

Decent rural employment: Key for poverty reduction and food security

2010-13: Enhancing FAO's work through decent rural employment



Food security and rural employment

“Eradicate extreme poverty and hunger” was chosen as number one of the eight Millennium Development Goals (MDGs) established by world leaders and the United

Nations (UN) in 2000. Targets were then developed to measure the achievement of the MDGs.



MDG 1 Target 1.B
“Achieve full and productive employment and decent work for all, including women and young people”

In 2005, Target 1.B¹ was added to MDG 1, recognizing that “**full and productive employment and decent work for all, including women and young people**” is key for poverty reduction and increased food security through income generation and hence increased access to food.

Directly linked to MDG 1, the Food and Agriculture Organization (FAO) strives to achieve food security for all: to ensure people can gain access to enough high-quality food to lead active and healthy lives. Access is one of the four dimensions of food security. At the global level, there is enough food produced to meet the needs of every person in the world. However, not everybody has access to food, either because they do not have the resources to produce enough food or because they lack the financial resources or other assets to purchase it. Improving access to food requires sustainable interventions that either boost agricultural productivity or expand employment and generate sufficient cash incomes. Therefore, decent rural employment for income generation is an explicit element of FAO's strategic approach to improve food security and foster sustained and inclusive growth.

Agriculture and rural employment

Agriculture and agribusiness are crucial drivers of rural economic growth in most developing countries, and are therefore instrumental to reducing poverty and promoting human well-being². Governments must make employment a priority for agricultural growth and rural development. Incentives such as greater access to markets and the effective enforcement of land or property rights will improve income prospects and encourage producers to enhance their productivity³. In East and South-East Asia, increased agricultural productivity together with the absorption of extra labour in non-agricultural sectors have helped bring millions of people out of poverty, contributed to food security and improved non-farm economic activity⁴.

Why rural employment is vital for agricultural growth

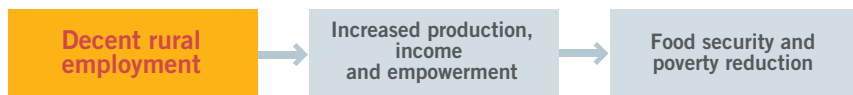
1. 3 billion people in developing countries live in rural areas, including 75% of the world poor (IFAD).
2. Agriculture is the main source of income for 86% of rural people (2.6 billion) (WB).
3. Agriculture provides 1.3 billion jobs for small farmers and landless workers (FAO).
4. There are 450 million wage workers in agriculture (FAO).
5. 60% of all child labour is in agriculture (ILO).

Therefore, sound pro-poor agricultural policies and an enabling environment for workers and producers, as well as public and private investment, are needed to improve the lives of rural people.

Not only more but also better employment opportunities have to be created. Most of the rural poor, in particular



DIAGRAM 1



women and youth, are over-represented in the low-productivity segment of the rural economy – often informal, in subsistence farming and agricultural wage labour. When labour is hired, it is mostly temporary and seasonal, informal and casual. Informal rural employment continues to rise in the agriculture sector⁵. Generally, in most developing countries, **the sector suffers from low levels of human capital**, severe gender inequalities and lack of investment in new technologies and infrastructure. Jobs do not ensure decent levels of income and sustainable livelihoods. Working conditions are poor, labour legislation is rarely enforced and social dialogue is weak. Moreover, global challenges such as climate change, an increased demand for biofuel crops, the transformation of agri-food systems and expansion of the informal sector have increased pressure on smallholders farming systems and their access to resources, especially land. This leaves disadvantaged groups, such as small-scale producers, who are typically more exposed to risk from economic shocks, unable to produce sufficient food for their households⁶.

Rural employment and decent work

The **Decent Work Agenda**, developed by the International Labour Organization (ILO) in 1999 and subsequently endorsed by the UN system, underscores that **both the quantity and the quality of employment** are essential for human well-being. The long-term commitments of countries' and the development community to people-centred frameworks such as the Decent Work Agenda can enable rural people to better utilize their skills, have a voice in the workplace and participate more effectively in the economy. Under decent working conditions, agricultural productivity can increase, and particularly

benefit the “working poor” – those who are often engaged in jobs that lack social protection and safety nets that guard against

The Four Pillars of Decent Work

1. Employment generation and enterprise development
2. Standards and rights at work
3. Social protection
4. Governance and social dialogue

times of low economic demand, and are typically unable to generate sufficient savings to offset an economic crisis⁷. If policy frameworks strive for decent work, wages and working conditions can improve, affording a safe and decent standard of living, increasing food security and breaking the cycle of poverty.

Agricultural growth can translate into improved food security and sustainable poverty reduction if both the quantity and the quality of respective employment arrangements are ensured. Both need to be explicitly addressed in rural development policies, strategies and programmes. Pro-poor growth and sustainable economic development can only be achieved through sustainable employment that pays decent (living) wages, ensures gender equality, provides minimum social protection, observes standards and rights at work and guarantees participation in social dialogue. As the figure below shows,

when rural women and men have access to decent employment, it can lead to increased food production and economic participation, which improves the livelihoods of the rural poor through income generation and empowerment. Overall, these positive effects will reduce poverty and create a healthier, more food-secure society.

FAO and rural employment

The 2007 Independent External Evaluation (IEE) stated that “FAO’s future relevance and effectiveness will depend on fundamental shifts to the Organization’s rural and agricultural **development paradigm to place more emphasis on employment for income generation and food access**”. FAO’s direct response to this recommendation is promoting decent rural employment as an essential component for reaching FAO’s three global goals of reducing hunger, eliminating poverty and managing natural resources in a sustainable manner.

FAO’s work on rural employment is guided by:

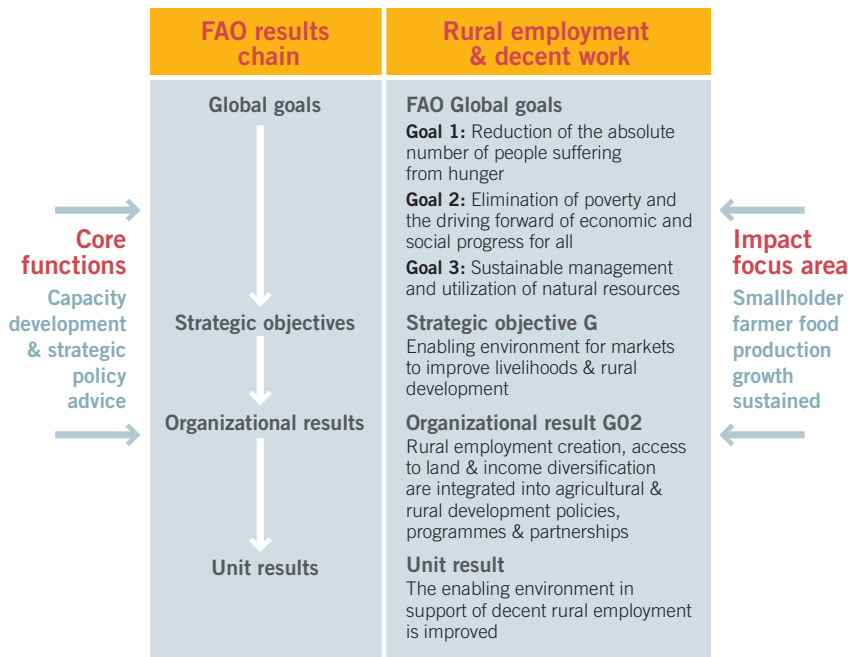
- **Economic and Social Council (ECOSOC) Resolution 2008/18:** “Promoting full employment and decent work for all”
- **Second UN Decade for the Eradication of Poverty and Plan of Action (2008-2017)**
- **Chief Executives Board (CEB) Global Jobs Pact and Social Protection Floor Initiative**
- **Memorandum of Understanding with ILO (2004):** Promote sustainable agriculture and rural development (SARD)
- **International Partnership for Cooperation on Child Labour in Agriculture (IPCCCLA) 2007**

Under FAO’s Strategic Framework, one Organizational Result (OR) aims at supporting ways to better **integrate issues of employment, access to land and income diversification** into their agricultural and rural development policies and programmes. Diagram 2 illustrates how FAO’s strategic framework utilizes decent rural employment as a means of meeting FAO’s global goals.

FAO’s comparative advantage in addressing rural employment

While the ILO leads the Global Employment and Decent Work Agenda, FAO has a crucial complementary role to play in promoting decent rural employment, specifically with respect to informal employment in agriculture, in agro-processing and in rural marketing enterprises and industries. This builds on the Organization’s technical comparative advantage in supporting agricultural and rural development, and also on the proven potential that agricultural growth has for poverty reduction in low-income countries. In addition, FAO has a strong expertise in small-scale, self-employed and informal agricultural occupations where the majority of workers in developing countries are found. FAO can rely on its close collaboration at country

DIAGRAM 2



agriculture, rural-urban linkages and improved management of rural mobility, and the centrality of cross-cutting issues such as *social equity, gender equality* and *rural institutions*.

The approach is implemented in Malawi and Tanzania through an intervention funded by the Swedish International Development Cooperation Agency (Sida) (2011-13). Activities of the intervention adhere to the principles of the Decent Work Agenda and are organized in a logical sequence reflecting FAO's Core Functions. Government Ministries (particularly the Ministries of Agriculture and Labour) and other rural institutions, such as producers' organizations are the main beneficiaries as the intervention aims at capacity development towards better strategy, policy and programme formulation. Partnerships are established with other

level with agricultural and rural stakeholders, namely line ministries such as Ministries of Agriculture and their departments, as well as with producers' organizations and cooperatives. These longstanding collaborations enable the Organization to foster inclusive networks supporting the integrated approach needed to tackle this complex development issue successfully.

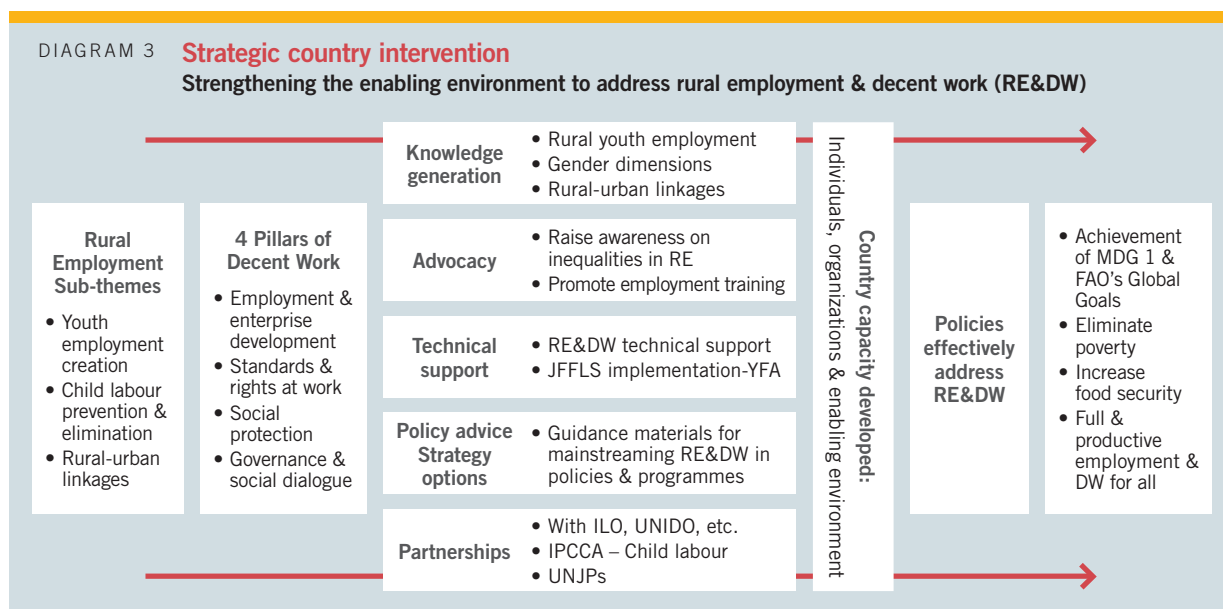
UN agencies, particularly with ILO, and through national and regional programmes, such as the New Partnership for Africa's Development's (NEPAD) Comprehensive Africa Agriculture Development Programme (CAADP). Operational mechanisms support youth entrepreneurship promotion through Junior Farmer Field and Life Schools (JFFLS) as well as capacity development for child labour prevention, in collaboration with ILO and under the International Partnership for Cooperation on Child Labour in Agriculture (IPPCLA).

Strategic country intervention

FAO supports the development and implementation of an integrated approach to promote rural employment and decent work at country level towards increased food security and more inclusive growth. Activities cover strategic and normative support as well as the piloting of operational institutional mechanisms. While adopting an agricultural focus, the following inter-linked thematic areas are addressed: improvement of the enabling environment for *youth employment and entrepreneurship*, prevention and reduction of the worst forms of *child labour in*

Ongoing and planned FAO activities on decent rural employment

The following table outlines FAO's main focus areas and activities, ongoing and planned, which promote decent rural employment for food security and poverty reduction. Additional funding will enable FAO to expand its policy support on decent rural employment towards equitable and sustainable livelihoods through a strategic country approach.



Overall result: Countries will have the capacity to effectively reflect decent rural employment aspects in national policies and programmes as a means of achieving food security

Objective 1: Generate knowledge on rural employment and decent work (RE&DW) issues

Ongoing activities

- Generate and disseminate knowledge on the gender dimensions of rural employment and the best policy options to promote equitable access to decent employment opportunities.
- Generate and disseminate knowledge on rural youth employment as well as good practices for promoting employment and entrepreneurship for disadvantaged youths.
- Analyse rural-urban linkages and migration issues reflected in poverty reduction and development strategies, e.g. ILO Decent Work Country Programmes (DWCPs).

Planned activities

- Generate and disseminate country level information on **social and gender dimensions** of rural employment (e.g. country profiles).
- Generate and disseminate information and knowledge on RE&DW for specific technical areas (e.g. on the impact of selected technology on child labour in specific agricultural sub-sectors).
- Generate and disseminate information on how to better manage rural migration and rural-urban linkages (e.g. Information note on rural labour migration and rural-urban linkages).

Objective 2: Provide policy advice and strategy options on rural employment and decent work (RE&DW)

Ongoing activities

- Develop and disseminate guidance tools to support the **mainstreaming of RE&DW** in UN initiatives, FAO country activities and national strategies, policies and programmes.
- Support the mainstreaming of RE&DW concerns and strategic considerations within FAO work programmes, especially Country Programming Frameworks.
- Provide policy support tools to FAO member countries to address RE&DW in relevant policy processes.
- Support the reflection of RE&DW in the Comprehensive Africa Agriculture Development Programme (CAADP) implementation.

Planned activities

- Provide policy support tools to FAO Member Countries on **how to address RE&DW in policy processes** (e.g. country-adapted policy briefs and training sessions on strategic planning on RE&DW, guide on RE&DW indicators in agricultural investment plans).
- Increase coordination with ILO Regional Office for Africa towards a more integrated approach to RE&DW promotion through regional African initiatives.

Objective 3: Provide technical support on rural employment and decent work (RE&DW) for capacity development

Ongoing activities

- Provide technical support to **strengthen national capacities** on RE&DW.
- Support the development and adoption of a training approach on youth employment promotion and child labour prevention (e.g. through Junior Farmer Field and Life Schools-JFFLS and the promotion of Youth Farmers' Associations-YFAs).
- Provide technical guidance on how to address RE&DW in programmes and project design (e.g. country programmes, agricultural investment plans, emergency projects, etc).

Planned activities

- Establish a **coordination programme on youth employment** promotion in rural areas (including JFFLS).
- Support initiatives for youth employment and entrepreneurship promotion in response to crisis (e.g. Tunisia, North Africa region) towards more long-term employment-centred approaches for rural growth.
- Strengthen the collaboration with ILO to **strengthen national capacities** to address child labour in agriculture.

Objective 4: Advocate the effectiveness of rural employment and decent work (RE&DW) promotion on food security

Ongoing activities

- Disseminate information and raise awareness on the need to address existing gender and age inequalities in accessing rural employment opportunities and their impacts on food security.
- Advocate the need to **empower young** women and men to be more active drivers of change and contribute to food security.
- Advocate the **prevention and reduction of child labour** in agriculture, particularly its worst forms and raise awareness on its negative impacts on food security.

Planned activities

- Continue to advocate for the need to better **integrate RE&DW concerns explicitly in the work programme** of the organization as well as in national strategies, policies and programmes for agriculture and rural development. (e.g. business case on promoting rural employment for food security).
- Continue to advocate for the need to **address child labour** in agricultural and rural development policies and strategies (e.g. business case on child labour prevention and reduction for food security).
- Advocate the need to better manage rural labour mobility, especially of youth, and **promote rural-urban linkages** within national strategies, policies and programmes for agriculture and rural development.

Objective 5: Enhance partnerships targeting rural employment and decent work (RE&DW)

Ongoing activities

- Collaborate with other **UN agencies** to promote sustainable development and joint crisis initiatives which are employment-centred and promote decent work.
- Strengthen interministerial and multistakeholder mechanisms to better reflect RE&DW projects at the country level.
- Reinforce the strategic partnership with **ILO** both at the regional and country level, based on respective organizations' comparative advantages.
- Engage with other international **development partners** to fight child labour in agriculture (International Partnership for Cooperation on Child Labour in Agriculture).

Planned activities

- Enhance collaboration with **ILO Regional Office for Africa** to support AU/NEPAD, especially with respect to CAADP.
- Strengthen the collaboration with **ILO** on child labour prevention in agriculture in specific technical areas and countries.
- Strengthen the collaboration with other Rome-based agencies **WFP and IFAD** in providing better employment-based responses to crisis (e.g. Tunisia) towards employment-centred rural development.
- Collaborate with **IOM** to promote migration and development initiatives in support of decent employment for rural youth in countries of origin.

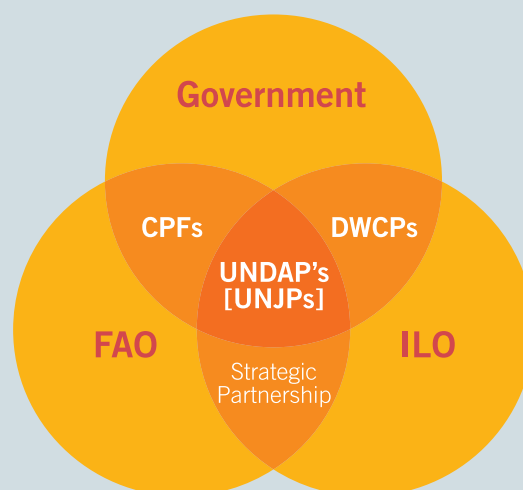
Building on strategic partnerships

FAO has a crucial responsibility in rural poverty eradication and increased food security. These goals call for holistic and integrated approaches which build on intersectoral and global partnerships. Involving the private sector, supporting inter-ministerial and multi-stakeholder territorial mechanisms, including civil society and producers' organizations, and promoting UN-wide coherent approaches towards employment-centred rural development is of foremost importance. In particular, FAO will continue to work in collaboration with its key UN partner, the ILO. In 2004, a Memorandum of Understanding was signed by both organizations, in which the promotion of sustainable agriculture and rural development was identified as a key priority for reducing hunger and poverty. The strategic partnership with ILO and the guidance of the Decent Work Agenda will continue to contribute to the attainment of FAO's objective of achieving its mandate and global goals.

FAO's work will mainly focus on knowledge generation, advocacy and sharing of good practices, policy analysis and advice, as well as technical and institutional support to build capacities in member countries. Given the scope of the challenge, FAO is engaged in a mobilization strategy to raise additional change and maximise efforts through effective partnerships. As shown in the figure below, there are various opportunities at the country level for decent rural employment to be mainstreamed within national programmes, policies and frameworks. Through UN-wide mechanisms and partnerships, as well as in its own work within headquarters and at country level, FAO will work to **mainstream decent rural employment** as a means of improving food security.

DIAGRAM 4

FAO addressing decent rural employment through strategic partnerships



- FAO works with governments to ensure that Country Programming Frameworks (CPFs) address decent rural employment.
- FAO will collaborate with other UN agencies within United Nations Joint Programmes (UNJPs) and ensures that decent rural employment concerns are included in United Nations Development Assistance Frameworks/Plans (UNDAFs/UNDAPs).
- FAO continues to invest in its **strategic partnership with ILO** in the framework of the implementation of ILO Decent Work Country Programmes (DWCPs) to fully address decent rural employment.

Glossary

Agriculture: Includes cultivation of crops and animal husbandry as well as forestry, fisheries, and the development of land and water resources. (Source: FAOTERM)

Child labour: Work that harms, abuses and exploits a child or deprives a child of fully participating in compulsory education. It refers to working children below the national minimum employment age, or older children in hazardous work. It is important to recognize that some participation of children in non-hazardous activities can be positive as it contributes to an inter-generational transfer of skills and children's food security.

(Source: *Gender and rural employment policy brief #7: Breaking the rural poverty cycle: Getting girls and boys out of work and into school*. FAO, 2010)

Decent work: Involves opportunities for work that is productive and delivers a fair income; security in the workplace and social protection for families; better prospects for personal development and social integration; freedom for people to express their concerns, organize and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men.

(Source: <http://www.fao-ilo.org>)

Rural employment: Refers to any activity, occupation, work, business or service performed by rural people for remuneration, in cash or kind, profit, social or family gain, or

by force, including under a contract of hire, written or oral, expressed or implied, and regardless of whether the activity is performed on a self-directed, part-time, full-time or casual basis. **Rural employment** is comprised of **agricultural** employment (including both *on-farm* self-employment and wage employment in the agricultural sector), as well as **non-agricultural** employment (including *non-farm* self-employment and wage employment).

(Source: *Guidance on how to address rural employment and decent work concerns in FAO activities*. FAO, 2011)

Rural Workers:

- **Waged and salaried rural workers:** Permanent, temporary, casual, seasonal, or piece-rate workers in an employment relationship with a farmer, farming or plantation company, or agricultural contractor; permanent, temporary, casual, seasonal, or piece-rate workers in an employment relationship with a rural non-farm enterprise/public actor in the secondary sector (including agribusiness and agro-industries) and tertiary sector.

- **Self-employed rural workers:** Farmers, fishers, forest users, pastoralists and other self-employed rural people without employees (own-account workers); contributing family workers; self-employed people in small, medium, large farms with employees; members of producers' cooperatives; sharecroppers and tenants; self-employed people in the rural secondary sector (including

agribusiness and agro-industries) and tertiary sector (large, medium, small, own-account entrepreneurs).

- **Other rural workers:** Domestic workers; child labourers; forced labourers

(Source: *Guidance on how to address rural employment and decent work concerns in FAO activities*. FAO, 2011)

Small-scale producers: There is no unified definition of “small-scale producers”. Using farm size as a criterion, farmers with less than 2 hectares of land are usually characterized as small-scale. However, the distribution of farm sizes can be very different among countries. Also, this criterion ignores a

number of other dimensions. Therefore, FAO adopts a broader definition of small-scale producers, and includes those who produce low quantities and yields, have low capital and education levels, and lack the skills to participate in markets, produce primarily for home consumption and rely heavily on family labour. About two-thirds of the developing world’s three billion rural people live in smallholder households. Most of them have diverse sources of livelihood, including significant off-farm income which includes all non-agricultural activities plus agricultural wage labour.

(Source: *Guidance on how to address rural employment and decent work concerns in FAO activities*. FAO, 2011)

Resources

Key publications and workshops

- Elements of an FAO Rural Employment Strategy www.fao-ilo.org/news-ilo/detail/en/news/19919/icode/2/?no_cache=1
- *Guidance on how to address rural employment and decent work concerns in FAO country activities and Quick Reference* www.fao-ilo.org/fileadmin/user_upload/fao_ilo/pdf/DecentWorkGuidance_impagWEB_DEF.pdf
- *Gender and rural employment: Differentiated pathways out of poverty and Gender and rural employment policy briefs* www.fao.org/docrep/013/i1638e/i1638e00.htm
- Sustainable Agriculture and Rural Development (SARD) Initiative and SARD Policy Brief series www.fao.org/sard/en/init/2980/2378/index.html
- *Child Labour and Children’s Economic Activities in Agriculture in Ghana* <ftp://ftp.fao.org/docrep/fao/012/al001e/al001e00.pdf>

- FAO Workshop on Child Labour in Fisheries and Aquaculture, in collaboration with ILO www.fao-ilo.org/fao-ilo-child/workshop-2010/en/
- *Promoting employment and entrepreneurship for vulnerable youths in West Bank and Gaza Strip* www.fao.org/docrep/012/i1450e/i1450e00.pdf
- *GETTING STARTED! Running a Junior Farmer Field and Life School* www.fao.org/docrep/010/a1111e/a1111e00.htm
- *International migration, remittances and rural development* www.ifad.org/pub/remittances/migration.pdf

Useful Websites

- FAO agriculture and gender website www.fao.org/gender/en/
- Gender and land rights database www.fao.org/gender/landrights
- FAO participation website www.fao.org/participation/

Endnotes

1 For further information on the decent employment indicators in the MDGs, refer to *ILO Guide to the New Millennium Development Goals Employment Indicators*. www.ilo.org

2 ILO. 2008. *Promoting rural employment for poverty reduction* www.ilo.org

3 OECD. 2009. *Promoting Pro-Poor Growth: Employment And Social Protection*. www.oecd.org

4 ILO. 2008. *Promoting rural employment for poverty reduction* www.ilo.org

5 OECD. 2009. *Promoting Pro-Poor Growth: Employment And Social Protection*. www.oecd.org

6 African Smallholder Farmers Group (ASFG). 2010. *Africa’s smallholder farmers: Approaches that work for viable livelihoods*. www.farmafrica.org.uk

7 UN (2010). *The Millennium Development Goals Report*, New York. www.un.org

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