

**Master in Applied Labour Economics for Development**  
**Module E: Seminars on Contemporary Global Labour Market Challenges**

ILO-ITC Turin, 3 May 2012

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## Agenda for Rural Employment Seminar

09:00 – 10:30    Session 1

Understanding the context & relevance of rural employment, decent work, & decent work deficits in rural areas

*Coffee Break*

11:00 – 12:30    Working groups

*Lunch Break*

14:00 – 16:00    Session 2

Creating an enabling environment for RE&DW for achievement of global goals: examples & recommendations

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**Rural Employment and Decent Work:  
Key to reducing poverty**



**Paola Termine, IPEC of ILO**  
**Peter Wobst, ES Department of FAO**



# Outline – Session 1

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- I. Relevance and context of rural employment
- II. Structure of rural labour markets
- III. Rural employment through the decent work lens
- IV. Decent work deficits in rural areas

# Rural employment

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Decent rural  
employment  
key to reducing  
poverty & food  
insecurity

3 billion  
people  
of DCs is in  
**rural areas**,  
incl. 75% of  
the world  
poor

**Agriculture**: a  
livelihood for  
86 % of rural  
people

**Small-scale  
farmers**  
represent 85%  
of farms  
worldwide

Persistent  
**gender  
inequalities** in  
accessing  
resources &  
employment

450 million  
**wage  
workers** in  
agriculture

50-75% of all  
non-agri  
employment  
is in the  
**informal  
economy**

60% of all  
**child labour**  
in agriculture

Less than  
20% of agric  
workers have  
access to  
**social  
protection**

# Poverty in rural areas

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Region	Rural population (%)	Extreme rural poverty (<US\$1.25/day in %)
Latin America and the Caribbean	20.7	8.8
North Africa	48.3	3.6*
South-East Asia and Pac.	51.8	25.6
South Asia	68.1	<b>45.2</b>
Sub-Saharan Africa	62.5	<b>61.6</b>
World (developing countries)	49.4	34.2

Sources: FAO, 2010

\* Middle East and North Africa

# Employment in agriculture

Region	Agriculture, value added (% of GDP)	Employment shares in agriculture (%)		Female employment shares in agriculture (%)
Latin America and the Caribbean	6.1	14.8	<	20.9
North Africa	7.8*	28.3	<<	<b>42.8</b>
South-East Asia and Pac.	...	<b>46.8</b>	>	42.5
South Asia	17.8	<b>51.1</b>	>>	34.9
Sub-Saharan Africa	<b>12.3</b>	<b>58.4</b>	>	48.7
World	2.9	39.9	<	42.7

Sources: FAO, 2010; World Bank, 2010

\* Middle East and North Africa

# Relevance of RE: The working poor

(% of the total number of people in same employment category)

	Brazil (2007)			Kenya (2005)		
	Male	Female	Total	Male	Female	Total
Formal employ. (%)						
<b>Agriculture</b>	<b>30.7</b>	<b>18.1</b>	<b>29.1</b>	<b>32.9</b>	31.1	<b>32.2</b>
Manufacturing	11.4	8.2	10.5	16.8	22.9	18.0
Construction	20.9	8.6	20.2	20.9	40.5	24.9
Services	10.9	6.3	8.7	15.0	9.4	13.1
Informal employ. (%)						
<b>Agriculture</b>	<b>51.4</b>	<b>52.8</b>	<b>51.9</b>	48.2	47.5	47.8
Manufacturing	24.6	20.6	22.9	39.4	51.9	43.2
Construction	31.0	29.6	31.0	51.9	74.3	56.3
Services	20.2	23.4	21.9	32.3	32.9	32.6

Sources: UNRISD, 2010

# Relevance of RE: Youth & adults

Region	Youth population (%, aged 15-24)	<u>Unemployment</u> rate (%)	Youth unemployment rate (%)	Adults unemployment rate (%)	<u>Labour force</u> <u>participation</u> rate (%)	Youth labour force participation (%)	Adults labour force participation (%)
Latin America & the Caribbean	17.9	<b>7.2</b>	<b>13.3</b>	<b>5.7</b>	66.3	52.7	70.7
North Africa	20.0	<b>10.9</b>	<b>27.1</b>	<b>7.0</b>	<b>48.9</b>	<b>33.5</b>	<b>55.0</b>
South-East Asia & Pac.	18.3	4.7	<b>13.4</b>	2.7	70.1	52.3	76.0
South Asia	19.7*	3.8	9.9	2.3	<b>57.1</b>	<b>41.2</b>	<b>63.4</b>
SSA	20.3	<b>8.2</b>	<b>12.8</b>	<b>6.5</b>	70.3	53.6	79.2
World	17.6	6.0	12.7	4.6	64.1	48.7	68.9

Sources: ILO, 2012; UN-DESA, 2008

\* South and Central Asia



# Relevance of RE: Youth employment shares by sector

Region	Agriculture	Industry	Services
Latin America and the Caribbean	16.0	22.0	62.0
North Africa	28.4	21.9	49.6
South-East Asia and Pac.	43.1	18.4	38.4
South Asia	51.0	21.0	28.0
Sub-Saharan Africa	<b>62.0</b>	<b>8.5</b>	<b>29.5</b>
World	34.1	22.1	43.8

Sources: ILO, 2012

# Key issues in rural employment

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- ❑ Agriculture is a major source of income for most rural households in developing countries, yet is the sector where the **majority of the working poor** are found
- ❑ Rural people may use small-scale farming as part of a **diversified livelihood strategy**, combining on- and off-farm waged work, service activities & remittances
- ❑ Specificities of rural areas require **targeted policies**
- ❑ Decent employment is the **missing link** between sustainable growth and poverty reduction in rural areas

# Characteristics of rural areas

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## ❑ **Land fragmentation**

- Negative implications for private and public investments, sustainable economic growth & social development
- Links with access to land and other resources

## ❑ **Dualism**

- High value export oriented - subsistence
- Formal vs. informal rural economies

## ❑ **Shocks**

- Climate variability, natural disasters, droughts & floods
- Price & market volatility
- Diseases & pests

## ❑ **Seasonality**

# Diversity of farming systems and rural employment

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- ❑ Prevalence of small-scale agriculture (85%)
- ❑ Huge variety of farming systems based on agro-ecological zone, natural resources and infrastructure (irrigated, pastoral, coastal artisanal fishing, forest-based, commercial etc)
- ❑ Agribusinesses represent a large & rising share of GDP in developing countries. In rural areas SMEs are typically labour-intensive & operate in small-scale agriculture-related activities & the rural non-farm economy
- ❑ Implications on labour use, conditions of employment, viable alternatives
- ❑ Rural employment is heterogeneous

# What is rural employment?

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- ❑ Rural employment refers to any activity, occupation, work, business or service performed by rural people
- ❑ An activity for:
  - Remuneration (in cash or kind)
  - Profit
  - Social or family gain
- ❑ Conducted under various contracts of hire:
  - Written or oral, expressed or implied
- ❑ Self-employed, part-time, full-time or casual basis
- ❑ Comprised of:
  - **Agricultural employment** (on-farm, self-employment & wage employment in the agricultural sector)
  - **Non-agricultural employment** (non-farm, self-employment & wage employment)

# Typology of rural workers

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## □ **Self-employed workers**

- Farmers, fishers, forest users, pastoralists and other self-employed rural people without employees
- Employees in small, medium, large undertakings and farms
- Members of producer's cooperatives
- Sharecroppers and tenants



# Typology of rural workers (*cont.*)

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## ❑ **Waged and Salaried Workers:**

- Employment arrangements with a farmer, farming or plantation company, or agricultural contractor
- Employment arrangements with a rural non-farm enterprise/public actor in the secondary sector (incl. agribusiness and agro-industries) and tertiary sector
- Contributing family workers

## ❑ **Other types of workers:**

- Domestic workers
- Child labourers
- Forced labourers

# Defining decent work

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*“Productive work carried out by men and women in conditions of freedom, equity, security and human dignity”*

- ❑ Decent Work Agenda developed by ILO in 1999 and endorsed by the UN system
- ❑ Mainstreaming gender equality and non-discrimination
- ❑ Underscores both the **quantity & quality of employment**





# The Four Pillars of Decent Work

## DECENT WORK

A better world starts here.

### Pillar 1

#### Employment & enterprise dev.

Availability of an adequate number of productive, **quality** jobs, which provide **income** to cover at least basic needs

### Pillar 2

#### Social Protection

**Protection** from work-related injury and from lack of income due to unemployment, illness or age

### Pillar 3

#### Standards & rights at work

**Fundamental rights:** freedom of choice & equality of treatment, freedom of association & opportunity at work

### Pillar 4

#### Governance & social dialogue

**Participation** to decision making about work conditions and **representation** of interests in negotiations

# Decent work in rural areas

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## DECENT WORK

A better world starts here.

### Pillar 1

#### Employment & enterprise development

- Support **small-scale producers** in accessing markets & modern value chains
- Increase **labour productivity** in the farm & non-farm sector
- Support **livelihoods diversification**
- **Entrepreneurship** promotion in rural areas
- **Vocational education & training** tailored on rural needs

# Decent work in rural areas (*cont.*)

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## DECENT WORK

A better world starts here.

### Pillar 2

#### Social protection

- Occupational **safety and health** for the rural workforce
- Improving **working conditions** in rural areas
- Nutritional well-being and **food security** of rural people
- Extending **social protection** coverage to small producers & informal workers
- Promote **safer technology** for small-scale & commercial **agriculture** in extension support programmes

# Decent work in rural areas (*cont.*)

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## DECENT WORK

A better world starts here.

### Pillar 3

#### Standards & rights at work

- Application of international **labour standards**
- **Child labour** prevention and elimination in agriculture
- **Freedom of association** and right to organize
- Revision of restrictive regulations on **producers' organizations** (POs)
- Elimination of discrimination and **promotion of equality**

# Decent work in rural areas *(cont.)*

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## DECENT WORK

A better world starts here.

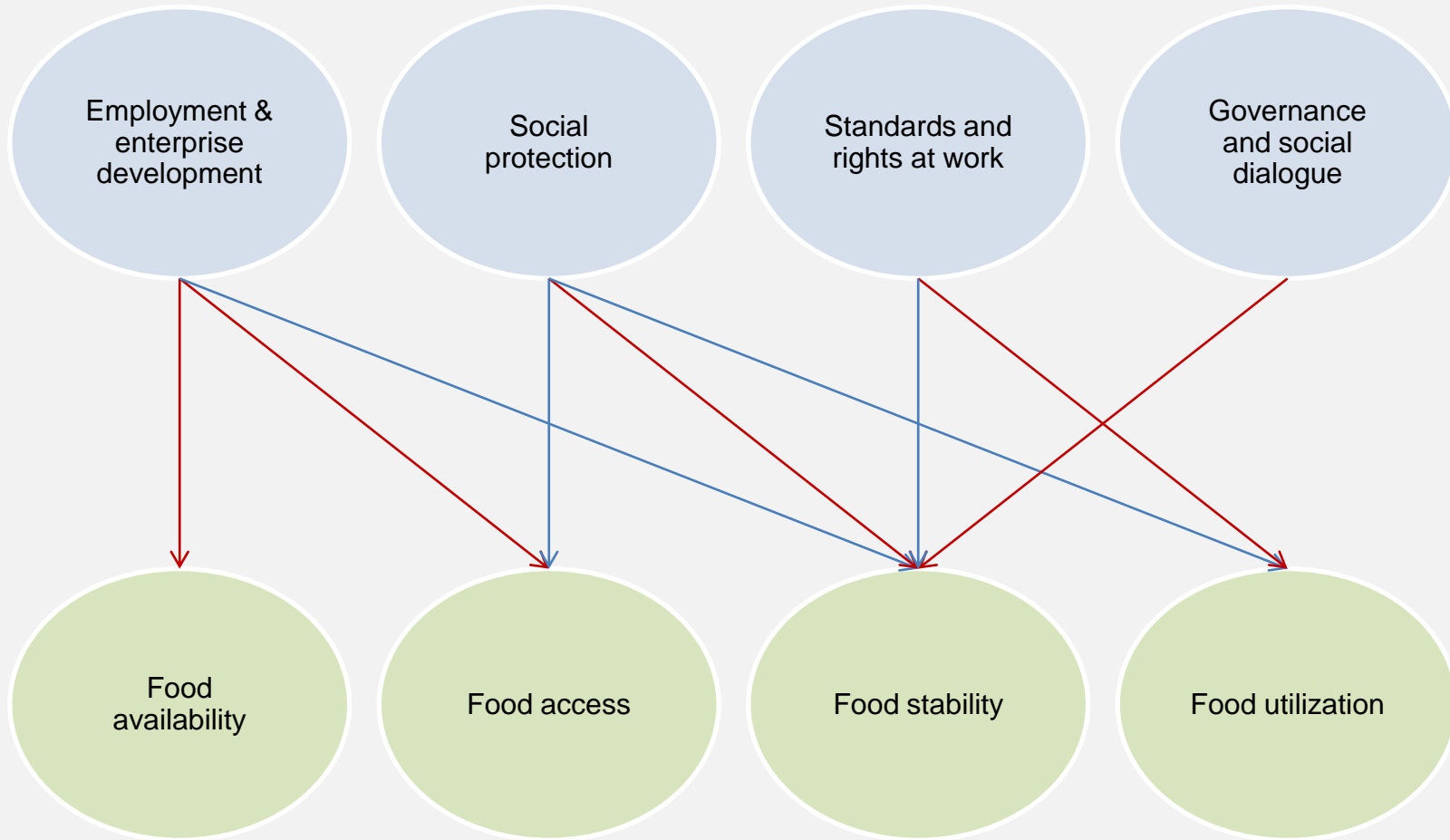
### Pillar 4

#### Governance & social dialogue

- Rural small producers' and workers' **organizations**
- **Dialogue between agriculture & labour stakeholders**
- Participation of rural poor in local decision-making
- Empowerment & increased representation of rural women & youth

# Decent rural employment for food security

## Four pillars of decent work



Growth of rural economy, agriculture & rural non-farm sectors



Rural employment & decent work



Food security & poverty reduction

Employment & enterprise development

Social protection

Standards and rights at work

Governance and social dialogue

Food availability

Food access

Food stability

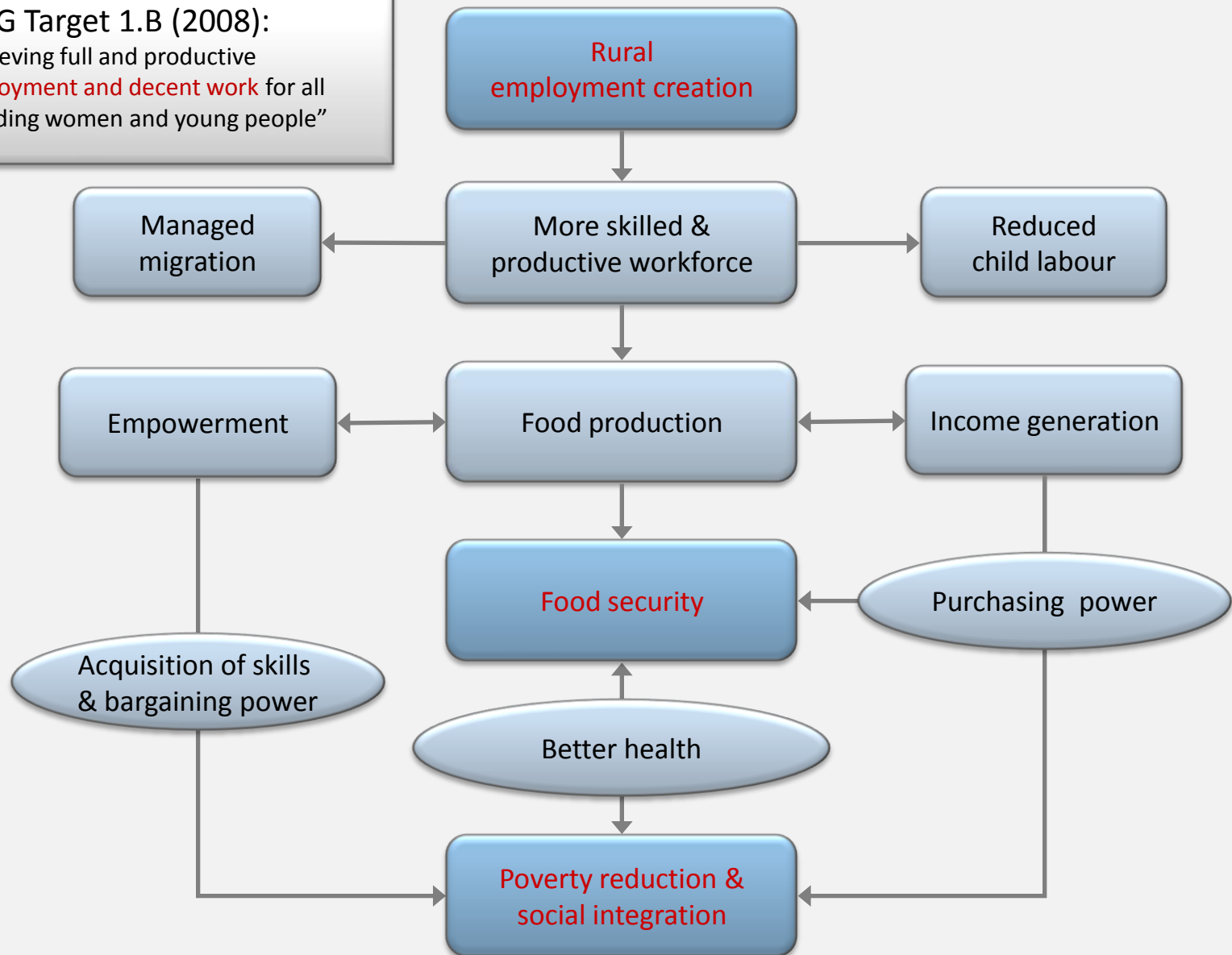
Food utilization

## Four pillars of food security

# Rural employment and poverty reduction



**1** MDG Target 1.B (2008):  
“Achieving full and productive  
**employment and decent work** for all  
including women and young people”



# Group work

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## Challenges of addressing decent work in rural areas ...

### Pillar 1

#### Employment & enterprise development

- Support **small-scale producers** in accessing markets & modern value chains
- ...

### Pillar 2

#### Social protection

- Occupational **safety and health** for the rural workforce
- ...

### Pillar 3

#### Standards & rights at work

- Application of international **labour standards**
- ...

### Pillar 4

#### Governance & social dialogue

- Rural small producers' and workers' **organizations**
- ...



# Decent work deficits

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- ❑ Decent work deficits are gaps & constraints in achieving decent work outcomes, under the categories of each of the 4 Pillars
- ❑ They can be used to assess progress towards DW achievements of sectors, countries, or segments of the workforce
- ❑ We will look at the common decent work deficits faced by people in rural areas, their causes and the intervention to potentially reduce them

# Decent work deficits – Pillar 1

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## Employment & enterprise development

- ❑ Underemployment (not just unemployment)
- ❑ Low quality & low productivity jobs
- ❑ Low and insecure incomes: may not earn enough income to break out of the cycle of poverty - working poor
- ❑ Discrimination and entry barriers for certain labour force categories
- ❑ Lack of access to finance, credit & other services
- ❑ Low qualification / skill levels (low employability)
- ❑ Low rate of business start-ups and business expansion

# Main causes of decent work deficits – Pillar 1

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## Employment & enterprise development

- ❑ Lack of investment in agriculture
- ❑ Weak governance & labour market institutions
- ❑ Poor organization & regulation of labour markets
- ❑ Workers may have casual, temporary, seasonal arrangements (migrant workers and families)
- ❑ Often informal employment contracts
- ❑ Labour often hired and / or supplied by contractors
- ❑ Youth particularly disadvantaged
  - ❑ lack of access to & control over productive resources
  - ❑ inadequate skills
  - ❑ limited employment history

# Decent work deficits – Pillar 2

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## Social Protection

- ❑ Limited access to pensions in informal & self-employment
- ❑ Low occupational safety and health & measures to reduce risk of hazards
- ❑ Limited / non existent health care insurance & maternity benefits
- ❑ Poor living & housing conditions

# Main causes of decent work deficits – Pillar 2

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## Social Protection

- ❑ Social protection systems not in place
  - Social protection (pension etc) usually linked to formal employment and workplace
  - Lack of occupational safety & health enforcement and limited coverage of rural and informal employment
- ❑ The poor lack access to essential public services
  - Lack of education, information and knowledge
  - Poor nutrition and health
- ❑ Agriculture one of most hazardous sectors but often exempt from OSH legislation

# Decent work deficits – Pillar 3

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## Standards and rights at work

- ❑ Gender inequalities & marked division of labour & discrimination in respect of employment & occupation
- ❑ Women less likely than men to earn a wage in rural work; but more likely than men to be employed seasonally and / or in part-time employment
- ❑ In rural areas as elsewhere women are paid less than men for equivalent jobs and comparable levels of education
- ❑ Very high prevalence of child labour (60%) & hazardous CL in agriculture
- ❑ Children work long hours, use sharp tools, carry loads, operate dangerous machinery, risk exposure to toxic pesticides, & other hazards

# Main causes of decent work deficits – Pillar 3

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## Standards and rights at work

### □ **Gender inequalities in rural employment**

- Social norms limit opportunities for women
- Double burden of productive and reproductive work, less time to invest in skills development or in full-time employment
- High prevalence of vulnerable employment means also reduced bargaining power which reinforces the deficit

### □ **Child labour in agriculture**

- Poverty and lack of decent work opportunities for adults
- Low awareness of risks and long term costs of child labour
- Absence of appropriate national policies,
- Inadequate labour laws, weak capacities to inspect & enforce and few channels for legal assistance / appeal

# Decent work deficits – Pillar 4

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## Social dialogue

- ❑ Limited unionization and organization of rural workers and producers
- ❑ Weak level of trade union representation among agricultural workers
- ❑ Women agricultural laborers' level of trade union representation generally low
- ❑ Seasonal & part-time agricultural workers have a particularly low level of unionization



# Main causes of decent work deficits – Pillar 4

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## Social dialogue

- ❑ Difficulties of organizing over large geographical areas & fragmented workforce
- ❑ Informal workers and self-employed often neglected by traditional social partners
- ❑ Limited financial resources through membership dues
- ❑ Legal and administrative barriers – right of freedom of association and collective bargaining is often denied
- ❑ Difficulties of waged workers hired by labour contractors to register as an union member

# Key messages

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- ❑ Addressing rural employment through the four pillars of Decent Work provides a more just and stable framework for economic and social development in rural areas
- ❑ Decent work deficits in rural employment need to be addressed systematically as rural workers in developing countries are the majority of the workforce and continuing to grow

**Thank you!**

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