



International  
Labour  
Office

# Decent Work on Plantations

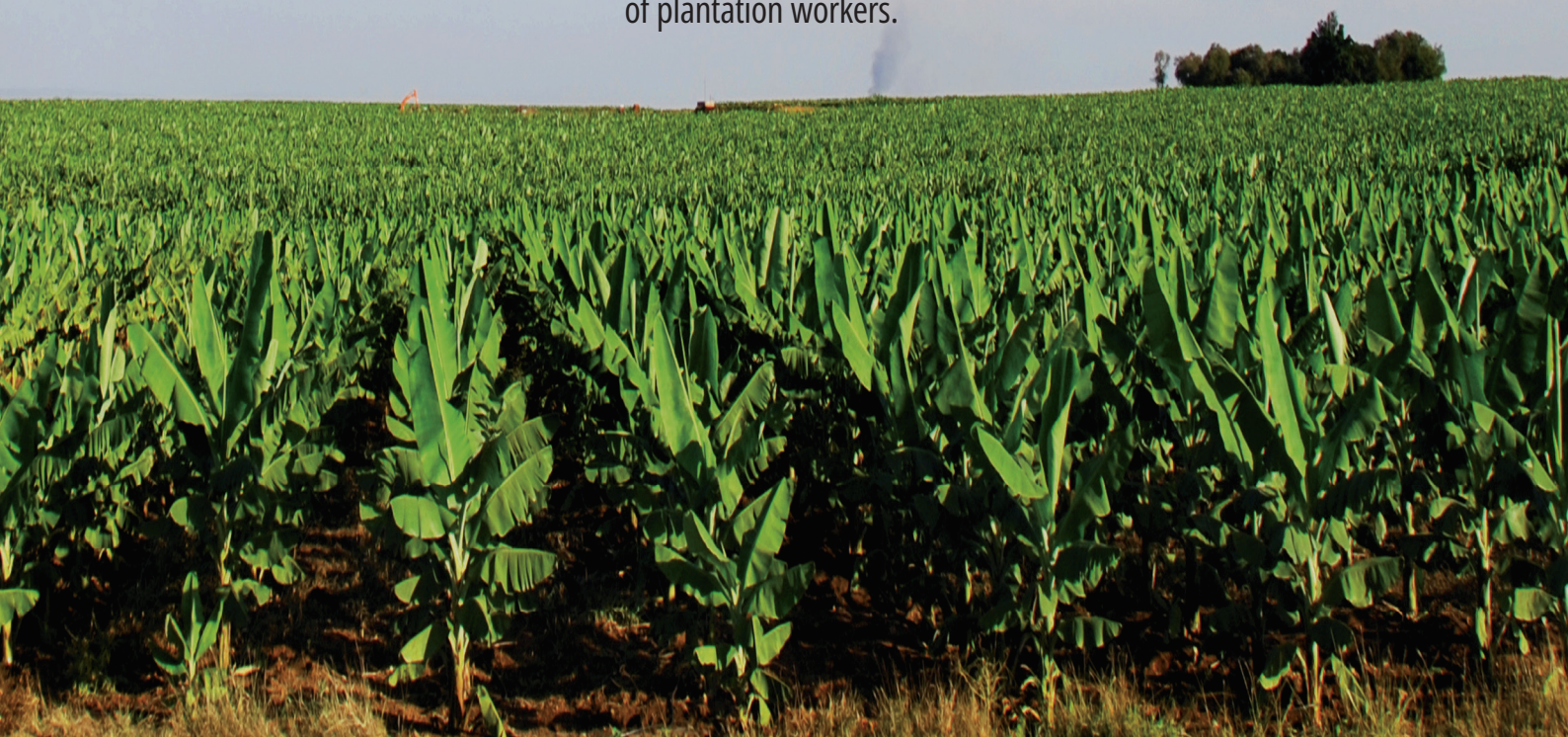
**DECENT WORK IN THE RURAL ECONOMY  
SECTORAL POLICIES DEPARTMENT**



Plantations play a critical role in many developing and emerging economies with large rural sectors. They create, directly and indirectly, employment opportunities for millions of people and generate important export earnings. Having strong linkages with other economic sectors, they form an important connection with global supply chains and contribute to economic growth and development. Not only do plantations constitute a source of livelihood, but workers and their families often live on plantations and rely on them for basic services, including health care and education.

The plantation system has existed since the early colonial era, i.e. the 17th century. Over the last few decades it has undergone major changes in terms of the ownership, management, scale and complexity of its production structures. Despite their economic importance and their potential to contribute to sustainable development, in some countries plantations are characterized by decent work deficits. Low incomes, excessive working hours, widespread casualization, poor working and living conditions, harassment and low productivity are a reality on plantations around the world. However, given that the plantations system of production usually operates within the formal economy and produces for integrated supply chains, it holds the potential for productive transformation and improved compliance with national laws and regulations.

The ILO promotes productive employment and decent work in the plantation sector by enhancing the knowledge base, building the capacity of constituents and providing technical advice with particular attention to extending social protection and improving the organization, working conditions and productivity of plantation workers.





## The plantation sector

Plantations are agricultural undertakings that regularly employ hired workers and are mainly concerned with the cultivation or production of monocultures for commercial purposes. While plantations have long been organized to produce commodity crops for export, there has been a shift in trade relations from the simple market transactions between buyers and suppliers that were typical in the 1970s, to the emergence of tightly knit and integrated global supply chains. The growth and expansion of contract farming occurs globally, and large-scale plantation agriculture often coexists with smallholding agriculturalists, with whom it interacts in multiple ways.

The plantation sector has the potential to contribute to economic growth, to alleviate poverty and food insecurity. Today, the sector remains of high importance in the global economy, due in part to the continual production growth of plantation crops. Specifically, oil palm production has increased steeply since 1990 (8 per cent annually), followed by banana, tea, and pineapple (between 3.9 and 3.6 per cent), and cocoa, coffee, coconut and sugar (all under 3 per cent per year).<sup>1</sup> Relatedly, developing countries have experienced continuous growth in the export quantity and value of these crops in past decades particularly as consumer demand for these inputs increases.

### Plantations: An important contribution to jobs and growth

Plantations provide an important source of jobs and income for rural workers. This is particularly true in areas which are heavily dependent on agriculture. For example, in Indonesia, two-thirds of rural household income comes from agriculture, and a significant portion of this is from the palm oil industry.<sup>2</sup> In Malawi, maize is grown as the staple food for home consumption, while tea, tobacco, cotton, coffee and sugar are important export crops. The overall contribution of the agriculture sector to GDP in the country is nearly 30 per cent. By increasing the availability of food on international markets, plantations contribute to food security, including indirectly, by positively impacting food prices. Though plantations have reduced habitat and forest cover, prompting environmental non-governmental organizations to advocate for the limitation of plantation expansion, effective management of the sector is key to ensuring environmental sustainability. The effective management also serves to promote biodiversity protection and increase productivity.

### Decent work deficits

Of the roughly 1.1 billion people engaged in agriculture, 300-500 million are waged workers, many of whom depend on incomes from jobs in the plantation sector.<sup>3</sup> While they play a major role in feeding the world, a significant number of them ironically are among those who suffer from hunger. In many countries, the absence or limited access to social protection is an important policy challenge. This exclusion is the result of the employment status of many plantations workers, who are often hired on a casual or seasonal basis, or because they belong to groups that are particularly vulnerable to discrimination and exclusion. Women, young people, migrant workers and indigenous and tribal peoples are among those who are more likely to find themselves in a vulnerable situation. Gender stereotypes and occupational segregation perpetuates the gender wage gap and inhibits upward mobility for women workers.

Women represent a significant number of the workers on plantations. A significant body of evidence demonstrates that workers in plantations and particularly migrant workers and women are vulnerable to discrimination and harassment.<sup>4</sup> In addition, plantation work is, by its nature, physically demanding, which jointly with poor occupational health and safety on many plantations, makes it among the most hazardous sectors. Other common constraints faced by women and men working on plantations include: a lack of reliable and decent incomes; low levels of skills and productivity; inadequate access to public services; and ineffective organization and participation in decision-making processes, especially among seasonal and casual workers. Forced labour and child labour are not uncommon in this sector, while labour inspection is frequently weak or non-existent. The promotion of decent work is therefore an essential means of ensuring the sustainable development of the sector and its potential contribution to poverty reduction and food security.

<sup>1</sup> Calculations based on FAOSTAT production data, retrieved on 08/12/2015.

<sup>2</sup> World Growth: *The Economic Benefit of Palm Oil to Indonesia*, Melbourne, 2011.

<sup>3</sup> ILO, FAO, IUF: *Agricultural workers and their contribution to sustainable agriculture and rural development*, Geneva, 2007.

<sup>4</sup> ILO: *Background paper for discussion at the Meeting of Experts on Violence against Women and Men in the World of Work*, 3-6 October 2016, Geneva, 2016.

### The ILO's work

The promotion of decent work in the rural economy has been at the core of the ILO's mandate since its establishment in 1919. Agriculture specific instruments have been adopted since the early 1920s. Notably, the Plantation Convention, 1958 (No. 110) outlines a series of principles concerning the

engagement and recruitment of migrant workers; contracts of employment and abolition of penal sanctions; wages; annual holidays with pay; weekly rest; maternity protection; workmen's compensation; right to organise and collective bargaining; freedom of association; labour inspection; housing; and medical care.<sup>5</sup>

#### BOX 1: Promoting youth employment in Sri Lanka

Sri Lanka faces a youth employment challenge, particularly in the country's tea and rubber growing regions. Young people on plantations lack a diverse choice of employment due to language barriers, limited educational opportunities and geographic isolation. The ILO/Japan project "Promotion of Decent Work for Youth in Sri Lanka" 2008-2011 helped alleviate unemployment and underemployment among rural young

people by directing them to vocational training opportunities, providing entrepreneurship training, and by improving employment and recruitment services for employers and young workers. In addition, it worked closely with plantation companies to promote strategic corporate sustainability, factory improvements and an improved work-life balance.

**Source:** ILO: *Promotion of Decent Work for Plantations and Rural Youth in Sri Lanka*, Colombo, Sri Lanka, 2010.

The Plantations Recommendation, 1958 (No. 110) sets out detailed guidelines for improving employment conditions of plantation workers. Plantation-specific labour issues were regularly discussed by the ILO's Committee on Work on Plantations, which was active between 1950 and 1993.

Over the past few years, the ILO has developed a portfolio of development cooperation projects on rural development. A number of these projects specifically targeted the plantation sector and focused *inter alia* on the elimination of child labour; skills development; the promotion of social dialogue, social protection and occupational safety and health.

#### BOX 2: Combating child labour in Ghana

The ILO has been at the forefront of combating child labour in plantations and smallholder farms. In 2011, eight companies in the chocolate and cocoa industry pledged US\$ 2 million to a new Public-Private Partnership with the ILO to combat childlabour in cocoa growing communities in West-Africa.

In 2010-2014, the Cocoa Communities Project (CCP) was implemented by the ILO in Ghana. Over this period, actions yielding tangible and relevant outcomes translated into community-led holistic development initiatives in education, health, infrastructure, livelihood and improved technical capacity.

**Source:** ILO: *Good practices and lessons learned in cocoa communities in Ghana*, Geneva, Switzerland, 2015.

<sup>5</sup> Certain provisions of the Convention have been revised in the Protocol of 1982 to the Plantations Convention, 1958.

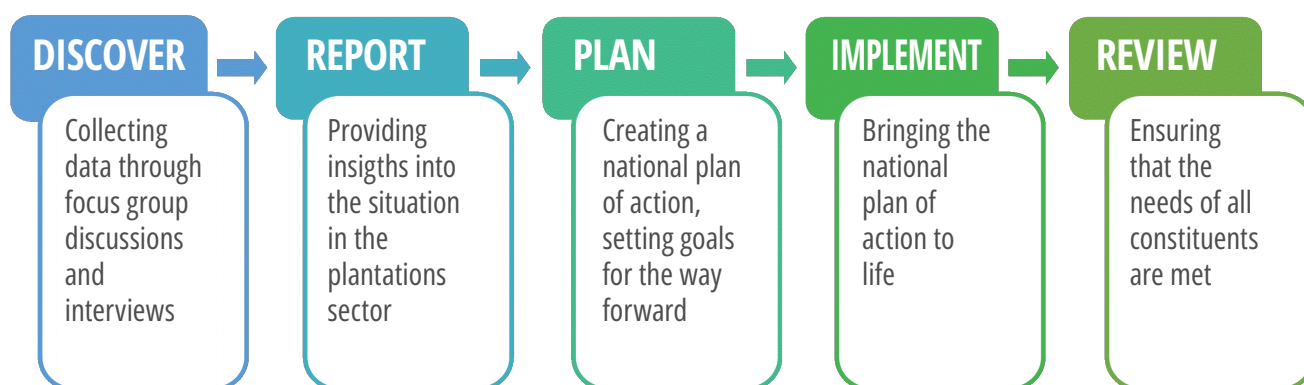


### An ILO tool to reveal opportunities and challenges for the promotion of decent work in plantations

“Diagnostic process on working conditions in the plantations sector” is a tool designed to identify opportunities and challenges for promoting decent work in the large-scale farm sector. It combines innovative qualitative methods of sociological research with quantitative methods, and covers a wide range of issues, from the fundamental principles and rights at work to technical topics dealt with in the Plantations Convention, 1958 (No. 110). The tool provides a nuanced understanding of important labour and employment issues and to identify ways to promote decent work, through: focus group discussions with the tripartite constituents (government, employers and workers) at the national, regional and local levels and direct interviews with plantation workers and small-scale producers.

Following country-specific fieldwork, quantitative and qualitative data collected undergo a rigorous analysis. A central element of the approach is methodological triangulation, combining both quantitative and qualitative techniques to cross-check results from the diagnostic tools. Using these findings, a report is presented to the national constituents, and subsequently key findings are discussed in a tripartite setting. Based on the opportunities and challenges presented in the diagnostic report, national tripartite constituents develop and adopt plans of action through social dialogue. The process offers the tripartite constituents a transparent assessment of the actual situation in the plantation sector and an opportunity to take real ownership over the outcomes.

### The five phases of the diagnostic process



In 2015, the ILO conducted analysis of the plantation sectors in Bangladesh, the Dominican Republic, Ghana, Indonesia, Malawi and Sri Lanka. The diagnostic process conducted in Sri Lanka provides a good example of how the constituents can maintain ownership of ILO-supported interventions, as they lead the development of their Plan of Action through a process of social dialogue.



Following the diagnostic process, which focused on Sri Lanka's tea industry, the national stakeholders agreed on a number of priorities, including occupational safety and health, economic diversification, skills development, the strengthening of social dialogue and labour inspection, which are reflected in the Plan of Action.



### Promoting decent work in the plantations sector: an ILO programme

Drawing lessons from the many and diverse actions targeting employment and labour aspects on plantations, the ILO has designed a holistic and integrated approach to support the implementation of the plans of action, developed by national tripartite constituents on the basis of surveys and diagnostic reports.

The approach is based on a two-pronged strategy, combining interventions aimed at improving the functioning of labour market institutions and strengthening the capacity of workers and employers' organizations with direct action at the plantation level.

The institutional development component aims at advancing the functioning of rural labour markets through improved compliance with legislation and information dissemination. It also seeks to build the capacity of national and local institutions to address decent work challenges in the plantations sector and the rural economy at large, while helping the social partners to effectively participate in decision-making processes and to increase their outreach and impact in rural areas.

The direct support component focuses on the implementation of integrated measures to promote decent and productive employment at the plantation level.

### Instruments

Right of Association (Agriculture) Convention, 1921 (No. 11).

Forced Labour Convention, 1930 (No. 29) and the Protocol of 2014 to this Convention.

Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87).

Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

Abolition of Forced Labour Convention, 1957 (No. 105).

Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (No. 99).

Equal Remuneration Convention, 1951 (No. 100).

Holidays with Pay (Agriculture) Convention, 1952 (No. 101).

Minimum Age Convention, 1973 (No. 138).

Plantations Convention, 1985 (No. 110) and the accompanying Recommendation, 1958 (No. 110).

ILO Declaration on Fundamental Principles and Rights at Work, 1998.

Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

Labour Inspection (Agriculture) Convention, 1969 (No. 129) and the accompanying Recommendation, 1969 (No. 133).

Rural Workers' Organizations Convention, 1975 (No. 141).

Worst Forms of Child Labour Convention, 1999 (No. 182).

Safety and Health in Agriculture Convention, 2001 (No. 184) and the accompanying Recommendation, 2001 (No. 192).



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FAO/IFAD/ILO. 2010. *Gender Dimensions of Agricultural and Rural Employment: Differentiated Pathways out of Poverty* (Rome).

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