

CONCEPT NOTE

AREA OF CRITICAL IMPORTANCE: DECENT WORK IN THE RURAL ECONOMY

1. RATIONALE

Rural economies contribute significantly to total employment and the gross domestic product in many countries. In particular, of the developing world's 5.73 billion people, 3.1 billion live in rural areas and a significant number of them depend on agriculture for their livelihood.ⁱ However, rural economies are often characterised by significant decent work challenges. The ILO estimates that nearly eight out of ten working poor (defined at the US\$1.25 level) live in rural areas, where many are engaged in vulnerable employment, especially in agriculture. Young people (aged 15 to 24) – 85 per cent of whom are living in developing countries and mostly in rural areas – account for a disproportionate share (23.5 per cent) of the working poor.ⁱⁱ Most child labourers (aged 5 to 17) are found in agriculture, accounting for 59 per cent or over 98 million;ⁱⁱⁱ forced labour, too, is prevalent in agriculture and remote rural areas. The impact of the gender gap on agricultural productivity is revealing as well. Studies suggest that if women had the same access to productive resources as men, women could raise the overall agricultural output in developing countries by 2.5 to 4 per cent.^{iv}

The importance of decent work to reducing poverty and hunger has been recognized through the introduction in 2008 of a new target 1B - *To achieve full and productive employment and decent work for all, including women and young people* – under the Millennium Development Goal 1. Decent jobs and social protection are prerequisites for sustainable livelihoods and lasting food security. The UN Secretary-General's Zero Hunger Challenge initiative (ZHC) has further highlighted the importance of productive employment and social protection in enabling all people to address the challenge of poverty and food insecurity. With its tripartite mandate, its normative approach to development and its expertise in the world of work, the ILO strengthens UN efforts on food security in line with its comparative advantages.

Rural development has been on the ILO's agenda since its establishment in 1919, initially with a focus on labour standards, working conditions, workers and employers' representation and social dialogue and later on employment and social protection dimensions. In recent years, the 2008 International Labour Conference (ILC) discussion on rural employment, which culminated in the adoption of a Resolution and Conclusions on promoting rural employment for poverty reduction, set a mandate for renewed ILO involvement in rural development issues. As a follow-up to the 2008 ILC conclusions, the March 2011 Governing Body adopted a strategy paper on promoting decent work for rural development^v. Informed by these developments, *Decent work in the rural economy* has been identified as one of the areas of critical importance (ACI) for priority action in 2014–15.

2. GOALS AND STRATEGIES

Rural poverty has numerous root causes, ranging from climate change, natural resource degradation, conflict, weak institutions, poor agricultural conditions and trade-related challenges. Rural poverty is a driver of a host of social problems, including hunger and malnutrition, poor working conditions and exploitation of children. The ILO's approach to rural poverty is to increase the overall resilience of rural communities and their capacity to address such challenges through the Decent Work Agenda. This approach is based on three main goals: increasing the voice of rural people through organization

of communities and promotion of rights, standards and social dialogue; promoting an employment-based rural development model through diversified livelihoods, sustainable enterprises and better integration in value chains; and providing social protection floors which guarantee minimum income and access to basic services in rural economies which are often very vulnerable to external shocks.

The first tasks of ACI/RE were to articulate a shared vision and mission statement and to identify the key elements of a working definition, as reproduced below:

Vision Statement

Decent work for all towards sustainable, inclusive and thriving rural economies

Mission Statement

Develop the capacity of constituents and other stakeholders and work with external partners to promote full and productive employment and decent work that fosters sustainability and inclusiveness in rural economies and empower rural communities to realize their aspirations.

Definition

For the purpose of the ACI/RE, the rural economy is defined as follows:

The rural economy comprises the totality of agricultural and non-agricultural activities conducted in rural areas. "Rural areas" are defined at the national level according to criteria such as population size and/or density, whether a locality constitutes an administrative area, predominance of agricultural/non-agricultural activities and/or availability of infrastructure and services such as schools, hospitals, etc. The rural economy, which is an important source of employment and livelihoods, both formal and informal, produces goods and services for own consumption (subsistence) and for the market; it depends largely on natural resources and is heavily influenced by the cultural and social environment. The rural economy is often challenged by significant decent work deficits.

Much discussion and consultation went into identifying priority areas for action for the 2014-15 biennium. The three priority thematic areas were agreed upon during the ACI/RE retreat in December 2013 as particularly important in promoting decent work in the rural economy and effectively addressing the challenge of rural poverty.

Priority areas for action

During the 2014-15 biennium, the ACI/RE's work will focus on the following three priority areas:

1. Decent work for disadvantaged, marginalized and vulnerable rural populations
2. Decent work for rural workers in supply chains
3. Decent work for rural workers in plantations

These areas were retained as critical by considering the imperatives of ILO delivery in the near future, selecting a specific area driven by constituent demand (plantations), and an area in which the ILO has not concentrated upon because of the difficulties in reaching certain populations (disadvantaged, marginalized and vulnerable rural populations). This work is aligned with and will build on the ILO's 2011 strategy on rural development.

These priority areas for action are inter-related and should not be treated as stand-alone areas of work. Furthermore, they provide a basis for Office-wide work and are complementary to the work of other ACIs. It was also understood that in such a short period efforts would be concentrated on realistic goals.

1. Decent work for disadvantaged, marginalized and vulnerable rural populations

Objective: *Promoting decent work among disadvantaged, marginalized and vulnerable populations in rural areas for increased income and food security and livelihood resilience*

Vulnerable populations in rural areas may be identified by a lack of access to land, water, markets, income generating opportunities, energy and infrastructure, services, including access to finance, social protection, education and essential health care, basic rights and legal protection, and by high exposure to socio-economic and political risks, climate change, and extreme poverty and hunger.¹

Building on existing effective strategies, during 2014-15, the ACI/RE's work on this thematic area will include the following:

- a. Analysing the drivers of rural vulnerability and their impact on decent work; developing a tool to monitor indicators according to a defined statistical and legal framework in order to better target vulnerable populations;
- b. Analysing and improving the content and effectiveness of existing policies, programmes and tools and creating synergies with strategic partners; providing policy advice to ILO constituents and other stakeholders and developing pertinent models of intervention;
- c. Developing and piloting models of intervention in a selected number of countries specifically targeting workers who are at risk of multiple discrimination and are exposed to socio-economic, environmental and political risks.

2. Decent work for rural workers in supply chains

Objective: *Enhancing the knowledge base and the capacity of the tripartite constituents to effectively promote decent work in supply chains towards sustainable, inclusive and thriving rural economies*

Rural economies represent considerable untapped opportunities for productive employment and play a vital role in ensuring income and food security. Millions of rural workers, including many farmers, are involved in supply chains either through formal work, suppliers, sub-contracting and other informal work arrangements and often characterise the foundation of the chain. These rural workers are often engaged in extremely low productivity activities that do not generate sufficient income to lift them out of poverty and food insecurity. Adding value to their production and improving the quantity, quality and distribution of employment along supply chains is central in promoting sustainable, inclusive and thriving rural economies. The work under thematic area will focus on:

- a. Assessing the size and productivity of employment in different sectors in a selected number of countries and developing integrated strategies to support job-rich, sustainable sectors;
- b. Providing policy advice to ensure full compliance with national labour regulations and relevant international labour standards in rural supply chains through strengthened labour inspection, private compliance initiatives and the promotion of effective social dialogue mechanisms at the sectoral and enterprise levels;

¹ These groups may include, among others, subsistence workers and other vulnerable self-employed workers and their families, workers in seasonal employment, outworkers, migrant workers, casual workers, sharecroppers, and communal resource exploiters. In particular, women are disadvantaged in rural areas in accessing land, credit, technologies, finance and other services. Vulnerable rural worker populations have traditionally been excluded from statistical measurement and policy analysis, despite existing international statistical standards. Disadvantaged and marginalized people in rural areas also include certain demographic groups such as indigenous and tribal populations, persons with disabilities, people living with or affected by HIV and chronic diseases, and others who have suffered discrimination.

- c. Implementing integrated sectoral strategies in a selected number of countries aimed at effectively addressing decent work deficits affecting rural workers in supply chains and their families or dependents with a view to improving their productivity, incomes and food security, whilst enhancing the resource efficiency in the supply chain.

3. Decent work and plantations²

Objective: *Enhancing the knowledge base and the capacity of the tripartite constituents to effectively promote decent work in modern-day plantations*

A source of livelihood for some 1.3 billion people globally, agriculture sector jobs are often characterized by serious decent work deficits such as child labour and bonded labour, inadequate levels of income, poor working and health conditions, lack of social protection, social dialogue and representation. Waged agricultural workers, who represent 40 per cent of the total agricultural labour force, are often paid significantly less than their industrial counterparts, and have increasingly unstable incomes.^{vi} Plantations have long been organized to provide bulk agricultural commodities for export. They thus provide an important link between the rural economy and global supply chains. In addition to the direct employment they create, their presence may also stimulate local enterprise and job creation in rural areas. In recent years, plantation systems have undergone extensive transformations, developing new modalities of production for the world economy. Impacts on the agricultural workforce have been varied, in some cases providing opportunities, while in others creating greater vulnerabilities in terms of income security, exposure to risk and access to social protection, among others. This thematic area will provide a platform to:

- a. Updating the ILO's knowledge on work in the plantation sector by examining new types of agricultural commodity production systems that have emerged in recent years; analysing plantations and other commodity production systems through a decent work lens, to illuminate the different internal structures, production processes, wages and working conditions, employment relationships, representation of employers and workers, social dialogue mechanisms, and decent work challenges which have emerged from the recent transformations. Tangible data on both law and practice would be collected in respect of selected countries based on the framework of rights set out in the Plantations Convention, 1958 (No. 110), which addresses key challenges to the world of work in this sector, including as regards migrant workers, wages and working conditions, maternity protection, freedom of association and collective bargaining, as well as the role of the labour inspectorate. Information collected in preparation of the General Survey on the Right of Association (Agriculture) Convention, 1921 (No. 11) and the Rural Workers' Organization Convention, 1975 (No. 141) will also be helpful in providing a fuller picture of Plantation workers' rights and their impact on the rural economy;

² According to ILO Convention 110, 'the term *plantation* includes any agricultural undertaking regularly employing hired workers which is situated in the tropical or subtropical regions and which is mainly concerned with the cultivation or production for commercial purposes of coffee, tea, sugarcane, rubber, bananas, cocoa, coconuts, groundnuts, cotton, tobacco, fibres (sisal, jute and hemp), citrus, palm oil, cinchona or pineapple; it does not include family or small-scale holdings producing for local consumption and not regularly employing hired workers.' It further states that 'Each Member for which this Convention is in force may, after consultation with the most representative organisations of employers and workers concerned, where such exist, make the Convention applicable to other plantations by (a) adding to the list of crops referred to in paragraph 1 of this Article any one or more of the following crops: rice, chicory, cardamom, geranium and pyrethrum, or any other crop; (b) adding to the plantations covered by paragraph 1 of this Article classes of undertakings not referred to therein which, by national law or practice, are classified as plantations; and shall indicate the action taken in its annual reports upon the application of the Convention submitted under article 22 of the Constitution of the International Labour Organisation. ...For the purpose of this Article the term *plantation* shall ordinarily include services carrying out the primary processing of the product or products of the plantation.'

- b. Preparing a synthesis report that would include an analysis of emerging vulnerabilities due to the changes and challenges observed and evaluate the role and relevancy of Convention No. 110 in addressing them;
- c. Initiate country-level work to enhance the ILO's knowledge base on the plantation sector.

4. OUTCOMES

The objectives identified under the three thematic priority areas will be implemented through the following 5 outcomes:

1. Knowledge base on the promotion of decent work in rural economies strengthened through research and the development of statistical indicators and data

Outputs:

- A set of global and regional estimates , statistical variables and key decent work indicators, disaggregated by rural and urban areas, augmented by a more targeted set related to the three priority areas for action, developed;
- Research and analysis on the various subjects under the three thematic areas carried out.

2. Policy coherence and advice improved through the development of a set of integrated strategies/models of intervention

Outputs:

- A portfolio of relevant policy advice, tools and guidance notes developed;
- An assessment of the impact of the macro-economic and national policy environment on decent work opportunities in different sectors carried out.

3. Capacity of ILO's tripartite constituents and other relevant stakeholders and partners strengthened through capacity development initiatives and country-level work

Outputs:

- Country level initiatives to give effect to strategies/models of interventions developed and implemented;
- Capacities of national data producers in selected countries strengthened to allow sustained production of a set of decent work indicators disaggregated by rural/urban and other key variables such as by sex, age;
- Capacity of ILO's tripartite constituents and other relevant stakeholders and partners strengthened through global training and knowledge-sharing events.

4. The visibility, usage and impact of ILO rural policies, tools and instruments enhanced through an effective communication and public advocacy strategy

Outputs:

- An ACI/RE communication strategy to foster collaboration, accountability, transparency and ownership developed and implemented;

- An information system managed to efficiently disseminate knowledge, policies, tools and other relevant information in order to facilitate access to relevant information and participation in discussions.

5. Strategic partnerships and alliances fostered and financial resources mobilized on decent work in the rural economy

Outputs:

- A resource mobilization strategy developed and implemented;
- Policy dialogue with relevant development actors and stakeholders developed and maintained in order to reflect the critical role of the ILO's Decent Work Agenda in the discussions with key strategic partners including on the post-2015 development agenda, the UN reform process and other relevant fora (e.g. the G20 Development Working Group and the Zero Hunger Challenge working groups).

4. PARTNERSHIPS AND IN-HOUSE ARRANGEMENTS

The ACI/RE acknowledges that the ILO cannot achieve success without close collaboration with other international, national and local actors. Therefore partnerships are vital in working towards the ACI/RE's vision. With its unique tripartite structure that brings together the social actors of the economy, the ILO's work on rural poverty reduction is essential in complementing interventions of other international organisations.

The ILO already has well-established partnerships with many international development actors who are essential to the effectiveness of the ACI/RE. These include, among others, the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP), the International Fund for Agriculture Development (IFAD), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the World Bank and regional development banks, the UN Secretary-General's High Level Task Force on Global Food Security (HLTF), and the Inter-American Institute for Cooperation on Agriculture (IICA). These partnerships must be strengthened - and new partnerships explored (e.g. with the Global donor platform for rural development, the International Food Policy Research Institute (IFPRI), etc.) to ensure coherence, sharing of knowledge and the facilitation of joint strategies.

The focus of ACI/RE interventions should reflect ILO comparative advantages, which include, among others, its normative base (ILS), social dialogue, the lack of which often represents a critical constraint to enhancing the rural poor's participation in local economic and social life, the ILO's lead role on social protection, which is being increasingly recognized as key to addressing the issue of food insecurity, its authority related to international labour statistics standards (through the ICLS), as well as its research and technical expertise on various employment and labour aspects.

The ACI/RE by nature cuts across all 19 P&B outcomes, is relevant to all regions and will depend on strong partnerships with the other 7 ACIs. A clear alignment with and division of mandate and responsibilities among the ACIs will be critical to ensure coherence and inclusiveness. Effective collaboration across the ILO, both in Headquarters and field offices, and among the ACIs is instrumental to build a quality portfolio and increase the level of impact.

NOTES

- i UNDESA: [*World Urbanization Prospects: The 2011 Revision*](#), Population Division of the United Nations Department of Economic and Social Affairs (New York, March 2012).
- ii ILO: *Global Employment Trends 2012: Preventing a deeper job crisis* (Geneva 2012).
- iii ILO: *Making progress against child labour: Global estimates and trends, 2010-2012* (Geneva 2013).
- iv ADB and FAO: *Gender equality and food security—women’s empowerment as a tool against hunger*, Manila, 2013
- v ILO: *Unleashing rural development through productive employment and decent work*, GB.310/ESP/1 (March 2011).
- vi *Ibid.*