



1. Decent rural employment

1.1. Rural employment

Agriculture has a central role in the rural economy of most developing countries, which means that rural employment entails mainly agricultural work – including both on-farm self-employment and wage employment. In addition, the non-farm economy (which is becoming an important source of employment growth in rural areas), depends heavily upon agricultural production (e.g. agro-industry, trade in inputs and products, machinery and transportation services, professional services, etc.).

Any approach to rural employment promotion needs to prioritize agriculture and also the rural-to-urban continuum within which employment occurs. It must also recognize that many workers and households obtain revenues from both rural and urban areas, from farm and non-farm activities, in the formal as well as in the informal economy.

Despite this heterogeneity, some features of rural employment are common across sectors. For instance, most rural workers are self-employed, whether on their own small-scale farms (or family farms⁵) or in micro and small enterprises engaged in rural non-farm activities.

However, the number of workers engaged in paid employment in rural areas is increasing constantly; they are becoming a large group. Many are casual workers within the smallholder sector, and they are often overlooked by policy makers and conventional employment statistics. Given the growing demand for higher-value foods, commercial farming is also becoming more important, and it can be expected that more labour will be needed in modern agro-industries and in the distribution and retail segments of food markets. Agricultural workers in paid employment already account for over 40 percent of the total agricultural labour force (ILO, FAO, IUF, 2007).

Several country studies from the FAO Rural Income Generating Activities (RIGA) project⁶ show that, except in certain countries, participation in on-farm activities, and in particular in agricultural wage employment, is generally greater among poor households. Similarly, non-poor households have a higher share of participation in non-farm activities, where daily wages tend to be higher and associated with higher levels of education.

Rural employment

Rural employment refers to any activity, occupation, work, business or service performed by rural people for remuneration, profit, social or family gain, or by force, in cash or kind, including under a contract of hire, written or oral, expressed or implied, and regardless if the activity is performed on a self-directed, part-time, full-time or casual basis.

Rural employment is comprised of **agricultural** employment, which includes both *on-farm* self-employment and wage employment in the agricultural sector, as well as **non-agricultural** employment, which includes *non-farm* self-employment and wage employment.

⁵ Small-scale farming is used here interchangeably with family farming, smallholder agriculture or own-account farming, or small-scale agriculture. It is generally understood as involving production units that rely essentially on the family workforce and only occasionally on casual labour. For further information on family farming please consult the FAO Regional Office for Latin America and the Caribbean website.

⁶ For additional information on the RIGA project please refer to: <http://www.fao.org/economic/riga/en/>

As a result, most of the rural poor (and in particular women and youth) are represented in the low-productivity employment segment of the rural economy – often informal – both in subsistence farming and agricultural wage labour and in non-farm self-employment. When labour is hired, it is mostly temporary and seasonal, informal and casual. In the Latin America and the Caribbean region, for instance, the aggregate contribution of family farming to the national sectoral economy (agriculture, livestock, fisheries and forestry)

varies from one-quarter to two-thirds. However, its contribution to sectoral employment is much higher, accounting for at least 50 percent of rural employment and as much as 77 percent in Brazil. This difference between share of employment and share of generated product is evidence of the major gap in productivity that faces family farming (FAO, 2010c).

Rural work: a picture

1. Waged and salaried workers

- Permanent, temporary, casual, seasonal, piece-rate workers in an employment relationship with a farmer, farming or plantation company, or agricultural contractor
- Permanent, temporary, casual, seasonal, 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

2. Self-employed 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 secondary (including agribusiness and agro-industries) and tertiary sector (large, medium, small, own-account entrepreneurs)

3. Others

- Domestic workers; child labourers⁹; forced labourers

1.2. Rural employment and the achievement of the Millennium Development Goals

Any given growth in the economy will be able to reduce poverty fast only if the employment potential it creates enables poor people to raise their income, either through reduced unemployment or underemployment or through higher returns on labour, or both.⁷

Because poor people rely mainly on the use of their labour – whether wage-labour or self-employment – for earning their livelihood, more and better rural employment is central to achieving the MDGs, and MDG 1 in particular.⁸ Creating productive employment opportunities for the rural poor is therefore an essential driver for rural development and for more equitable and inclusive societies. Food insecurity, poverty, income inequalities and the lack of employment opportunities reinforce each other in a vicious cycle by eroding human capital and decreasing labour productivity, thereby perpetuating poverty and social inequalities across generations.

It is estimated that nearly 30 percent of the world's labour force (about 910 million people) live on less than US \$2 a day (ILO, 2012a). Similarly, vulnerable employment, consisting of own-account workers and contributing family workers, makes up around 50 percent of global employment, reaching almost four-fifths of the employed in sub-Saharan Africa and south Asia (ILO, 2012a).

The majority of vulnerable workers work within the informal economy, in rural areas of developing countries and constitute most of the “working poor”.

Given that agriculture is still the main source of income generation and livelihoods for an estimated 86 percent of the rural population worldwide (World Bank, 2007), DRE promotion should focus primarily on the agricultural sector, thus improving the productivity and conditions of the activities already available to poor people. However, ensuring that

7 UN. 2005. Report of the Secretary-General: [The centrality of employment to poverty eradication](#).

8 UN. 2005. Report of the Secretary-General: [The centrality of employment to poverty eradication](#).

9 Child labour is defined by the ILO Conventions No. 138 and No. 182 as work that interferes with compulsory schooling and is damaging for health and personal development. Especially in the context of family farming and other rural family endeavours, it is important to recognize that some participation of children in productive non-hazardous activities can be positive as it contributes to the inter-generational transfer of skills.

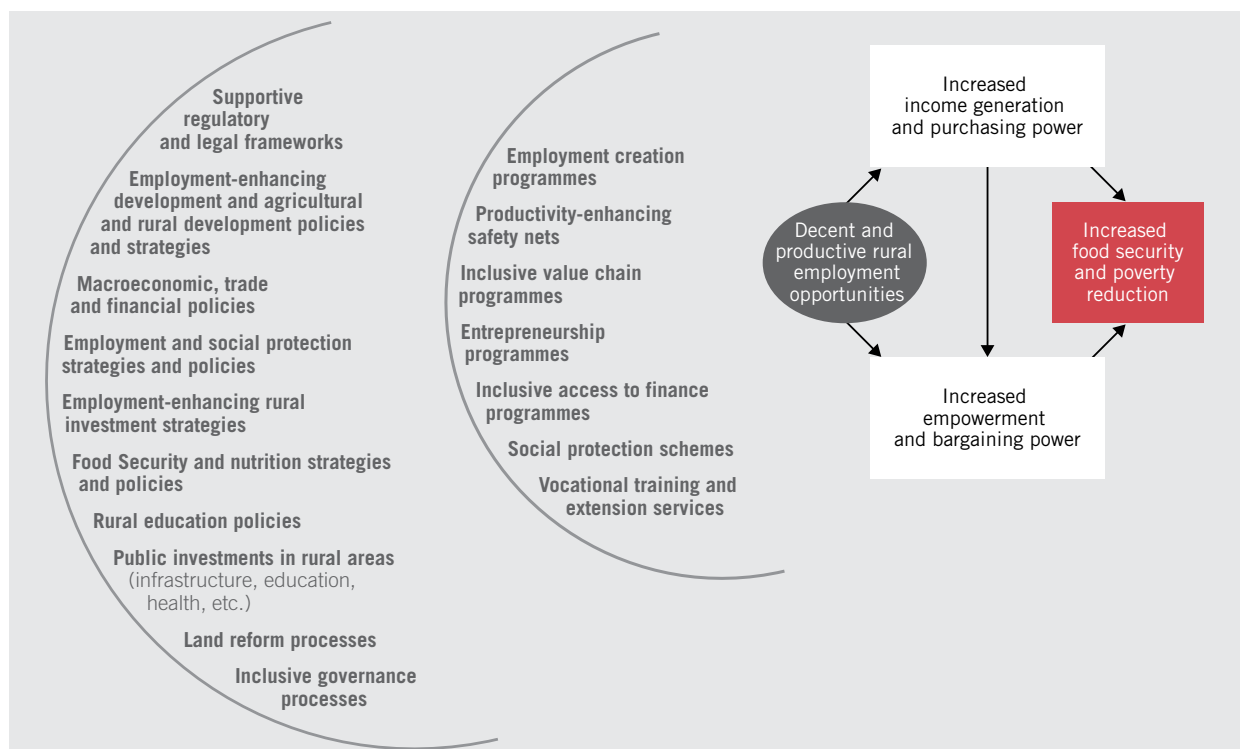
poor people have access to higher-productivity and higher-wage opportunities in the rural non-farm economy will also be crucial. Hence, rural employment will be a driver of poverty reduction only if it is promoted within an overall context of rural development initiatives, balancing public and private investments in the farm and non-farm economy and promoting upstream and downstream linkages.

Finally, the promotion of social and economic equity, including targeted support to the most vulnerable groups, will be a necessary condition to make rural investments work for the poor. This should be ensured through enabling policy environments, well-functioning rural labour, finance and land markets and effective rural institutions.

Figure 1.1 explores the virtuous dynamics through which enhanced productive rural employment opportunities contribute to increased food security and poverty reduction. Enabling environments (the outer ring), as well as operational elements (programmes, activities) targeting DRE (the inner ring), are both necessary conditions in order to generate productive rural employment opportunities and for ensuring that the rural poor can access them. They will lead to increased income generation and purchasing power, in addition to the enhanced empowerment and bargaining power of rural people, in the end contributing to food security and poverty reduction.

These virtuous dynamics could not be generated without the adoption of a rights-based approach to poverty eradication, in which the interdependency of the right to food and the right to work in dignity is advocated for strongly. The right to food refers directly to the right to work, as the more sustainable and dignified means of food procurement (both in terms of production and economic accessibility). In turn, the right to food must be fulfilled to facilitate the inclusion of the most vulnerable into the rural economy, providing them with the basic capability to pursue opportunities for work or training.

FIGURE 1.1.
Rural employment, food security and poverty reduction



1.3. The Decent Work Agenda and the challenges of addressing decent work in rural areas

Decent work sums up the aspirations of people in their working lives. It involves opportunities for productive work that 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, to organize and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men.¹⁰

To address all these dimensions in an integrated way, the ILO has developed the Decent Work Agenda, subsequently endorsed by the UN System, as the basis for a more just and stable framework for global and rural development. Within this framework, decent work is captured in four strategic objectives or pillars: (i) employment creation and enterprise development, (ii) social protection, (iii) standards and rights at work, and (iv) governance and social dialogue.

Four Pillars of Decent Work

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

Promoting decent rural employment is not only about creating new employment opportunities or increasing the productivity of those already existing. It is also about addressing the whole range of decent work deficits that people in rural areas face.

“People throughout the world face deficits, gaps and exclusions in the form of unemployment and underemployment, poor quality and unproductive jobs, unsafe work and insecure and low income, rights which are denied, gender inequality, migrant workers who are exploited, lack of representation and voice, and inadequate protection and solidarity in the face of crises, disease, disability and old age”.¹¹

In particular, rural labour markets are likely to be poorly developed, inequitable and narrow because of high levels of informality, a predominance of casual employment relationships, high rates of self-employment and labour-force fragmentation, information asymmetries, as well as the uncertainties and specificities of agricultural production.

Owing to low labour productivity, underemployment or any form of exploitation, most 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.

Did you know that ...

- Of the developing world's 5.5 billion people, 3 billion live in rural areas: 2.6 billion are in households involved in **agriculture**, 1.5 in smallholder households (World Bank, 2007)
- Nearly eight out of every ten **working poor people** live in rural areas (ILO, 2012a)
- There are an estimated 450 million **waged agricultural workers** out of a total workforce in agriculture of some 1.1 billion. Women waged agricultural workers account generally for 20 to 30 percent of the waged workforce, rising to 40 percent in Latin America and the Caribbean (ILO/FAO/IUF, 2007)
- **Women** constitute a significant proportion of contributing family workers. They are less likely to engage in wage employment than men, and, when they do, they are more likely to hold part-time, seasonal and/or low-paying jobs in the informal economy (FAO/IFAD/ILO, 2010)
- **Young workers** aged 15-24 years make up a disproportionately large share of the world's working poor: they account for 23.5 per cent of the working poor in the countries with available data, compared with only 18.6 per cent of non-poor workers. Most of them are in the agricultural sector (ILO, 2012b)
- Most **child labourers** (aged 5 to 17) are in agriculture (60 percent). The majority of them work as contributing family workers (ILO, 2010)

¹⁰ ILO, 2006. Decent Work FAQ: Making decent work a global goal.

¹¹ Ibid.

Furthermore, many producers and workers are employed under poor health, safety and environmental conditions. Rural workers are also more likely to suffer discrimination in terms of access to effective forms of social security and protection.

Gender, age and migrant origin are aggravating factors, as women, youth and migrants in rural areas are more often employed under informal, low-productivity and casual contracts and have limited rights and voice, both within households and in public.

Women constitute a significant proportion of contributing family workers. They are less likely to engage in wage employment than men, and, when they do, they are more likely to hold part-time, seasonal and/or low-paying jobs in the informal economy (FAO/IFAD/ILO, 2010c). When new employment opportunities arise (as has happened with the emergence of export-oriented cultivations and agro-processing) women are often found to be concentrated in low-value phases or activities of the supply chain (e.g. packaging, post-processing). Such lower status is prevalent among women because of their limited access to resources and assets and their multiple trade-offs in allocating their time between productive and reproductive roles.

A staggering 60 percent of child labour is in agriculture (ILO, 2010). Working long hours in the field undermines children's ability to attend school or training and compromises their future productivity, employment prospects and general wellbeing. This is a personal tragedy for millions of children as well a huge waste of productive resources for the society as a whole.

Finally, specific vulnerable groups such as migrant workers, landless people, refugees, internally displaced people (IDPs), demobilized soldiers, the disabled, people living with and affected by HIV, indigenous people, and the elderly may encounter additional challenges in finding decent rural jobs.

1.4. FAO's role and comparative advantages in promoting decent rural employment

FAO has a crucial complementary role in promoting DRE, specifically with respect to agricultural and informal employment, as well as in non-farm employment in agro-processing and rural marketing enterprises and industries.

Rural employment is part of FAO's Strategic Framework. Specifically, under FAO Strategic Objective (SO) G "Enabling environment for markets to improve livelihoods and rural development", the Organizational Result (OR) G02 commits FAO to ensure that "Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, projects and partnerships".

FAO's main comparative advantages in addressing DRE

Knowledge

- Strong focus and expertise on small-scale, self-employed and informal agricultural occupations
- Knowledge of the rural socioeconomic environment and rural income-generation activities
- Knowledge and advocacy capacity on the linkages between productive rural employment, gender and age-equality promotion and food security and poverty reduction

Partnerships

- Close collaboration with agricultural and rural stakeholders, both at national and local level, including Ministry of Agriculture (MoA) and its departments
- Long-standing collaboration with producer organizations and cooperatives
- Complementarities and long-standing collaboration with the ILO

Normative capacities

- Expertise in policy analysis and formulation for employment-enhancing food security and agricultural and rural development policies and strategies
- Expertise in policy analysis and formulation for inclusive rural development, including gender-equality promotion

Technical capacities

- Knowledge and experience in formulating and supporting the implementation of employment generation and enterprise development programmes in agriculture and rural areas
- Knowledge and experience in addressing occupational safety and health issues in agriculture
- Proven proficiency in rural institution building and capacity development
- Technical capacities in supporting programmes targeting the most vulnerable rural groups

The Gender, Equity and Rural Employment Division (ESW), as lead unit of OR G02, leads FAO's efforts in strengthening an equitable and integrated approach to DRE and in mainstreaming DRE considerations throughout the work of the Organization. In addition to OR G02, employment issues are directly or indirectly addressed in most of the other ORs, and all FAO departments and divisions deal with some aspects of DRE within their programmes of work.

FAO's engagement in DRE is in line with historic recommendations and calls:

- The FAO Independent External Evaluation's (IEE, 2007) recommendation to shift FAO's strategic emphasis for rural and agriculturally based development to *facilitating the production environment, opportunity for value added and employment for income generation and food access*
- The Economic and Social Council's (ECOSOC) ministerial declaration of 2006 requesting all UN funds, programmes and agencies to support efforts to mainstream the goals of full and productive employment and decent work for all in their policies, programmes and activities
- The UN Chief Executive Board's call in 2007 for greater policy coherence and convergence on decent work across the UN System

FAO country offices stand in a unique position to support their national partners in maximizing the potential of rural employment as a driver of food security and poverty reduction. This builds on the Organization's technical comparative advantage in supporting agricultural development, and also on the proven potential that agricultural growth has for food security and poverty reduction in developing countries. In addition, FAO has a strong focus on and expertise in small-scale, self-employed and informal agricultural occupations where the majority of workers in developing countries are found.

FAO's country offices have the expertise, the network and the holistic approach needed to tackle this complex development issue successfully. Targeted support from headquarters, both in the form of specific assistance and capacity development, should complement their efforts.

The box below provides insights on how to support DRE in rural areas for a FAO country office under each of the pillars of the Decent Work Agenda. Section 2 provides more detailed suggestions for action and also relevant resources and tools.

Taking into account the dynamics of rural labour markets, existing decent work deficits and FAO comparative advantages in promoting rural employment, the priority focus groups for FAO interventions should be:

- Small-scale producers¹², including contributing family workers
- Agricultural wage workers, including casual workers and those in the informal economy
- Non-farm self-employed in micro and small businesses in rural areas, particularly in the informal economy

12 There is no unique definition of "small-scale producers". Using farm size as a criterion, households 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 of scale. FAO adopts therefore 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) (FAO, 2010a).

- Workers in paid employment engaged in secondary/tertiary activities linked directly to food production and agriculture, particularly in the informal sector
- Women and youth within the previous categories, with particular attention to pregnant and nursing women
- Specific vulnerable groups within the previous categories (child labourers, migrant workers, landless people, refugees, IDPs, demobilized soldiers, disabled people, people living with and affected by HIV, indigenous people, and the elderly).

How can FAO promote the Four Pillars of Decent Work in rural areas?

1. Employment creation and enterprise development

- Support the formulation and implementation of gender-sensitive employment-enhancing agricultural rural development (ARD) policies, strategies and programmes
- Support women and men small-scale producers in accessing markets and modern value chains
- Pilot employment-creation programmes in rural areas, particularly for youth and women (e.g. Junior Farmer Field and Life Schools and Youth Farmers'Associations [JFFLS-YFAs]), Green Jobs initiatives, rural eco-tourism, etc.)
- Support micro, small and medium enterprises (MSMEs) in agribusiness and the marketing sector to access markets, training, financial services and other productive assets
- Support vocational education and training programmes that teach employment-related technical and business skills and are adapted to rural people's needs
- Support employment-enhancing livelihoods diversification as a strategy for coping with risk in emergency prevention and post-crisis recovery
- Support the capacity development of national institutions to collect and analyse age and sex disaggregated data (ASDD) on rural labour markets

2. Social protection

- Promote productivity-enhancing social protection schemes and development-oriented public employment programmes in rural areas
- Support policies and strategies to extend social protection coverage to small producers and informal economy workers
- Support the adoption of occupational health and safety (OSH) standards for the rural workforce, including small producers and informal agricultural wage workers, throughout FAO's standards and codes of practice (e.g. related to pesticide use, logging, and safety at sea, etc.)

- Promote better conditions of work and employment, in particular with respect to maternity protection and minimum wages
- Promote safer technology for small-scale and commercial agriculture in extension support programmes
- Support the development of labour-saving technologies and care services for poor households in HIV- and AIDS- (or other diseases) affected areas and for reducing women's domestic and care tasks

3. Standards and rights at work

- Support socially responsible agricultural production for small producers and MSMEs, seeking to reduce gender- and youth-based discrimination
- Support government efforts and Ministry of Agriculture (MoA) involvement in preventing and eliminating child labour by tackling its root causes (e.g. poverty, lack of education, etc.) and providing livelihoods alternatives to poor households
- Support the revision of restrictive regulations on producer organizations (POs) and informal economy workers' associations
- Promote analysis on prevailing labour contractual arrangements in the informal economy, worst forms of child labour and situations of discrimination

4. Governance and social dialogue

- Support countries in strengthening democratic organizations and networks of producers and workers in the informal rural food economy
- Support the representation of the rural poor, especially women and youth, in social dialogue and policy dialogue through their organizations
- Support participation of rural poor in local decision-making and governance mechanisms and particularly the empowerment of women and youth

1.5. FAO Self-assessment results

As noted above, in 2008, FAO carried out a “Self-Assessment on Employment and Decent Work” within its different departments and divisions as well as in decentralized offices. The aim of the exercise was to identify the Organization’s main strengths and areas of expertise related to the employment dimensions of its work, as well as weaknesses and needs for further mainstreaming and capacity development.

A total of 27 units, 10 regional or subregional offices, 2 staff unions, and FAO’s Advisory Committee on Occupational Health and Safety (OSH) were contacted in order to participate in the process.

The questions included in the self-assessment were structured in sections to reflect the four pillars of the Decent Work Agenda. Each respondent was asked to rank the level of involvement of its office or unit with regards to a list of issues related to decent work.

The different pillars seemed to have different priority levels among the different FAO divisions and offices. Depending on the particular characteristics of their programme, some divisions declared a wider expertise in one of the four pillars. In general, the self-assessment exercise showed that FAO has potential strengths and comparative advantages in knowledge and technical skills for addressing DRE. This is particularly true for the first pillar of the Decent Work Agenda (addressing employment creation and enterprise development). However, the challenges and opportunities for improvement are recognized – especially with regards to social protection, standards and rights at work, as well as social dialogue and governance concerns. An integrated approach, aiming to harness the multidisciplinary of different technical units and involving decentralized offices in knowledge generation and successful mechanisms at country level, appeared to be the task ahead.

Table 1.1 below provides a summary of the results of FAO’s self-assessment on employment and decent work, which identified the main organizational strengths and opportunities for improvement along the four pillars of the Decent Work Agenda.

TABLE 1.1.
Summary of the results of FAO self-assessment

Pillars of Decent Work	Organizational strengths	Opportunities for improvement
<p>1. Employment generation and enterprise development</p>	<ul style="list-style-type: none"> • Considering both the quantity and the quality of jobs (income level, working conditions, social security coverage or workers' rights) when promoting rural employment • Promoting sustainable economic growth as a contributor to poverty reduction • Aligning concerns in fisheries, forestry and livestock with global programmes • Enhancing local economic development through local programmes • Providing vocational training activities to support small and medium entrepreneurs and small producers (including training activities for vulnerable groups) • Contributing to job creation (including job creation for vulnerable groups) • Assisting national programmes on food security which create employment 	<ul style="list-style-type: none"> • Focusing on the macro-economic perspective to promote decent jobs • Monitoring and evaluating the quantity and quality of jobs created and the environmental impact of employment-intensive technologies • Focusing on women and youth • Focusing on specific vulnerable groups such as migrants, people living with and affected by HIV, the elderly, IDPs and refugees, disabled, etc. when promoting entrepreneurship and developing income generation • Supporting the sustainable management of fragile ecosystems, such as marshlands, rivers and lakes • Strengthening farm/non-farm linkages as a means for enhancing employment creation and income-generation • Better researching the roles, needs and constraints of the informal economy as a main sector of employment in rural areas
<p>2. Social protection</p>	<ul style="list-style-type: none"> • Improving physical and psychological well-being of workers through food security programmes • Mitigating health risks of pesticide use for humans and the environment • Promoting occupational safety and health (OSH) at work to prevent injuries, disabilities, death and diseases 	<ul style="list-style-type: none"> • Addressing rural workers' (especially informal workers') concerns adequately, such as difficult access to health services for workers and their families • Targeting the elimination of discrimination at work and supporting policies that ensure minimum wage levels and fair work conditions in rural areas • Supporting the extension of social protection mechanisms for workers in both the formal and informal rural economy
<p>3. Standards and rights at work</p>	<ul style="list-style-type: none"> • Addressing concerns about non-discrimination at work when designing a new programme/action • Working with other UN agencies for the elimination of child labour in agriculture • Gender mainstreaming across all interventions 	<ul style="list-style-type: none"> • Ensuring that fundamental rights at work, including freedom of association are respected in every programme/action carried out by FAO • Focusing on International Labour Standards (ILS) when designing new programmes or when evaluating ongoing projects • Promoting labour laws, regulations and inspections through FAO programmes/actions • Supporting integrated programmes for preventing and eliminating child labour in rural areas (including adapted education, livelihoods alternatives, etc.)
<p>4. Governance and social dialogue</p>	<ul style="list-style-type: none"> • Establishing co-management mechanisms that link civil society, producer organizations (POs) and governments 	<ul style="list-style-type: none"> • Increasing support of a tripartite approach by bringing together governments, employers and workers of member states to take unified action in promoting decent work