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SECOND ITEM ON THE AGENDA

Area of critical importance: Promoting decent work in the rural economy

Purpose of the document

This document presents an overview of the strategic orientation, focus areas, main deliverables, conclusions and results thus far of the fifth area of critical importance (ACI 5) on the promotion of decent work in the rural economy (2014–15). It seeks guidance from the Governing Body on focus and future strategic orientation (see the draft decision in paragraph 32).

Relevant strategic objective: All.

Policy implications: The guidance of the Governing Body will inform the final phase of implementation of ACI 5 and it will help shape the future strategic orientation of the outcome area on decent work in the rural economy.

Legal implications: None.

Financial implications: Work under ACI 5 is being carried out with existing budgetary allocations and additional extra-budgetary resources. Further resources will need to be mobilized for the implementation of the strategy.

Follow-up action required: Integration of the guidance provided by the Governing Body in the final phase of implementation, as well as in the strategic orientation of future ILO work in the rural economy.

Author unit: Sectoral Policies Department (SECTOR).

Related documents: Programme and Budget for 2014–15; International Labour Conference: Conclusions on promoting rural employment for poverty reduction (June 2008); GB.310/ESP/1; GB.312/POL/7.

I. Vision, rationale and focus of ACI 5

1. The ACI on decent work in the rural economy (ACI 5) is one of the eight ACIs approved by the International Labour Conference in the framework of the Programme and Budget for 2014–15. This paper presents an overview of its strategic orientation, focus areas, main deliverables, conclusions and results thus far.

A. Vision and rationale

2. Rural economies contribute significantly to employment and economic growth in many countries. In particular, of the developing world's 5.98 billion people, close to 3.4 billion live in rural areas¹ and a significant number of them depend on agriculture for their livelihood. However, rural economies are often characterized by significant decent work challenges. With eight out of ten of the world's working poor living in rural areas,² more and better jobs are crucial to sustainable rural development and the eradication of rural poverty.
3. Rural poverty has numerous root causes, including climate change, natural resource degradation, conflict, weak institutions, trade-related challenges, and lack of rights and access to essential services and markets. Rural poverty often leads to social challenges, including hunger and malnutrition, poor working conditions and the exploitation of children. The ILO's approach to rural poverty reduction is to increase the overall resilience and capacity of rural communities to address such challenges through the Decent Work Agenda. This approach is based on three main goals: (1) increasing the voice of rural people through the organization of communities and the promotion of rights, standards and social dialogue; (2) promoting inclusive, employment-focused rural development policies and programmes for diversified livelihoods, sustainable enterprises and better integration in supply chains; (3) establishing and extending social protection floors to provide basic income security and access to essential health care in rural economies in line with the Social Protection Floors Recommendation, 2012 (No. 202).
4. The ACI's strategic orientation is guided by the resolution and conclusions on promoting rural employment for poverty reduction, adopted by the International Labour Conference in 2008,³ the Organization-wide strategy for rural work, examined by the Governing Body in March 2011,⁴ and relevant Governing Body decisions. It focuses on a rights-based rural development approach and seeks to enhance the capacity of its constituents to advance policies and programmes for sustainable livelihoods with a special focus on protecting and empowering vulnerable rural people.

B. Focus areas

5. During the 2014–15 biennium, the ACI aims to consolidate the ILO's considerable portfolio of work in rural areas with a view to defining a strategic focus for future bienniums. It will generate knowledge and produce innovative tools to support constituents

¹ UNDESA: *World Urbanization Prospects: The 2014 Revision* (New York, 2014).

² ILO: *Global Employment Trends 2012: Preventing a deeper jobs crisis* (Geneva, 2012), p. 43.

³ ILO: *Provisional Record* No. 15, International Labour Conference, 97th Session (Geneva, 2008).

⁴ GB.310/ESP/1, para. 57 et seq.; GB.310/13(Rev.); and GB.310/PV, para. 160.

in addressing decent work challenges in rural areas through three interrelated areas of work:

- (a) decent work for disadvantaged, marginalized and vulnerable rural populations;⁵
- (b) decent work for rural workers in supply chains; and
- (c) decent work for rural workers on plantations.

6. These focus areas encompass some of the main challenges facing countries with large rural economies. They provide a basis for Office-wide work for advancing knowledge and strategies on the promotion of decent work in rural economies, while complementing work under the other ACIs.
7. Vulnerable populations in rural areas may be identified as lacking access to land, water, markets, income-generating opportunities, energy and infrastructure; to services, such as access to finance, social protection, including, essential health care, basic rights and legal protection; and by their high exposure to socio-economic and political risks, climate change, and extreme poverty and hunger. Organizing and empowering rural constituents and communities through the promotion of decent work is crucial in addressing poverty, food security, and substandard working and living conditions in rural areas. This is of particular importance for disadvantaged, marginalized and vulnerable populations and those facing multiple discriminations such as indigenous and tribal peoples, ethnic minorities and migrants.
8. Rural economies often are the foundation of supply chains and represent considerable untapped opportunities for productive employment while playing a vital role in ensuring income and food security. Millions of rural workers, including many farmers and farm workers, are involved in supply chains either through formal work, as suppliers and subcontractors, or through informal and other non-standard work arrangements. Rural workers are often engaged in activities that do not generate sufficient income to lift them out of poverty and hunger. Adding value through productivity and efficiency gains, and improving the quantity, quality and distribution of employment along supply chains is central to promoting sustainable, inclusive and thriving rural economies.
9. A source of livelihood for some 1.3 billion people globally, the agricultural sector is often characterized by serious decent work deficits. Waged agricultural workers represent some 40 per cent (450 million) of the global agricultural workforce, and many of them rely on larger agro-food production systems and plantations for their income. 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. Their effects on the rural workforce have been varied, in some cases providing opportunities, while in others creating significant challenges for the promotion of decent work.

⁵ 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. 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.

Strengthening the capacity of the tripartite constituents to effectively promote decent work for workers on modern-day plantations is, therefore, crucial.

10. A set of integrated global products, country outputs and other deliverables under these focus areas are envisaged to be completed by the end of 2015.

II. Strategic interventions and main deliverables

A. Global products

11. ACI 5 focuses on expanding the knowledge base on the decent work dimension in rural development, and strengthening the capacity of constituents to implement effective and relevant strategies. In this regard, knowledge development and dissemination is crucial. The goal is to fill the knowledge gaps through targeted research and analysis under the three focus areas in order to improve the effectiveness of existing policies, tools and strategies and to develop new innovative models of intervention. Based on extensive stocktaking of ILO programmes and tools, carried out during the inception phase, a set of policy guidance notes will be published by the end of 2015. These will cover a wide spectrum of issues, ranging from the role of financial inclusion and access to public services in alleviating rural poverty to cooperative enterprise development, green jobs and the extension of social protection to rural areas.
12. The knowledge base will be further strengthened through the development of statistical indicators and data related to employment and decent work in rural areas. Vulnerable rural workers have traditionally been excluded from statistical measurement and policy analysis, despite existing international statistical standards. The work accomplished so far on rural decent work statistics points to the urgent need to strengthen national data production and dissemination, as well as ILO data collection of decent work statistics in partnership with key stakeholders.
13. Under the first thematic area on the promotion of decent work among disadvantaged, marginalized and vulnerable rural populations, an analysis of the drivers of rural vulnerability and their impact on decent work will be carried out, which will be accompanied by the development of a rapid assessment tool.
14. In order to provide empirically sound technical advice on the promotion of decent work in supply chains, a review of existing ILO tools and methodologies for employment impact assessment and two country case studies will be conducted to support the development of integrated sectoral strategies. Currently, a draft tool on decent work for the promotion of sustainable livelihoods in agro-food supply chains, and plantations in particular, is being developed with a view to it being reviewed and adopted by a meeting of experts in 2016–17.
15. The main focus of the thematic area on plantations is the analysis of decent work challenges and opportunities in the plantations sector, including the identification of good practices and lessons learned. This work will be informed by a trends and developments report, desk research and the results of national surveys to be conducted in six countries for three commodities (banana, palm oil and tea). Policy guidance on the promotion of decent work for workers on plantations, based on the findings, will be discussed by tripartite constituents at national and international levels.

16. In addition, research is being carried out in relation to delivery of social protection and access to health-care services, education and water supply. This will provide information for the development of pertinent public policies for rural workers and their families.
17. An important aspect of the Office strategy under ACI 5 is to use the ILO's extensive network to widely disseminate all relevant findings. A knowledge-sharing and learning process is being developed with target countries in the regions of Africa, Asia and the Americas and a stocktaking workshop is planned for October 2014. In addition to capacity-building programmes for ILO constituents and partners at country level, a global rural development academy is going to be held in the International Training Centre of the ILO (ITC-ILO) in 2015. The event will provide an excellent knowledge-sharing and learning opportunity for all interested parties, as well as for ILO staff.
18. The ILO already has well-established partnerships with many actors who are essential to the effectiveness and success of its work on rural development. These include, among others, the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the United Nations World Food Programme (WFP), the Organisation for Economic Co-operation and Development (OECD) and the World Bank. Strengthening these partnerships and exploring new ones, including with regional development banks, to ensure policy coherence, knowledge sharing and the facilitation of joint strategies, is an integral part of the strategy for this ACI.
19. The ILO contributed to the work of the G20 Development Working Group, whose 2014 report on job creation and growth in relation to food security explicitly acknowledges the importance of the Decent Work Agenda. Within the framework of the United Nations Secretary-General's High-Level Task Force on Global Food Security, the ILO co-leads the working group on rural poverty reduction of the Zero Hunger Challenge initiative with IFAD and the United Nations Development Programme (UNDP). Moreover, the ILO is the lead agency in the preparation of the UN-Water's 2016 *World Water Development Report*, which is dedicated to the theme of "Water and jobs", and the 2016 World Water Day and related events.

D. Country outputs

20. In terms of country-level work, ACI 5 initiatives have been designed in accordance with the strategies defined under each priority area. Given the limited resource availability, the selection of interventions was based on the potential to achieve results in a relatively short period of time and to generate knowledge that could be useful in efforts to scale up and replicate these strategies elsewhere.
21. On the first priority area, the work focuses on developing and piloting models of intervention targeting workers who are subject to multiple discrimination and socio-economic, environmental and political risks. In Lebanon, the ACI initiative aims at strengthening the resilience of rural host communities affected by the Syrian refugee crisis through emergency employment service mechanisms, vocational training programmes and promoting opportunities for local economic development in specific sectors. It also includes the implementation of the Work Improvements in Small Enterprises (WISE) training programme.
22. In Mali and Niger, the ACI initiative is based on three main pillars: (1) improving access to food aid, water and food storage facilities, targeting small-scale farmers and producers, and applying the employment-intensive investment approach to rebuild rural roads; (2) strengthening the capacity of farmers, cooperatives, and professional organizations in

improving production, processing and marketing while increasing the capacity of the social partners to engage in effective social dialogue; and (3) conducting a mapping analysis with the aim of assisting the development of intervention models.

23. Having been implemented in a number of selected provinces, the ACI initiative in the Lao People's Democratic Republic aims to promote local economic development and improve food security and employment opportunities along selected value chains through improved market links, processing and value addition.
24. In Sri Lanka, the ACI initiative targets vulnerable populations in the country's Eastern Province and aims to increase the capacity of micro-, small and medium-sized enterprises (MSMEs) to provide efficient, effective and quality services in the tourism industry to promote eco-friendly sustainable tourism.
25. Under the focus area on the promotion of decent work for rural workers in supply chains, country-level initiatives focus on the implementation of integrated sectoral strategies. In Indonesia, the ACI initiative, implemented jointly with the FAO, aims to promote sustainable poverty reduction and food security in rural communities in the most disadvantaged districts of Nusa Tenggara Timur through increased labour productivity, decent work principles and entrepreneurial opportunities in key agro-food value chains – particularly maize, seaweed and livestock – with high employment and income generation potential. It places emphasis on protecting workers' rights, promoting social dialogue among key stakeholders and improving access to social protection, basic services and infrastructure in local communities.
26. To promote income generation, food security and resilience in the rural economy, the ACI initiative in Zimbabwe consolidates work already undertaken to strengthen the capacity of rural communities and increase access to financial and other business development services in horticulture and meat production. It also promotes the application of decent work principles and occupational safety and health standards through the distribution of materials and information campaigns to enterprises, agricultural and savings and credit cooperatives, producer organizations and small-scale farmers.
27. In addition to country surveys on decent work on plantations, the ACI provides technical support for the implementation of an ILO–UNDP joint programme in the Dominican Republic on improving labour conditions and productivity in the banana supply chain. Additional funds are being earmarked for advancing productivity-enhancing initiatives in the sugar cane value chain in El Salvador and building the capacity of constituents in southern Latin American countries.

III. Implementation strategy and conclusions thus far

28. ILO work on the promotion of sustainable rural livelihoods through decent work is extensive. Recent initiatives have focussed on the promotion of rights, especially those of indigenous and tribal peoples, through the eradication of child and forced labour, and the promotion of freedom of association for rural workers, of safe and healthy working conditions in agriculture and of rural livelihoods through enterprise development, skills and training, and employment-intensive infrastructure programmes, including work to address the needs of women and youth.
29. Experience gained has highlighted the importance of pursuing an integrated approach, encompassing a number of mutually supportive technical areas, and a participatory approach, which helps ensure sustainability and national ownership. Another key lesson is

to ensure strong linkages between policy and operational aspects of ILO initiatives in the rural economy.

30. The ILO will support its constituents in integrating decent work in their rural development strategies. This may include the promotion of decent work in the following interrelated components: supporting agricultural growth for improved livelihood and food security; promoting economic diversification and triggering productive transformation, including through MSME and skills development for rural employment; greening rural economies; promoting access to services and employment-intensive investments; and harnessing the potential of extractive industries.
31. ILO interventions in the rural economy will be most sustainable if built upon the strong commitment of national and local stakeholders to a comprehensive rural development strategy supported by investment programmes. In this context, effective partnerships with key national and international development actors are a prerequisite and will be further promoted by the Office.

Draft decision

32. *The Governing Body requests the Director-General to take account of its guidance in implementing the strategy for the ACI on the promotion of decent work in the rural economy.*