, which is also the level at which rural workers are normally involved.⁹ There is a growing trend towards the use of casual or temporary workers and subcontractors whose workers may face greater decent work deficits.¹⁰ Rural workers' representatives may lack the leverage and organization needed to engage in collective bargaining and social dialogue¹¹ to affect working conditions, particularly when engaged in the supply chain as casual, temporary or subcontracted workers. Supply chains can also affect wages and the nature of work contracts.¹² Thus, the key issue is not only whether supply chains positively impact employment and productivity, but whether workers participating in supply chains have decent work.¹³

In other words, the most important consideration for policy is to ensure that rural workers' participation in supply chains leads to both economic and social upgrading. Economic upgrading refers to a move to a higher value-added activity, whereas social upgrading occurs when working conditions improve. Social upgrading does not necessarily occur with economic upgrading; thus, when designing interventions in the rural economy, ensuring that social upgrading accompanies economic upgrading should be at the forefront of creating impact.

¹ "Multinational Enterprise (MNE) coordinated global supply chains account for 80 per cent of global trade. But it is also estimated that the contribution of local firms is very significant (in the range of 40-50 per cent of export value added)," according to UNCTAD/OECD/WTO: *Implications of global value chains for trade, investment, development and jobs*, prepared for the G-20 leaders' summit, Saint Petersburg, September 2013, p.5. The ILO estimates that more than one in five jobs are connected to global supply chains — see ILO: *World economic and social outlook*, Geneva, ILO, 2015, p. 132. In addition, local supply chains are extremely critical to the livelihoods of poor market segments.

² ILO: *Agenda of the International Labour Conference (2015 and Beyond)*, Governing Body, 319th Session, Geneva, Oct. 2013, GB.319/INS/2.

³ ILO: *Area of Critical Importance: Promoting Decent Work in the Rural Economy*, Governing Body, 322nd Session, Geneva, Oct. 2014, GB.322/POL/2, p. 2.

⁴ ILO: *Agenda of the International Labour Conference (2015 and beyond)*, Governing Body, 319th Session, Geneva, Oct. 2013, GB.319/INS/2, p. 7.

⁵ "The income from trade flows within global supply chains has doubled between 1995 and 2009: for China it has increased 6-fold, India 5-fold and Brazil 3-fold" — see UNCTAD/OECD/WTO: *Implications of global value chains for trade, investment, development and jobs*, prepared for the G-20 leaders' summit, Saint Petersburg, September 2013, p.5.

⁶ Developing economies with the fastest growing participation in global supply chains have GDP per capita growth rates 2 per cent above average — see UNCTAD/OECD/WTO: *Implications of global value chains for trade, investment, development and jobs*, prepared for the G-20 leaders' summit, Saint Petersburg, September 2013, p. 5.; UNCTAD: *World Investment Report 2013: Global value chains: Investment and trade for development*, New York and Geneva, 2013, p. 157.

⁷ Women's employment in agriculture varies considerably with the type of production and the gender division of labour in different countries — see UNCTAD: *World Investment Report 2013: Global value chains: Investment and trade for development*, New York and Geneva, 2013, p. 157.

⁸ UNCTAD: *World Investment Report 2013: Global value-chains: Investment and trade for development*, New York and Geneva, 2013, p. 157. See also, G. Gereffi, P. Psilos and K. Fernandez-Stark: *Skills for Upgrading: Workforce Development and Global Value Chains in Developing Countries*, Durham, North Carolina, Duke University, Centre on Globalization, Governance & Competitiveness, 2011.

⁹ UNCTAD: *World Investment Report 2013: Global value-chains: Investment and trade for development*, New York and Geneva, 2013, p. 157.

¹⁰ S. Barrientos, G. Gereffi and A. Rossi: "Economic and social upgrading in global production networks: A new paradigm for a changing world", in *International Labour Review*, Vol. 150, No. 3-4, 2011.

¹¹ L. Riisgaard and N. Hammer: "Prospects for labour in global value chains: Labour standards in the cut flower and banana industries", in *British Journal of Industrial Relations*, Vol. 49, No. 1, pp. 168-190, 2011.

¹² ILO: *World, Employment and Social Outlook: The changing nature of jobs*, Geneva, 2015, p. 140.

¹³ R. Kaplinsky: *Globalization, Poverty and Inequality: Between a Rock and a Hard Place*, Cambridge, Polity, 2005.

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With the majority of the working poor living in rural areas, effective participation of rural workers in supply chains can create significant opportunities for poverty reduction.¹⁴ Linking rural workers to supply chains has the potential to aid transition from subsistence to market-oriented production that raises incomes and creates incentives to invest in the rural economy, with a beneficial impact on productivity, output, and other rural sectors.¹⁵ The policy challenge is therefore to capture the gains of supply chain participation to generate

growth and productive employment, while ensuring the application of international labour standards (ILS) and the realization of decent work. This Policy Guidance Note aims to provide a better understanding of how engagement with supply chains can help national and local economies and communities to grow in a sustainable and inclusive manner, promote more and better jobs and contribute to realizing decent work for all.

2. Scope and definitions

The term supply chain refers to the coordination of the full range of activities – as well as the labour required for these activities – involved in bringing a good or service from its conception and design, through the inputs and different phases of production to its delivery to final consumers. The related term value chain is used to highlight the relative value of these activities,¹⁶ and is “often used with a developmental connotation addressing productivity, growth and job creation in the market system.”¹⁷ This policy guidance note focuses more broadly on supply chains, but also provides specific examples of programmes and projects that take a value chain approach. The supply chain perspective is useful for understanding: (i) how the supply chain is governed, in particular the role of lead firms with the power to coordinate supply chain activities,¹⁸ forms of coordination and power asymmetries; (ii) the status of labour law and other relevant legislation; (iii) the relationship between employer and worker representatives; (iv) the stages of both value capture and generation; and, (v) the actors, rules and barriers that affect rural supplier participation and the promotion of decent work.

Multinational enterprises (MNEs), typically based in developed countries but increasingly in emerging economies, are buying more and more from rural suppliers who must meet their buyer standards, product specificities and supply requirements,

such as just-in-time ordering.¹⁹ Global businesses may coordinate supply chains as a way to develop more cost-effective production systems, increase their competitiveness and expand their markets. This global sourcing is made possible by the deepening of globalization through increased liberalization of trade, new information technologies and more effective transport models.

MNEs are often the lead firms in supply chains and, through their investments, have the potential to bring substantial benefits to the working and living conditions of millions of people worldwide linked to their supply chains. In some cases, companies have developed corporate social responsibility (CSR) strategies and private compliance initiatives (PCIs) in response to growing pressure and expectation that they address labour issues throughout their supply chains, including at the level of their trading partners and suppliers. These private voluntary initiatives can help improve worker health and safety, facilities and storage.²⁰ However, “many companies struggle to balance a commitment to ethical working conditions over managing multiple [supply] chain partners and remaining competitive in the process”,²¹ and in general CSR in itself has been inadequate in addressing the decent work challenges related to supply chains.²²

¹⁴ ILO: *Global Employment Trends 2012: Preventing a deeper job crisis*, Geneva, 2012. Employed persons living below the US\$1.25 per day international poverty line are considered “working poor”. Working poverty is conventionally determined on the basis of household consumption. This means that private or public transfers, which affect household consumption, also influence working poverty.

¹⁵ ILO: “Investing in food security as a driver for better jobs”, in *World of Work Report 2011: Making markets work for jobs*, Geneva, 2011.

¹⁶ G. Gereffi, J. Humphrey, R. Kaplinsky and T. Sturgeon: “Introduction: Globalisation, Value Chains and Development”, in *IDS Bulletin*, Vol. 32(3), 2001, p. 3.

¹⁷ ILO: *A rough guide to value chain development: How to create employment and improve working conditions in targeted sectors*, Geneva, 2015, p. 4.

¹⁸ G. Gereffi, J. Humphrey and T. Sturgeon: “The governance of global value chains”, in *Review of International Political Economy*, Vol.12, issue. 1, 2005, pp. 78–104.

¹⁹ C. Dolan and J. Humphrey: “Changing governance patterns in the trade in fresh vegetables between Africa and the United Kingdom”, in *Environment and Planning A*, Vol. 35, No. 3, 2004, pp. 491 – 509.

²⁰ UNCTAD: *World Investment Report 2013: Global value chains: Investment and trade for development*, New York and Geneva, 2013, p. 157.

²¹ World Economic Forum: *Beyond Supply Chains*, Geneva, 2015.

²² R. Locke: *The promise and limits of private power*, Cambridge, Cambridge University Press, 2013.

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Often value generated in a supply chain is not captured by developing countries, but rather by the lead firm. Global buyers can be demanding in ensuring that their suppliers comply with production standards, which increases supplier costs without guarantee of higher prices. These standards do not necessarily include labour rights, and workers may experience decent work deficits, particularly in situations where governments do not have adequate capacity to regulate and enforce labour conditions.²³ Another concern is that rural economies may become dependent upon MNE technologies and then – because of fluctuations in product or service demand – marginal workers may be cast off. This is exacerbated by lags between fluctuations, with negative consequences on suppliers further down the chain, often referred to as the “bullwhip effect”.²⁴

There is a need to consider both economic and social upgrading to ensure that improvements in productivity and value-added go hand-in-hand with improved working conditions. Depending on which products are to be supplied – and on how, when and where they will be produced – quality standards can be a springboard to help upgrade working conditions for rural workers.²⁵ It is necessary to gain a better understanding of the work arrangements and employment opportunities that supply chains in rural economies can

generate, and the corresponding decent work challenges at the sector-specific level (including obstacles to effective and beneficial participation in supply chains for developing countries), in order to help improve policy outcomes. The use of supply chain analysis as a policy tool can help identify the key leverage points for tripartite constituents, while recognizing that supply chains can vary immensely across sectors and national contexts. Policies should focus on improving statistics and measurements of the impact of rural supply chains on decent work.

At the same time, a conducive business environment is essential to help improve the working conditions of workers participating in supply chains. Cooperatives and other representative organizations, such as farmers’ organizations, can be supported to strengthen the bargaining power of smallholders and workers, to improve rights and voice and to help meet the quality and volume demands of buyers. Improvements in infrastructure in particular can help rural economies to connect with supply chains. The further development of training can also help to enable smallholders and organizations to better integrate into the global economy. Any policies that involve significant investment in rural economies must also ensure that social upgrading criteria are established and met.

3. The ILO’s approach

The ILO’s efforts to promote decent work in rural economies follows a twin-track approach, including promoting access to supply chains and the market, and promoting decent work for those rural workers already engaged. They focus both on top-down governance initiatives and bottom-up upgrading strategies to improve access and linkages to global, national and local markets while also ensuring better working conditions, wages and rights at work. The ILO has supported supply chain development and upgrading through several

initiatives and strategies that draw on its core competencies. Its focus is not solely on policies that aim at increasing employment and revenues, but also on policies that aim to improve job quality, emphasizing the importance of economic and social upgrading going hand-in-hand. Although supply chain participation may lead to higher employment and GDP per capita growth, conditions of work may be poor; therefore, policies matter.

²³ M. Levi et al.: *Aligning Rights and Interests: Why, When and How to Uphold Labor Standards*, Washington, DC, 2013.

²⁴ ILO: “Investing in food security as a driver for better jobs”, in *World of Work Report 2011: Making markets work for jobs*, Geneva, 2011, p. 159.

²⁵ Adapted from, ILO: *Agenda of the International Labour Conference (2015 and beyond)*, GB.319/INS/2, Governing Body, 319th Session, Geneva, 16-31 October 2013.

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Policies that target a supply chain or aim to upgrade activities must first be accompanied by detailed analysis of the network and the actors involved, prioritizing the enabling business environment and strong national regulation. The ILO's approach requires a look at the entire supply chain of a sector, and considers that changes at one end of the chain can have an impact at the other end. This approach helps to identify constraints and to find where -- in the chain and supporting network -- sub-standard working conditions might be hindering overall performance.

The ILO's two-pronged approach includes, for example, the promotion of the Tripartite Declaration of Principles concerning Multinational Enterprise and Social Policy (MNE Declaration). The MNE Declaration is the ILO's key tool for promoting labour standards and principles in the corporate world. Endorsed by governments, and employers' and workers' organizations, it contains recommendations for MNEs as well as constituents, related to employment, training, conditions of work and life, and industrial relations. It includes recommendations on establishing social dialogue mechanisms to promote farmer-to-market linkages that ensure both economic and social upgrading. The MNE Declaration in particular can result in lead firms exerting influence on suppliers to comply with ILS. At the same time, the ILO recognizes that voluntary initiatives are no substitute for effective regulation, and companies should not use their voluntary initiatives to avoid compliance with national legislation, while governments should not use it to ask companies to fulfil part of its mandate.²⁶

The ILO supports both public and private institutions, improving their relevancy in supply chains and assisting in upgrading opportunities. It focuses on those supply chains that have the best chances of increasing employment and/or the need to improve working conditions. It does this through a market systems analysis, such as the Making Markets Work for the Poor Approach (M4P), which harnesses the dynamism of the market system, and identifies and targets those markets that are of the greatest importance to the poor, and it intervenes to trigger those improvements with the greatest and most durable impact on reducing poverty. In addition, the ILO's work on Business Development Services (BDS) in rural economies has helped empower local businesses, assist in overcoming barriers to supply chain participation, and improve skills and technical training. Supply chain analyses are used to grasp the functioning potential, challenges and employment-related issues in rural sectors and the rural economy. The Value Chain Development (VCD) framework, for example, guides and drives high-impact and sustainable initiatives focused on improving productivity, competitiveness, entrepreneurship, and the growth of small and medium-sized enterprises (SMEs) in the rural economy. VCD is geared towards analysing chains and addressing key weaknesses that can contribute to their development or improvement.

The ILO's comparative advantage and value-added in tackling opportunities and challenges in supply chains is both its global capacity to promote governance initiatives through the Decent Work Agenda and ILS, and its technical expertise in promoting upgrading strategies. Its involvement is at multiple points along the chain and across sectors, ensuring that all social partners are engaged in dialogue towards achieving decent work. Social dialogue in particular helps improve transparency in supply chains so that constituent strategies can be recognized.²⁷ Tripartism and social dialogue mechanisms can help ensure that all actors within the supply chain – from production to consumption – benefit from their participation, which is especially important considering the multi-stakeholder and cross-sectoral nature of supply chains.

²⁶ L. Pegler and P. Knorringer: "Integrating labour issues in global value chain analysis. Exploring implications for labour research and unions", in V. Schmidt (ed.): *Trade union responses to globalization*, Geneva, ILO, 2007, pp. 35-49.

²⁷ For example through sectoral meetings such as the 2007 Tripartite Meeting to Examine the Impact of Global Food Chains on Employment.

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The ILO fosters collaboration between sectoral trade unions, employers' organizations, Global Union Federations (GUFs), governments, local suppliers, and civil society organizations. It also promotes social dialogue where no representative body exists, which is common in the rural economy. Social dialogue can create a genuine link between producer and consumer, improving market information and creating incentives for actors throughout the supply chain to overcome poor working conditions. Effective dialogue alleviates bottlenecks and improves transparency and traceability, especially for those workers in second and third tier suppliers. Social dialogue can also lead to higher added-value activities and a greater understanding of the link between productivity and decent working conditions, which can assist in the alleviation of poverty.

Gender-sensitive policies are imperative. Women make up a significant proportion of rural workers²⁸ and are more likely than men to work in supply chains.²⁹ They often lack mobility and access to productive assets and as such are often among the most vulnerable.³⁰ Women are often more disadvantaged than men as they typically encounter barriers in access to information and technologies. When developing products and policies, the ILO utilizes its expertise to ensure gender equality and prioritize women in education, training and credit support.

The ILS remain the ILO's oldest, most prominent and unique mechanism for promoting decent work, including in supply chains in the rural economy. In particular, the ILO core Conventions are important because of the legitimacy that has been accredited to them by the international community. They form the basis of many company codes of conduct,

the baseline for International Framework Agreements (IFAs) and the content of certifiable standards.³¹ As the ILO core Conventions have been validated by the tripartite constituents and are applied in a wide range of country contexts, they are a useful tool for addressing labour issues that involve multiple actors at various stages of supply chains in a variety of sectors.

Given the increasing importance of CSR and PCIs in supply chains, governments need to establish policies that complement these standards.³² Several evaluations have concluded that increased transparency and improved capacity are key to better monitoring, but are most effective if complemented by government regulation.³³ This is an area where the ILO, with experience of supporting compliance and harmonization with ILS in numerous sectors, has an important role to play, especially in building the capacity of their constituents in ensuring effective inspection and regulation. This could include the promotion of the Labour Inspection Convention, 1947 (No. 81), and the Labour Inspection (Agriculture) Convention, 1969 (No. 129), to ensure that labour inspection mechanisms are in place in rural economies, where communication and monitoring are often more difficult. This is growing in importance as decent working conditions are becoming a precondition for exporting to markets in many countries.³⁴

The ILO collaborates with other international institutions that acknowledge the opportunities and challenges that supply chains present to employment conditions, including other UN specialized agencies, funds and programmes, the World Bank Group, as well as academic institutions.³⁵ International labour standards in global supply chains were also included on the agenda of the G7 in June 2015.³⁶

²⁸ ILO: *Promotion of Rural Employment for Poverty Reduction*, Report IV, ILC, 97th Session, Geneva, 2008.

²⁹ ILO: *World Economic and Social Outlook*, (Geneva, 2015).

³⁰ ILO: *Promotion of Rural Employment for Poverty Reduction*, Report IV, ILC, 97th Session, Geneva, 2008.

³¹ For example the UK's Ethical Trading Initiatives (ETI) Base Code which is explicit in its reference to the ILO's core Conventions.

³² Better Work focuses primarily on the clothing sector, which typically does not occur within the rural economy. However, their approach is innovative in tackling the opportunities and challenges presented by global supply chains through the engagement with large brands and an extensive inspection network.

³³ G. Smith and D. Feldman: *Company codes of conduct and international standards: An analytical comparison*, Washington, DC, World Bank/IFC, 2003.

³⁴ For example in the Cambodian garment industry.

³⁵ In particular the ILO's participation in the Capturing the Gains network.

³⁶ See http://www.bmz.de/g7/en/Entwicklungspolitische_Schwerpunkte/Menschenwuerdige_Arbeit/index.html.

4. The ILO's experience to date

The ILO organizes opportunities for social dialogue among constituents involved in the supply chains of specific economic sectors. The conclusions on “promoting rural employment for poverty reduction” adopted at the 97th Session of the International Labour Conference in 2008 stated, for example, that access to transparent and competitive markets, services and inputs, including through national and global value chains is among the particularly important elements for facilitating the creation and development of sustainable enterprises in the rural economy.³⁷ In November 2011, the Governing Body endorsed a strategic approach to promoting food security through decent work in critical economic sectors across the global food supply chain.³⁸ In 2016, there will be a general discussion at the International Labour Conference on decent work in global supply chains. This discussion could offer important guidance to governments, employers and workers for work at the national level, and identify ways for the ILO to support its constituents in addressing opportunities and challenges in the promotion of decent work in global supply chains. The Conclusions from that Session of the Conference could also play an important role in identifying potential areas for inter-agency work and future ILO action, including in the effective promotion of the MNE Declaration at the global and country level, research, capacity-building needs and standards-related outcomes.³⁹

The ILO's work on VCD focuses on the subsectors that are most relevant for job creation and job quality improvement. The ILO aims at addressing systems and institutions that can drive competitiveness and job creation in specific sectors by using a market development approach. Currently 15 VCD projects in the rural economy of 12 countries have identified employment and job quality improvement as their core objective.⁴⁰

One recent example of a VCD project in the rural economy is the ILO's Business Opportunities and Support Services (BOSS) project, running from 2011 to 2015 in Timor-Leste. Its objective is to contribute directly to the generation of pro-poor economic development and quality employment for women and men, and indirectly to peace consolidation and conflict prevention. The project works to strengthen the capacity of Timor-Leste's Institute of Business Support (IADE) to deliver effective business development services to Timor-Leste's emergent private sector, at the same time as using a market systems approach to address underlying constraints in the horticulture, cattle and tourism sectors. Due to an abundance of low-productivity subsistence work in agriculture, where the majority of Timorese were engaged, the most feasible and relevant strategy for the BOSS project was a focus on developing market systems to increase returns for those who were currently “working hard, but working poor” as self-employed rural producers. In attempting to do this, BOSS learnt that it first needed to unpack the contextual problems facing those in poverty, and then understand and address the root causes for why important market systems were underperforming. During implementation, BOSS required appropriate measurement methods to track, in real time, whether it was having an impact.⁴¹

³⁷ Paragraph 32.

³⁸ ILO: *Decent work in the global food supply chain: A sectoral approach*, Governing Body, 312th Session, Geneva, Nov. 2011, GB.312/POL/7.

³⁹ ILO: *Agenda of the International Labour Conference (2015 and Beyond)*, Governing Body, 319th Session, Geneva, Oct. 2013, GB.319/INS/2.

⁴⁰ These countries include: Timor Leste, Myanmar (2), Egypt, Zambia (2), Mozambique, South Africa, Peru (2), El Salvador, Afghanistan, Zambia (with UNHCR), India (with UNHCR) and Democratic Republic of Congo.

⁴¹ M. Ripley and A. Major: *The BOSS project in Timor-Leste: Thin Markets, thick impact?*, Geneva, ILO, 2015.

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Other VCD projects with target groups active in the rural economy include:

- *Granos Andinos* in Peru: an ILO joint programme with the Food and Agriculture Organization (FAO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) that promotes pro-poor growth in Peru's quinoa sector, particularly for smallholder women and men in the Sierra who are disadvantaged in terms of access to markets and availability of services;⁴²
- *Roads to Jobs* in Afghanistan: a three-year project that aims to create more and better jobs for poor rural households and income earners in Northern Afghanistan. The project uses a systemic approach to identify the underlying constraints inhibiting the performance of four targeted agricultural value chains: cotton, poultry, grapes and raisins, and agricultural inputs;
- *Youth Employment through Local Economic Development* in Viet Nam: a 2.5-year project which worked directly with IKEA, a multinational group of companies that designs and sells furniture, to increase productivity and improve working conditions for home-based suppliers;⁴³
- *Pro-poor Horticulture Value Chains* in Egypt: a four-year joint programme with the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO), UN Women, and the ILO that promoted partnerships between small farmers and private sector investors, which allowed farmers to gain access to business services and become more integrated into the domestic and international value chains.⁴⁴

The *Decent Work for Food Security (DW4FS)* project in Nusa Tenggara Timur – one of Indonesia's poorest and most isolated provinces – aims at improving the functioning of agro-food value chains. Developed in partnership with the Ministry for the Development of Villages and Disadvantaged Areas of Indonesia and the FAO, the programme targets decent work challenges along selected agricultural value chains, with a view to enhancing their productivity and competitiveness, and improving livelihoods and food security of workers and their families.

The objective of the Sustaining Competitive and Responsible Enterprises (SCORE) programme is to assist SMEs to become cleaner, more productive and competitive, and provide better jobs. SCORE Training drives this transformation and helps SMEs to participate in global supply chains. In Peru for example, a pilot project in the agricultural export sector aiming at enhancing productivity and health and safety was implemented successfully in 2014.⁴⁵ The 12 participating companies benefitted from cost reduction of between USD 400 and USD 11,000 each; increased productivity (up by 43 per cent); fewer accidents (down by 20 per cent); and reduced absenteeism of personnel (down by 20 per cent).

⁴² ILO: "OIT, FAO Y UNESCO realizaron con éxito el lanzamiento a nivel nacional del Programa Conjunto Granos Andinos", at http://www.ilo.org/lima/sala-de-prensa/WCMS_379829/lang-es/index.htm [accessed 13 August 2015].

⁴³ ILO: *Case Study: Strengthening the rattan value chain in Quang Nam, Hanoi*, ILO, 2012.

⁴⁴ ILO: *Pro-Poor Horticulture Value Chains in Upper Egypt*, at http://www.ilo.org/addisababa/technical-cooperation/WCMS_243802/lang-en/index.htm [accessed 13 August 2015].

⁴⁵ ILO: *OIT lanza SCORE Perú: programa mundial de formación y asistencia técnica para PYMES*, ILO, 2014, at http://www.ilo.org/lima/sala-de-prensa/WCMS_310664/lang-es/index.htm [accessed 4 August 2015].

5. Practical guidance and resources

The ILO has a long history of providing training for enterprise development through its International Training Centre in Turin, and as such also acts as a training provider for other international and national organizations in core methodologies related to VCD. This includes courses on designing and executing VCD projects and interventions.

Declarations

ILO. 2014. *Tripartite declaration on principles concerning multinational enterprises and social policy* (MNE Declaration), 4th edition (Geneva).

—. 2008. *Declaration Concerning Social Justice for a Fair Globalization* (Geneva).

Tools

Herr, M.L.; Muzira, T.J. 2009. *Value Chain Development for Decent Work: A guide for development practitioners, government and private sector initiatives* (Geneva, ILO).

ILO. 2009. *Gender Sensitive Value Chain Analysis (GSVCA) Guide*, Job Creation and Enterprise Development Department (Geneva).

—. 2014. *Managing Your Agricultural Cooperative (My COOP) Training* (Turin).

—. 2015. *Guidelines for value chain selection: integrating economic, environmental, social and institutional criteria*, Enterprises Department (Geneva).

ITC/ILO course. 2013. *Enterprise Development through Value Chains and Business Services Markets: A Market development Approach to Pro-Poor Growth* (Turin).

ITC/ILO course. 2012. *Value chain Development: Reaching Scale, Fostering Sustainability and Promoting Equity* (Turin).

Majurin, E. 2014. *Start and Improve Your Business (SIYB) Implementation Guide*, Enterprises Department (Geneva, ILO).

Mayoux, L.; Mackie, G. 2009. *Making the strongest links: A practical guide to mainstreaming gender analysis in value chain development* (Geneva, ILO).

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Publications

ILO. 2011. *Child labour in the value chain of the shrimp industry in Thailand: Final report*, International Programme on the Elimination of Child Labour (Geneva).

—. 2011. *ILO's approach to value chain development*, Job Creation and Enterprise Development Department (Geneva).

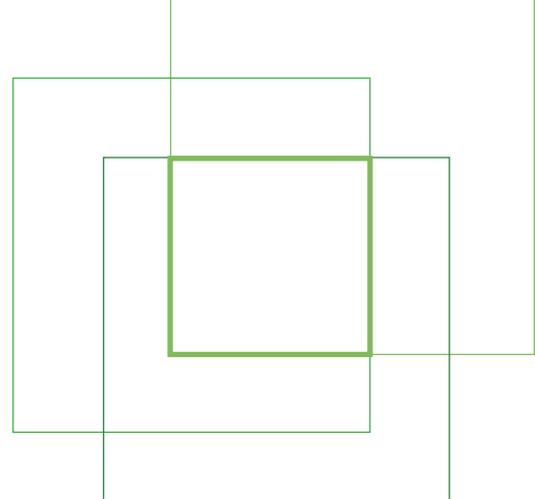
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—. 2015. *World Economic Social Outlook: The changing nature of jobs*, ILO Research Department (Geneva).



Overview of Policy Guidance Notes on the Promotion of Decent Work in the Rural Economy



Supporting inclusive agricultural growth for improved livelihoods and food security

- Decent Work for Food Security and Resilient Rural Livelihoods
- Decent and Productive Work in Agriculture

Promoting economic diversification and triggering productive transformation for rural employment

- Economic Diversification of the Rural Economy
- *Promoting Decent Work for Rural Workers at the Base of the Supply Chain*
- The Role of Multinational Enterprises in the Promotion of Decent Work in Rural Areas
- Transitioning to Formality in the Rural Informal Economy
- Sustainable Tourism – A Catalyst for Inclusive Socio-economic Development and Poverty Reduction in Rural Areas

Promoting access to services, protection and employment-intensive investment

- Providing Access to Quality Services in the Rural Economy to Promote Growth and Social Development
- Extending Social Protection to the Rural Economy
- Developing the Rural Economy through Financial Inclusion: The Role of Access to Finance
- Employment-Intensive Investment in Rural Infrastructure for Economic Development, Social and Environmental Protection and Inclusive Growth

Ensuring sustainability and harnessing the benefits of natural resources

- Greening Rural Economies and Green Jobs
- Decent Work in Forestry
- Harnessing the Potential of Extractive Industries

Increasing the voice of rural people through organization and the promotion of rights, standards and social dialogue

- Rights at Work in the Rural Economy
- Promoting Social Dialogue in the Rural Economy
- Building Local Development in Rural Areas through Cooperatives and other Social and Solidarity Economy Enterprises and Organizations
- Decent Work for Indigenous and Tribal Peoples in the Rural Economy
- Empowering Women in the Rural Economy

Improving the knowledge base on decent work in the rural economy

- Enhancing the Knowledge Base to Support the Promotion of Decent Work in Rural Areas