

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

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



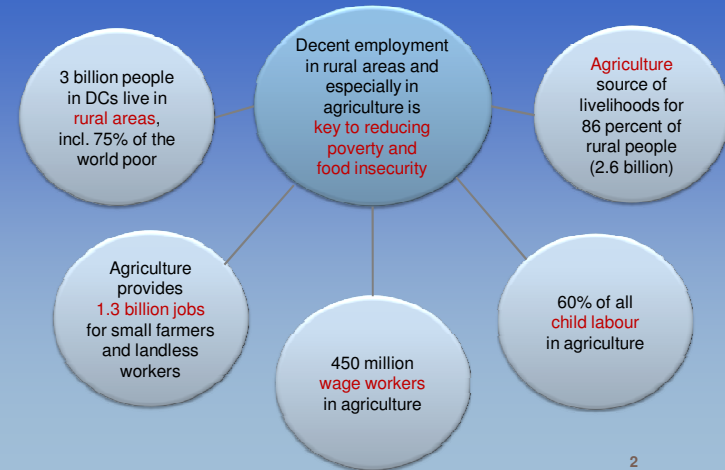
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Outline – Session 1

- I. Rural employment (RE): Relevance and context
- II. Vulnerable groups in rural employment
- III. Decent work (DW): Rural employment through the DW lens

Relevance of rural employment (RE)



Relevance of RE: Poverty in rural areas

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	45.2
Sub-Saharan Africa	62.5	61.6
World (developing countries)	49.4	34.2

Sources: FAO, 2010
* Middle East and North Africa

Relevance of RE: 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	<< 42.8
South-East Asia and Pac.	...	46.8	> 42.5
South Asia	17.8	51.1	>> 34.9
Sub-Saharan Africa	12.3	58.4	> 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. (%)						
Agriculture	30.7	> 18.1	29.1	32.9	31.1	32.2
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. (%)						
Agriculture	51.4	52.8	51.9	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

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Relevance of RE: Youth & adults

Region	Youth population (% aged 15-24)	Unemployment rate (%)	Youth unemployment rate (%)	Adults unemployment rate (%)	Labour force participation rate (%)	Youth labour force participation (%)	Adults labour force participation (%)
Latin America & the Caribbean	17.9	7.7	15.7	5.7	65.6	52.7	70.0
North Africa	20.0	9.9	23.4	6.2	51.5	36.6	57.9
South-East Asia & Pac.	18.3	5.2	13.9	3.1	69.5	52.3	75.4
South Asia	19.7*	4.4	9.9	2.8	61.7	48.1	67.2
SSA	20.3	7.9	12.1	6.3	70.8	55.5	79.1
World	17.6	6.3	12.8	4.8	65.3	51.1	69.8

Sources: ILO, 2010; UN-DESA, 2008
* South and Central Asia

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Relevance of RE: Youth employment shares by sector

Region	Agriculture	Industry	Services
Latin America and the Caribbean	16.3	22.1	61.6
North Africa	27.8	22.5	49.7
South-East Asia and Pac.	44.3	17.8	38.0
South Asia	53.5	18.9	27.6
Sub-Saharan Africa	59.0	10.6	30.4
World	35.0	21.8	43.2

Sources: ILO, 2010

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Characteristics of rural areas

- **Shocks**
 - Climate variability, natural disasters, droughts & floods
 - Price & market volatility
 - Diseases & pests
 - Coping strategies may include:
 - Receiving remittances from migrant household members & relatives
 - Participating in public support programmes
 - Reallocating household resources
 - Borrowing from formal & informal sources
 - Using savings and/or selling assets
- **Land fragmentation**
 - Negative implications for private and public investments, sustainable economic growth & social development
 - Links with access to land and other resources

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Characteristics of rural areas (cont.)

- **Dualism**
- High value export oriented - subsistence
- Formal vs. informal rural economies
 - Less legal rights for workers in the informal sector
- **Seasonality**
- Basis of work may be:
 - Casual
 - Temporary
 - Daily
- Workers often live & work in precarious conditions
- Little income between seasons
- **Labour organization tends to be weak**
- **Labour market**
- Informal, social and community roles, underemployment, policy outreach?

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Defining rural employment

- 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)

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Rural workers

- **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



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Rural workers (cont.)

- **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

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Vulnerable categories in rural employment

Women

- **Larger portion of laborers** than men in agriculture in developing countries, but only 20 - 30% of the **waged** workforce in agriculture
- Why women are often particularly vulnerable:
 - Lack property rights
 - Disadvantaged in education
 - Double/triple **work burden** (work for income, household chores and childcare, active in communities and social networks)
 - If unpaid, often not even recognized as a 'worker' & seen as having **no entitlement to workers' rights**.
- Concentrated in **low-value segments** of the supply chain
- Limited potential to organize and defend their rights



Vulnerable categories in rural employment (cont.)

Youth

- In sub-Saharan Africa and South Asia, up to **70% of youth live in rural areas** - many relying on agriculture as a source of income
- **28% of young workers** live with their families on less than US \$1.25 a day and most of them work in agriculture
- Why youth are particularly vulnerable:
 - Lack of access to & control over productive resources (e.g. land & capital)
 - Low education & inadequate skills (e.g. production & business)
 - No employment history and/or low work experience
 - No collateral
 - Generational gap (e.g. transfer of indigenous farming knowledge from adults to young)
 - Labour market discriminations often result into higher unemployment rates for young girls
 - Globalization (e.g. uncertainties, variability in prices)

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Vulnerable categories in rural employment (cont.)

Children

- Most child laborers are **found in agriculture** (60%), the majority as family workers
- Many in **hazardous child labour**
- Why children are particularly vulnerable:
 - Poverty and lack of educational opportunities
 - May be trafficked and/or used as forced labour
 - Low understanding of risks and hazards



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Vulnerable categories in rural employment (cont.)

Migrant workers

- Due to changes in global economic and environmental conditions internal and international migration dynamics continue to intensify
- Around 60 - 65 million migrant workers, accompanied by as many dependants, are working in a State other than their own
- Why migrant workers are vulnerable:
 - Disadvantaged in terms of pay and working conditions
 - Low access to social security and protection

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Q & A on rural context

- ...

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Defining decent work

“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 **quantity and quality of employment**



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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

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Decent work in rural areas

DECENT WORK

A better world starts here.

Pillar 1

Employment & enterprise development

- Promotion of agricultural and rural development with high **employment rates**
- Increase **labour productivity**
- **Entrepreneurship** promotion in rural areas
- Women and youth employment

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Decent work in rural areas (cont.)

DECENT WORK

A better world starts here.

Pillar 2

Social protection

- Occupational **safety and health**
- Improving **working conditions** in rural areas
- Nutritional well-being and **food security** of rural people
- Extending **social protection** coverage to rural areas

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Decent work in rural areas (cont.)

DECENT WORK

A better world starts here.

Pillar 3

Standards & rights at work

- Application of international **labour standards**
- **Child labour** prevention
- **Freedom of association** and right to organize
- Elimination of discrimination and **promotion of equality**

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Decent work in rural areas (cont.)

DECENT WORK

A better world starts here.

Pillar 4

Governance & social dialogue

- Rural small producers' and workers' **organizations**
- **Empowerment** and enhanced participation in social and policy dialogue
- Women and youth voice

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RE&DW improve rural development

- Increased agricultural productivity
- Improved non-farm economic activity
- Enhanced agricultural and rural economy growth
- Increased income generation
- Social integration – participation through employment
- Social and economic equity and support to most vulnerable groups

→ **Rural livelihoods improved**

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Key messages

- 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

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Q & A on decent rural employment

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Thank you!

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