

RURAL DEVELOPMENT through DECENT WORK

FOR GROWTH, PRODUCTIVE JOBS, INCOME, FOOD SECURITY, GOOD WORKING CONDITIONS, EQUAL OPPORTUNITIES, RIGHTS, VOICE, SUSTAINABLE DEVELOPMENT, CRISIS RESILIENCE



International Labour Office

Sectors

Rural Policy Briefs

Food, drink and tobacco industry driving rural employment and development

The Food and Drink sector provides safe, high quality, healthy and affordable food to millions of people worldwide. Together with the tobacco industry, the sector is a large source of manufacturing output and employment. However, it faces a confluence of challenges such as climate change, changes in food supply and demand, imbalances in the governance of food production systems, food price volatility and food security. Addressing decent work deficits contributes to tackling these issues and to broader development goals.



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Facts and figures

Food and Drink

- The food and drink (FD) industry accounted for 4 per cent of world GDP in 2005.¹
- While the FD industry is declining in developed countries, it is significantly increasing in emerging and developing economies. Between 2000 and 2008, it grew in Brazil and China by 68 and 178 percent respectively.²
- Despite rapid expansion of the FD industry in developing and emerging economies, global employment grew at a slower pace than in past decades, from an estimated 20 million in 2002 to 22 million workers in 2007.³
- Women constitute 40 percent of the FD workforce. In certain sub-sectors, such as fish, vegetable and fruit processing workers are predominantly women.
- Micro, small and medium enterprises (MSMEs) are critical in terms of output and employment, but large companies, which account for less than 10 percent of total enterprises continue to contribute significantly to job creation.

- The FD industry purchases up to 80 percent of agricultural products, contributing to rural livelihoods.
- Developing and emerging economies are the main source of growth in world food demand and in the trade of food products.
- Food consumption is increasingly diverse and moving away from staple foods, especially in emerging economies. At the same time, nearly one billion people remain food insecure.

Tobacco

- Nearly 1.2 million workers operate in the tobacco manufacturing worldwide. However, most remain in leaf production.⁴
- Tobacco is grown in over 100 countries and contributes significantly to some economies such as Malawi, India, Indonesia and Turkey. In some cases it is the main source of income for farmers.⁵
- Employment in tobacco manufacturing and cultivation is falling due in part to increased health awareness and policy action to reduce tobacco consumption.



Box 1

Food Security and Food Safety through Decent Work in the FD Industry

FD and Food Security: FD is critical to guarantee continuous availability of food, which is essential for food security. It is the main purchaser of agricultural produce, and helps prevent post-harvest losses by processing, storing and increasing the shelf life of agricultural goods. Developing FD in rural areas also helps diversify livelihoods and raise incomes, thereby increasing access to food.

FD and Food Safety is key to ensure that individuals have access to quality food products that will not damage their health. Outbreaks and reports of food borne diseases also impact the industry negatively, leading to the potential closure of businesses, with negative implications for employment and entire communities.

Workers are on the front line in food handling and prevention of foodborne outbreaks. Decent work conditions in workplaces help ensure that workers are not a vector for contamination. Training in safe food handling and production practices is imperative to prevent food borne diseases. Workers, particularly in developing countries and especially in rural areas, often lack sanitary and other services (e.g. proper toilet and hand-washing facilities).

The ILO's Decent Work Agenda plays an important role in global food security and food safety by supporting enterprises, promoting safe production practices, upgrading workers' skills, and encouraging social dialogue across the food chain.

Why action is needed

Sustainability of food production systems

- The challenge for the food production system is to sustainably balance future demand and supply, and to ensure affordable food supplies for a growing world population, particularly for the poor who are most vulnerable to volatile food prices.
- Climate change increases interest in energy-efficient production systems "from farm to fork." A transition from current production models to more environmentally friendly ones has implications for the quantity and quality of jobs in the FD industry.
- Innovation and technological advances to mitigate and adapt to climate change will require new training and skills development for workers and employers across the industry.

Uneven industry-retail relations within the food chain

- Modern value chains have led to substantial improvements in the productivity and quality of output, and in advanced knowledge and technology. These improvements increasingly benefit developing countries and have spill-over effects on farm and non-farm labour, and on other goods and services.
- FD companies, particularly MSMEs, are concerned about the growing concentration of corporate power, unequal industry-retail relations, and the emergence of unfair commercial practices in the food chain. This is increasingly relevant for small farmers, who have even less bargaining power in the value chain.
- Market consolidation in FD also affects the structure of employment and occupations. Modern value chains could jeopardize workers' rights, cause labour relocation and the emergence of atypical forms of work.
- Local trade unions are sometimes disadvantaged; they lack information, and local management may have little influence over corporate decisions.

Labour productivity and employment security

- The tension between employment flexibility and security remains an important challenge.
- Investment in new technologies (particularly in processing and packing), business restructuring and the ongoing transformation of food production and distribution systems into more integrated value chains are resulting in increased production with fewer workers.
- Increased labour productivity is a positive development, but it may exacerbate job losses and contribute to a growing share of temporary, casual, part-time, and contract workers who often lack social protection and other benefits.

Low skills

- The FD is characterized by low-skilled labour, with most workers neither needing nor having formal education and instead acquiring skills on the job.
- Structural changes in the FD industry have increased the need to upgrade the skills platform. There is growing demand for technical, adaptable staff with multitasking capacity.
- Given the growing concern about food-borne diseases, workers also need greater knowledge of food safety.

Occupational safety and health

- The rate of accidents and diseases in FD is among the highest in manufacturing, and varies by occupation, type and nature of the sub-sector and establishment.
- Frequent hazards include exposure to extreme temperatures, loud noise from mechanization and chemical substances, which may lead to respiratory and dermatological disorders. Long periods of standing and

repetitive tasks make work stressful, tiring, and may cause musculoskeletal pain and cumulative trauma injuries.

- Some occupations require night and early morning shifts, and work over weekends and holidays.

Equality and other employment conditions

- The role of women is increasingly important in the FD industry, and yet they are often subject to discrimination and relegated to low-skilled and low-paid jobs.
- The labour-intensive, repetitive tasks largely performed by women are increasingly automated, but training to perform other tasks is mostly offered to men.
- Some FD companies employ workers from disadvantaged groups, including minorities and migrants, who are more likely to lack employment legislation coverage. This is mostly the case in Export Processing Zones, where workers may not appear in official, national statistics.

Key policy issues in the tobacco industry

- Jobs in the tobacco industry have been declining in recent decades due to new technology, changes in demand, and national and international tobacco control policies targeting consumption. This may significantly impact employment for tobacco growers and workers.
- The tobacco industry also faces important decent work deficits, particularly in leaf production, such as poor working conditions, exposure to hazardous and dangerous work, long hours, low pay, and child labour.

Policy Options

Promote productive, decent jobs in global food production systems

- Take a holistic approach, “from farm to fork”, when analyzing decent work in the food value chain.
- Support “labour-friendly” technologies throughout the production system, and improve the assessment of their potential for job creation or job loss.
- Engage social partners in the identification of appropriate vocational training, retraining and other capacity building initiatives. These initiatives raise labour productivity, reduce the number of low-skilled workers, and smooth the transition to new organization and production models.
- Ensure that capacity building programmes match the needs of the industry and enhance workers’ employability.
- Reduce accidents and diseases through targeted training at workplace level.
- Address discrimination in the remuneration of disadvantaged groups, such as migrants.
- Strengthen employers’ and workers’ organizational capacity.
- Improve social dialogue, including for all value chain participants, such as those in the agriculture and retail sectors.

Increase food security and food safety in global production systems

- Engage workers and employers in identifying and applying food safety standards, policies and programmes.
- Develop targeted training programmes for workers on food safety, risk management, food quality and related regulations, and link them to vocational training on occupational safety and health issues.
- Implement workplace safety and health practices to reduce workers’ vulnerability and prevent major outbreaks.

Encourage transition to competitive, sustainable low-carbon food production systems

- Sensitize, design and implement initiatives introducing resource-efficient practices, through social dialogue that involves stakeholders at all stages of the FD value chain.



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- Prepare the labour force for a transition to low-carbon food systems. Adopt an integrated approach that includes aspects related to the creation of decent and productive employment, development of inclusive social protection systems, and support to tripartite social dialogue.
- Develop, particularly for MSMEs, pilot projects to cut emissions in sensitive energy consumption areas and on food waste management. Most FD waste is bio-degradable, and can replace some sources of energy or provide agricultural nutrients.
- Develop skills assessments to identify current and future needs for environmentally friendly technologies, and undertake targeted vocational training accordingly.
- Encourage the FDT industry to support sustainable agricultural practices that ensure the long-term supply of primary resources for their operations, via social dialogue and direct communication with small farmers.

Develop alternatives to tobacco growing

- Facilitate employers’ and workers’ participation in policy and decision making discussions on tackling the socio-economic impact of tobacco control policies.
- Engage employers and workers in the design and implementation of socially and economically viable farm and off-farm employment alternatives for tobacco workers.
- Design and implement comprehensive rural development strategies to eliminate child labour.
- Strengthen labour inspection to reduce hazardous work and abuses.

ILO’s Role

Due to the complexity in global food production systems, the ILO takes a comprehensive and holistic approach to addressing decent work deficits in the Food, Drink and Tobacco (FDT) industry. This involves:

- Interventions across all the life-cycle stages and promotion of collaboration with farmers, the food processing industry, retailers and other critical players.

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- Advisory services and technical cooperation to enable employers and workers throughout the food value chain to conform with relevant ILO Conventions on wages, equality of opportunity and treatment, occupational safety and health, labour inspection, child labour, plantations, social dialogue among others, and in particular with the ILO Fundamental Principles and Rights at Work.⁶
- Research to enrich the FDT evidence base for policy making.
- Promoting knowledge sharing platforms involving governments, employers' and workers' organizations to disseminate best practices at all stages of the food chain.
- Support dialogue among governments, employers and workers through instruments such as Tripartite Meetings and Global Dialogue Fora, serving as platforms to share knowledge, debate, and reach common positions on FDT issues.

¹ ILO: *The Impact of Global Food Chains on Employment in the Food and Drink Sector* (Geneva: 2007)

² Estimates based on ILO: Laborsta: <http://laborsta.ilo.org/>

³ ILO: Laborsta: <http://laborsta.ilo.org/>

⁴ FAO: *The State of Food Insecurity in the World: Addressing Food Insecurity in Protracted Crisis* (Rome: 2010)

⁵ ILO: *Employment Trends in the Tobacco Sector: Challenges and Prospects* (Geneva: 2003)

⁶ Ibid.

Box 2

Improving social dialogue in the FD industry through SIMAPRO

The System for the measurement and enhancement of productivity (SIMAPRO) links employers' and workers' concerns over low productivity and poor working conditions in FD industries. This ILO management tool promotes training, social dialogue and decent work principles at enterprise level. It is based on a series of training and evaluation guides to develop a permanent and inclusive learning system to achieve decent work and productivity objectives. It enables enterprises to create measures and indicators of achievement and improve actions that are then monitored by groups. It is also a mechanism for sharing knowledge and enabling true social dialogue, with the establishment of commitments on common objectives for all partners in the production system.

SIMAPRO has been successfully applied since 2002 in Chile's export fruit sector and since 2008 in Mexico's sugar sector. In Mexico, SIMAPRO has helped reduce conflicts, improved working conditions and increased productivity. It was backed by tripartite social dialogue, including the National Chamber of Sugar and Alcohol Industries (CNIAA), the Trade Union of Workers in the Sugar and Related Industries of the Mexican Republic (STIASRM), and the Mexican Secretariat of Labour and Social Welfare, which sought to reach agreements through a Mixed National Council on Labour Modernization.

SIMAPRO is positively impacting the competitiveness and productivity of the Mexican sugar sector. It is now being replicated in other sectors such as fruits, tourism and garments, and in other Latin American countries.

Source: See: http://www.ilo.org/public/english/region/ampro/cinterfor/temas/employer/for_prod/simapro.htm

Links

- Food, Drink and Tobacco
<http://www.ilo.org/public/english/dialogue/sector/sectors/food.htm>
- Safework Programme
<http://www.ilo.org/safework/lang—en/index.htm>
- Helpdesk for Business on International Labour Standards
<http://www.ilo.org/empent/areasofwork/business-helpdesk/lang—en/index.htm>
- Export Processing Zones
<http://www.ilo.org/public/english/dialogue/sector/themes/epz.htm>
- ILO Conventions
<http://www.ilo.org/ilolex/english/index.htm>

Tools

- ◆ ILO: SIMAPRO: *Guía de Autoformación y Evaluación por Competencias*
http://www.ilo.org/public/english/region/ampro/cinterfor/temas/employer/for_prod/simapro.htm
- ◆ ILO: *Value Chain Development for Decent Work : A Guide for Development Practitioners, Government and Private Sector Initiatives*
http://www.ilo.org/empent/Whatwedo/Publications/lang—en/docName—WCMS_115490/index.htm
- ◆ ILO: *Rural Skills Training. A Generic Manual on Training for Rural Economic Employment* (TREE) (Geneva: 2009)

- ◆ ILO: *Training Resource Pack on the Elimination of Hazardous Child Labour in Agriculture* (Geneva: 2005)

Other Materials

- ◆ ILO: *The Impact of Global Food Chains on Employment in the Food and Drink Sector*, Issues Paper for discussion at the Tripartite Meeting to Examine the Impact of Global Food Chains on Employment (Geneva: 2007).
- ◆ ILO: *Technology and Employment in the Food and Drink Industries*, Report for discussion at the Tripartite Meeting on Technology and Employment in the Food and Drink Industries (Geneva: 1998)
- ◆ ILO: *Safety and Health of Meat, Poultry and Fish Processing Workers* Working paper No. 104 (Geneva: 2004)
- ◆ ILO: *Employment Trends in the Tobacco Sector: Challenges and Prospects* (Geneva: 2003)

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