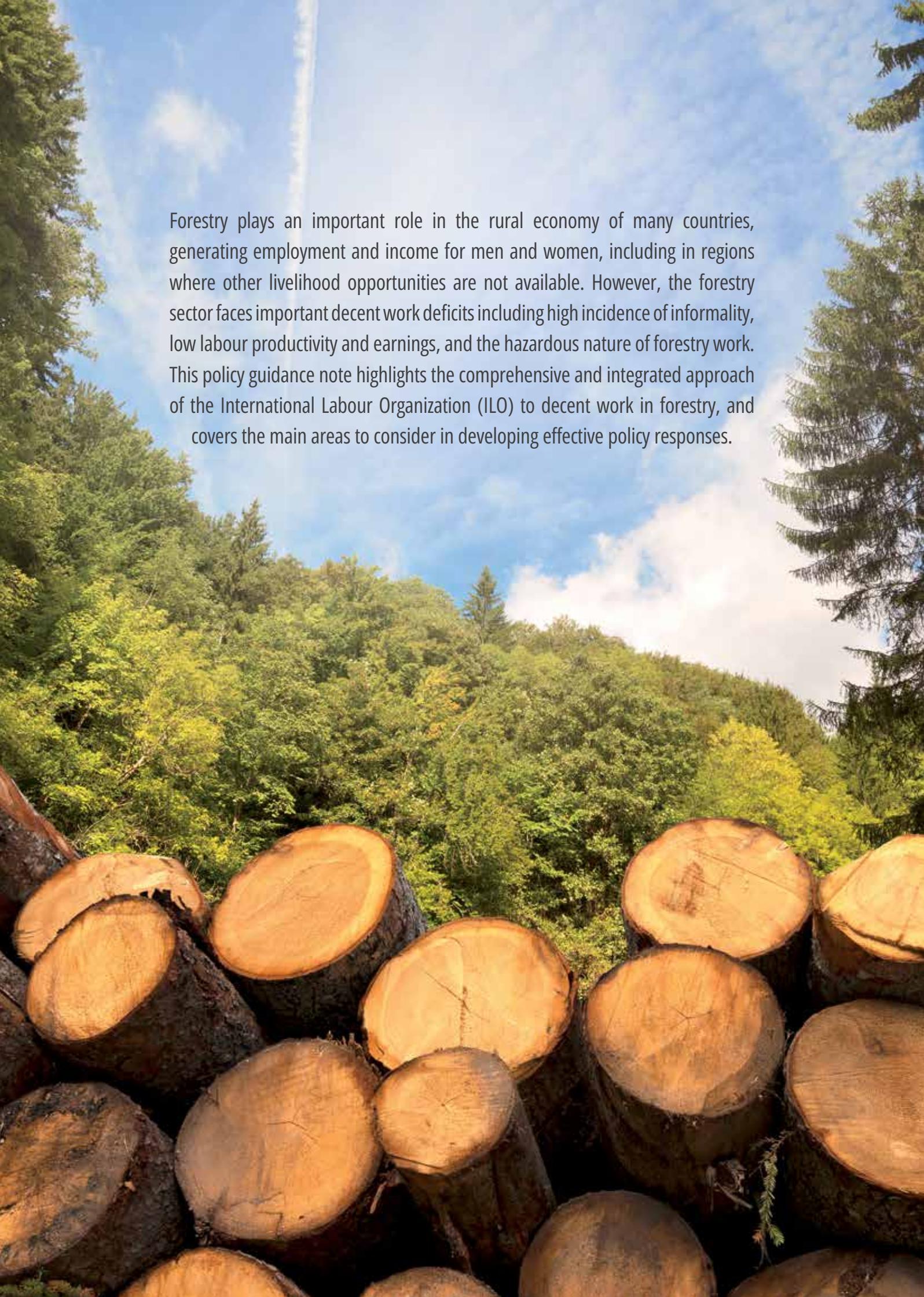




International
Labour
Office

Decent Work in Forestry

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



Forestry plays an important role in the rural economy of many countries, generating employment and income for men and women, including in regions where other livelihood opportunities are not available. However, the forestry sector faces important decent work deficits including high incidence of informality, low labour productivity and earnings, and the hazardous nature of forestry work. This policy guidance note highlights the comprehensive and integrated approach of the International Labour Organization (ILO) to decent work in forestry, and covers the main areas to consider in developing effective policy responses.

1. Rationale and justification

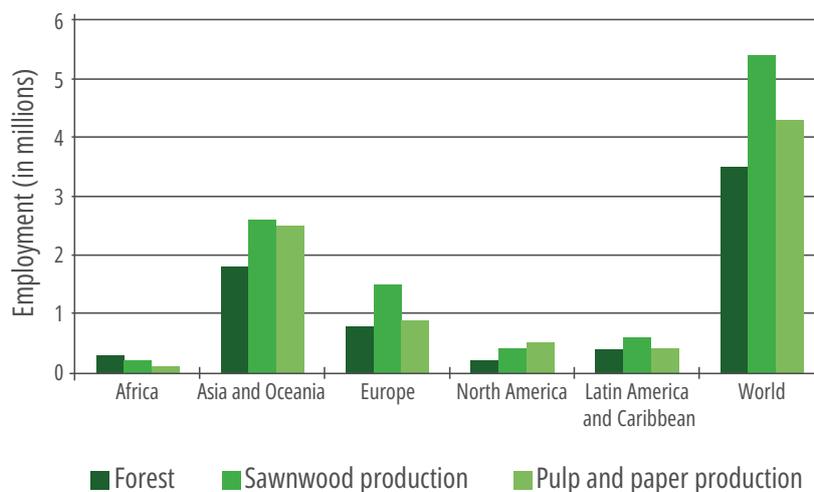
Forestry plays an important role in the rural economy of many countries, generating employment and income for men and women. Employment in forestry provides complementary employment to agriculture, and provides income in areas where few other employment opportunities exist. However, the sector faces important decent work deficits. These include low wages and productivity, widespread informality, significant gender equality gaps, low unionization rates and highly hazardous work.

There are 13.2 million formal jobs in the broader forestry, wood, pulp and paper sector¹ worldwide, and at least 41 million in the informal economy, mostly in developing countries.² In recent years, employment in the sector has experienced contrasting trends. Employment increased in most countries in Latin America and Asia/Pacific due to the abundance of cheap skilled labour, relatively abundant forest resources and increased demand. In contrast, it declined in most countries of Europe and North America due to the replacement of mainly manual work by increased use of

machinery and due to increasing market competition and deforestation. Asia/Pacific and Europe are the leading regions in terms of employment, accounting for 53 per cent and 24 per cent of total employment respectively, followed by Latin America and the Caribbean (10 per cent), North America (8 per cent) and Africa (5 per cent).³

China is the country that employs most people in the sector, with 3.8 million formal jobs, accounting for 29 per cent of world employment in the sector. Other countries with high formal employment figures in the forestry sector are the United States (0.83 million), Brazil (0.77 million), India (0.71 million), the Russian Federation (0.6 million), Indonesia (0.45 million), Japan (0.38 million), Germany (0.32 million), Italy (0.26 million), Viet Nam (0.25 million) and Poland (0.25 million).⁴

Total formal employment in forestry in 2011, by region and sub-sector



Source: FAO: *State of the world's forests*, Rome, 2014.

¹ This paper focuses on the narrower subsector of forestry, excluding the wood, pulp and paper subsectors.

² FAO: *State of the world's forests*, Rome, 2014.

³ Ibid.

⁴ Ibid.

2. Scope and definitions

This policy guidance note highlights the ILO's approach to promoting decent work in the forestry sector, including tools and guidance for achieving it. It also defines key issues to consider when developing effective policy responses to issues such as informality, low productivity, low earnings, hazardous working conditions and lack of skills training.

The forestry sector is comprised of the primary extraction of forestry products and the secondary manufacturing industries. Forestry production includes the harvesting of wood and non-timber forest products, such as wild berries, bananas, seeds and nuts, oil palm, among others. Secondary manufacturing industries include pulp and paper as well as sawn wood and wood-panel production industries. Each of these traditional sub-sectors differs in its social and labour characteristics and varies considerably from country to country. While some forest industries are dominated by large, vertically integrated forestry firms, others are based on small, private forest owners. The government is often a large owner of forests. Very different levels of technology are found in the industry, from full mechanization to exclusively manual work.

Policy issues

High incidence of informality

The forestry sector is characterized by a high degree of informality (75.65 per cent), particularly in developing countries.⁵ This is in large part due to the expansion of illegal logging activities. Illegal logging includes some proportion of unregistered traditional use of forests, which if properly controlled, can have a positive impact in controlling forest destruction.⁶ There are six categories of informal workers, all of which should be targeted by policy to address informality in the forestry sector:⁷

- Own-account workers (self-employed with no employees) in their own informal economy enterprises;
- Employers (self-employed with employees) in their own informal economy enterprises;
- Contributing family workers, regardless of type of enterprise;
- Members of informal producers' cooperatives (not established as legal entities);

⁵ Ibid.

⁶ International Union for Conservation of Nature (IUCN): The value of investing in locally controlled forestry - *The economic impacts of scaling up Livelihoods and Landscapes Strategy (LLS) experiences in Africa, Asia & Latin America*. IUCN Markets and Incentives for Livelihoods and Landscapes Series No. 4, Gland, 2011.

⁷ ILO: 17th International Conference of Labour Statisticians (ICLS), 2003.

- Employees holding informal jobs as defined according to the employment relationship (in law or in practice, jobs not subject to national labour legislation, income tax, social protection or entitlement to certain employment benefits);
- Own-account workers engaged in production of goods exclusively for own final use by their household.

Low labour productivity and earnings

Average wages in forestry activities are generally lower than the average in other sub-sectors.⁸ In 2011, the value added per worker amounted to US\$ 48,300 in formal forestry activities, to US\$ 31,500 in the wood industry and to US\$ 61,900 in the pulp and paper industry.⁹ These disparities in value added are not always reflected in the wage levels in the three sub-sectors. While jobs in primary extractive activities are generally low paid, jobs in the two forest processing sub-sectors are generally comparable to wage levels in similar manufacturing industries. Additionally, the wage and salary conditions differ between regions. In industrialized countries, forestry wages converge with the manufacturing sectors, while in many developing countries they are at or close to the minimum wage.

Safety and health

Forestry is one of the most hazardous sectors in most countries.¹⁰ More specifically, logging is among the three most dangerous occupations. All segments of the forestry workforce – in particular contractors, self-employed and forest farmers – are exposed to high risks of accident, including many fatalities and serious health problems. The intrinsically hazardous nature of the work and high turnover make forestry a risky sector. Additionally, forestry workplaces are frequently found in remote areas and sometimes in temporary and shifting locations. Other factors behind the high number of accidents and fatalities include inadequate organization, planning and supervision of forestry work, as well as poor tools and equipment. Lack of skills and know-how among workers, supervisors and managers are also underlying factors causing accidents and fatalities. In general, mechanization

⁸ Globally, forestry wages are generally below the average of other industries in the Forestry, wood, pulp and paper sector. In industrialized countries, forestry wages seem to be more in line with the manufacturing sectors. In many developing countries, earnings are at or close to the minimum wage. See P. Poschen and P. Blombäck: *Decent Work in forestry? Enhancing forestry work and forest based livelihoods*, Submission to the XII World Forestry Congress (Quebec City), 2003.

⁹ Author's calculations based on FAO: *State of the world's forests*, Rome, 2014.

¹⁰ ILO: *Safety and health in the European forestry sector: the impact of more open markets and of increased regulation*, SECTOR Working Paper No. 264, Geneva, 2009.

of timber harvesting has reduced the danger and stress of forestry work, but caused psychological and musculoskeletal problems of a different kind.

Training for sustainable forest management

Training forestry workers is another challenge in the industry, since formal training is rudimentary or non-existent in many countries.¹¹ Most workers are self-trained or receive on-the-job-training, but lack formal training, since this is often limited to high-level positions of management and to supervisors. Existing formal training is often rudimentary and does not address the productivity or safety of unskilled and semi-skilled workers. Adequate formal and non-formal training of sustainable forest management is one of the key elements in breaking the circle of low productivity, low wages, high accident rates and high turnover in the workforce.

Target groups: disadvantaged, vulnerable and marginalized populations

Female workers: Women are under-represented in the forestry sector, especially in management and decision-making positions, and tend to work in low-status, low-paid work. Having fewer opportunities for employment, they often form part of a family work unit, and many times face widespread scepticism regarding their ability to undertake skilled work. In recent years, women's participation in the sector in some countries has increased, while in others they have particularly suffered the effects of the global crisis.

Migrant workers: Migrant workers have long been an issue in the forestry sector. They carry out the most dangerous jobs, and are often subject to human rights violations and poor working conditions. They have lower levels of skills and limited access to health care.

Indigenous and tribal populations and other forest-dependent communities: Globalization and exploitation of natural resources by national and multinational companies have increased pressure on forestry resources and been linked to development-led displacement of indigenous peoples and forest-dependent communities. Many indigenous people face challenges to pursuing their traditional livelihoods; they face conflicts over land rights, and suffer coercive labour conditions when outside their own communities.¹²

Child and forced labour: Child labour and forced labour are present in many forestry workplaces, which are often in remote areas. Isolation increases vulnerability to exploitation in forestry, hampering law enforcement and union representation. Additionally, lack of schools in remote areas makes it difficult for children to enrol in and attend schools. In recent years, the ILO Committee of Experts on the Application of Conventions and Recommendations has documented serious violations of fundamental rights concerning child labour in the forestry sector.¹³

¹¹ ILO: *Productive and safe work in forestry*, Rural Policy Briefs, Brochure, Geneva, 2011.

¹² P. Poschen and P. Blombäck: *Decent Work in forestry? Enhancing forestry work and forest based livelihoods*, Submission to the XII World Forestry Congress, Quebec City, 2003.

¹³ ILO: *Stopping forced labour – Global report*, under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, Geneva, 2011.

3. The ILO's approach

Decent work underpins ILO's approach to the forestry sector. Key areas of intervention include to:

- I) Support the transition to the formal economy of the forestry sector following the guidance provided in the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).
- II) Promote employment creation including through the development and implementation of national policies targeting green job creation and raising awareness about the role of forestry work in protecting the environment.
- III) Enhance training and skills development to ensure and maintain a competitive and sustainable forestry workforce. This includes forest management issues such as management of forests, fire management, awareness-raising about the role of forests in protecting the environment and biodiversity, the role of forests in poverty reduction, gender equality, forest conservation, deforestation, etc.
- IV) Improve working conditions through the enforcement of labour inspection in the industry, the establishment

of health and safety policies and management systems that systematically identify hazards and preventive measures as well as the promotion of health and safety requirements in all stages of forestry work, from planning to implementation.

- V) Promote social dialogue and cooperation among stakeholders at all levels including with international institutions in adopting forestry work certification mechanisms in ensuring sustainable forest management as well as fostering transparent multi-stakeholder verification of compliance with forestry management standards.
- VI) Promote the ratification and effective implementation of international labour standards relevant for the forestry sector notably the Safety and Health in Agriculture Convention, 2001 (No. 184) and Recommendation, 2001 (No. 192) as well as the universal application of the fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. This is a minimum step towards ensuring decent work in forestry.

4. The ILO's experience to date

The ILO provides advice to governments in the design, monitoring and implementation of policies relevant to decent work in the forestry sector. It also facilitates and strengthens social dialogue and builds the capacity of constituents, including through the dissemination and application of forestry-related tools on - for instance - occupational safety and health and labour inspection.

In recent years, the ILO has also assessed the risks associated with the global economic crisis and its effects on jobs and

food prices, advocating for a change towards a green economy. Job Opportunities for Youth (JOY) projects have been successfully implemented in a number of countries, including Malaysia and Peru, where the ILO has worked with local governments and in conjunction with small farmers and entrepreneurs to promote Decent Work and green jobs for young women and men. As part of the JOY project in Indonesia, the ILO conducted a study on labour conditions in forestry, drawing on the project's assessment of the importance of Green Jobs and their impact of youth employment policies (See Box 1).

BOX 1: Decent work in the forestry sector in Indonesia

Having experienced substantial growth in the past few years, Indonesia is now the sixth largest country in the world in terms of formal employment. The forestry industry contributes significantly to the country's output, foreign exchange and revenues while playing an important role in the green economy.

The 2010 study on the labour conditions in forestry in Indonesia (ILO 2010) identified three key findings:¹⁴

- Almost all employment related to sustainable forestry in Indonesia could be described as green jobs.
- The sector is beginning to receive priority support for both policy and operational matters.
- The sector needs an institution dedicated to inspection, monitoring and reporting of labour conditions in forestry, which should be established to tackle various Decent Work deficits and enhance the sector as a potential major and growing force within the green economy.

The development of Labour Standards is an essential component of economic development in Indonesia, and the current status of forestry as a sector of growing importance makes it the ideal place to begin this process. The increased cultivation and harvest cycle, and the reduction of pure exploitation of forestry resources will create conditions that will require solid monitoring and enforcement systems.

The results of the study were evaluated and assessed against the background of the Guidelines for Labour Inspection in Forestry (ILO, 2005). On this basis, the Guidelines were considered to be relevant and applicable to the Indonesian forestry sector. The Guidelines are flexible and adaptable to Indonesian conditions and provide an ideal platform for the development of a forestry labour inspection capacity.

¹⁴ ILO: *Labour conditions in forestry in Indonesia*, Geneva, 2010.

For over 50 years, the ILO has worked together with FAO and UNECE through the Joint FAO/UNECE/ILO Committee (1954-2004) on Forest Technology, Management and Training to develop manuals and codes of practice on forestry, and other related documents. In 2004, Joint FAO/ECE/ILO Experts Network was launched to implement Sustainable Forest Management. The Network has since then organized seminars and workshops dealing with several issues of sustainable forest management in Europe, including the development of sustainable and competitive forestry operations, safety and health and good practices in contract labour. In June 2014, the ILO participated in the first meeting of the Team of Specialists on Green Jobs in the Forest Sector, which will develop guidelines, training materials and organize seminars on good practices in the coming years.

The International Programme on the Elimination of Child Labour (IPEC) - created in 1992 with the overall goal of the progressive elimination of child labour and based in 88 countries - places particular attention on the forestry sector, where many children work. In Brazil, the ILO has been working with federal and state capacity in the fight against forced labour and the promotion of green jobs in the forestry sector. The project "Ending Forced Labour, Generating Green Jobs: An approach for the promotion of social inclusiveness and sustainable development in Brazil" was successfully implemented between 2011 and 2013, and developed an approach that combines the reinforcement of labour inspection with the identification of alternative employment opportunities i.e. green jobs.

Decent Work in Forestry

The ILO has held and participated in international meetings and workshops in the fields of vocational training, safety and health, applied ergonomics and other aspects of forestry (e.g. Asia Forestry Week 2008; International Conference on Safety and Health in Forestry, Annecy, 2007; Impact of Climate Change on Forestry Work, Geneva, 2011).

The ILO has also worked towards the implementation of country activities in Indonesia, Malaysia and Peru to deal with illegal logging, create better jobs and working conditions, and protect fundamental rights at work. Additionally, the ILO conducts regularly evaluations of its forestry sector projects. Examples are the evaluations of the Strengthening the Philippines' institutional capacity to adapt to climate change¹⁵ and the Papua New Guinea Start and Improve Your Business (SIYB) projects.¹⁶

The ILO strives to improve the voice and bargaining power of small-scale growers, small entrepreneurs and workers through workers' organizations, cooperatives and through promotion of effective negotiations. A large part of the ILO's work in the forestry sector has been dedicated to facilitating and strengthening social dialogue, through holding meetings and workshops among its tripartite constituents in over 70 countries, including Brazil, Chile, China, Indonesia, Malaysia and Peru.

5. Practical guidance and resources

Although the ILO does not have a specific Convention on forestry, many of its Conventions and Recommendations as well as the Declaration on Fundamental Principles and Rights at Work apply to the forestry sector. The ILO has specifically developed a code of practice on safety and health in forestry work and guidelines for labour inspection in forestry. Additionally, a wide repository of knowledge and tools in the forestry sector has been developed through partnerships and strengthening collaboration with relevant actors.

¹⁵ ILO: *Strengthening the Philippines' institutional capacity to adapt to climate change – Final Joint Evaluation*, Evaluation Summary, Geneva, ILO Evaluation Unit, 2012.

¹⁶ ILO: *Start and Improve Your Business (SIYB) Papua New Guinea*, Evaluation Summaries, Geneva, ILO Evaluation Unit, 2008.

Tools

Ewasechko, A.C. 2005. *Upgrading the Central Java wood furniture industry: A value-chain approach* (Jakarta, ILO).

Sets out an approach that encourages the development and implementation of a socially responsible industry upgrading strategy that builds on the strengths of the industry, while mindful of the very real constraints of raw material supply.

ILO. 1998. *Code of practice on safety and health in forestry work* (Geneva).

Provides guidance to ILO constituents in their efforts to improve the safety and health performance of their national forestry sectors or enterprises.

—. 2004. *Utilizing quality wood in an effective manner: Practical guide small to medium enterprises wood furniture industry* (Jakarta).

Helps wood furniture enterprises to cope with difficulties they face in terms of obtaining good quality raw materials. Originally developed for Indonesia, the tool can be easily applied to other countries.

—. 2005. *Guidelines for labour inspection in forestry*, Sectoral Activities Programme (Geneva).

Addresses some of the main issues and general principles regarding labour standards and labour inspection in the forestry sector. Includes specific guidance for labour inspectors on child labour in forestry.

—. 2008. *Safe work for youth - Youth packet - STAY SAFE! - Woodworking* (Geneva).

The materials in this packet are designed for young people, 14 to 18 years old, who are working or getting ready to work. The aim is to raise their awareness about hazards and risks at work. The materials are best used in a training setting (e.g. a vocational training programme) and are ideal for outreach activities organized by employers' or workers' organizations.

Publications

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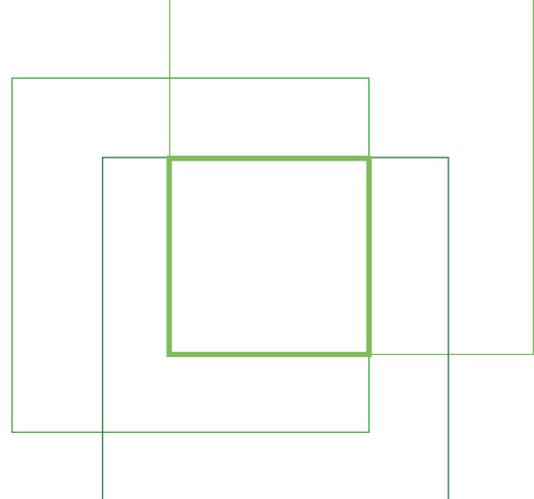
—. 2012. *Green Business Options - Resource Book: Eco-forestry and forest products* (Geneva).

Liu Y.; Yang F.; Li Xinxing. 2014. *Employment and decent work in China's forestry industry*, draft working paper (Beijing, ILO).

Rahman, M. 2011. *Green jobs assessment in agriculture and the forestry sector in Bangladesh* (Dhaka, ILO).



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