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Policy Development Section
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FIRST ITEM ON THE AGENDA

Outcome 5: Decent work in the rural economy

Purpose of the document

This document presents the progress in the implementation of the Office strategy for outcome 5 on decent work in the rural economy. It provides an overview of the main areas of intervention as well as specific examples.

The Governing Body is invited to provide guidance on further implementing the strategy (see the draft decision in paragraph 37).

Relevant strategic objective: All.

Main relevant outcome/cross-cutting policy driver: Outcome 5: Decent work in the rural economy.

Policy implications: The guidance of the Governing Body will inform the implementation of the Office strategy concerning outcome 5, including the support that the Office will provide to its constituents.

Legal implications: None.

Financial implications: None.

Follow-up action required: Implementation of outcome 5 as defined in the Programme and Budget for 2016–17.

Author unit: Sectoral Policies Department (SECTOR).

Related documents: Programme and Budget for 2016–17; International Labour Conference: resolution and conclusions on promoting rural employment for poverty reduction (June 2008); GB.310/ESP/1; GB.322/POL/2; and GB.323/POL/INF/1.

I. Introduction

1. Poverty in emerging and developing countries is predominately a rural phenomenon. Rural areas are home to about 80 per cent of the world's working poor and are often characterized by severe decent work deficits, including governance gaps, informality, underdeveloped production systems and limited access to services, infrastructure and social protection. The poorest rural households often rely on income from wage employment, mostly due to lack of access to productive assets to succeed in self-employment.
2. More and more countries acknowledge the need to develop the often overlooked potential of rural economies to create decent and productive jobs, and to contribute to sustainable development and growth. Recent years have seen a resurgence of interest in rural development and the promotion of sustainable rural livelihoods as critical to eliminating poverty. There is also recognition that the interrelated nature and the magnitude of the challenges in rural areas require an integrated, long-term and multi-stakeholder approach. Many international organizations focus on rural development, each from a different, albeit complementary, perspective. The ILO's Decent Work Agenda offers a wealth of instruments, policies and tools to support tripartite constituents in their efforts to promote decent work and sustainable livelihoods in farm, as well as non-farm, activities. Responding to the huge challenge of realizing decent work in the rural economy will require leveraging resources and aligning policy through partnerships with key international organizations, with a clear focus on comparative advantage.
3. Outcome 5 builds on the results achieved and lessons learned under the area of critical importance on the promotion of decent work in the rural economy implemented in 2014–15. The most effective efforts during the last biennium included country-level policy development, collection and dissemination of data and good practices, and partnerships development. The outcome strategy follows the guidance provided by the Governing Body in November 2014, which acknowledged the ILO's long-standing experience and expertise in rural issues and emphasized the importance of continuing work on the rural economy. The Governing Body underscored the need to strengthen the capacity of constituents to effectively deal with the challenges facing their rural economies. Ensuring the provision of adequate support for constituents' efforts in that respect will require expanding the ILO's capacity on rural development as a subject that cuts across the entire Decent Work Agenda.

II. Decent work in the rural economy and the 2030 Agenda for Sustainable Development

4. The global challenge of ending poverty is fundamentally one of ending rural poverty. The recognition of the important role rural development can play in poverty reduction and food insecurity is clearly reflected in the Millennium Development Goals (MDGs). The Sustainable Development Goals (SDGs) have a strong sectoral focus and are set to draw attention to the rural economy. Reaching SDG 1 to eradicate poverty will only be possible if adequate policy attention is given to rural areas. In addition to target 1.1 on the eradication of extreme poverty, the ILO's work on the rural economy will contribute to reaching targets 1.4 on equal rights for access to basic services, 1.5 on building the resilience of the poor and those in vulnerable situations and reducing their vulnerability to climate-related extreme events and other economic, social and environmental disasters, and 1.b on creating pro-poor and gender-sensitive policy frameworks, to support accelerated investment in poverty eradication actions. The ILO's rural work will also contribute to achieving several other SDGs, including SDG 2 to end hunger and SDG 8 on decent work and economic growth. As the agricultural sector is a major source of employment in many developing countries, achieving 7 per cent output growth per annum in the least developed countries

(target 8.1) and full and productive employment and decent work for all (target 8.5) will require a significant focus on agriculture and related sectors.

III. Strategy and progress in the implementation of outcome 5

5. The strategy of outcome 5 is underpinned by three interrelated areas of expected change, namely:
 - (1) the effective integration of decent work principles and practices into policies and strategies for sustainable rural development;
 - (2) the strengthened capacity and engagement of ILO constituents in the development and implementation of programmes in rural areas based on decent work, including through more effective organization and representation of rural workers and employers; and
 - (3) an enhanced knowledge base and strengthened analytical capacity to better use information.
6. The outcome includes three indicators, one for each area, with a total of 27 target countries (ten in Africa, six in the Americas, nine in Asia and the Pacific and two in the Arab States) where constituents have requested the Office's technical assistance.
7. The strategy is guided by the 2008 International Labour Conference resolution and conclusions on promoting rural employment for poverty reduction,¹ which underscore the need for multifaceted and integrated policy responses to challenges facing rural areas. The outcome aims to advance the implementation of the action plan outlined in the 2008 conclusions, taking Decent Work Country Programmes as the ILO's entry point at country level. The strategy reflects the Organization-wide plan for rural work endorsed by the Governing Body in March 2011, as well as other relevant Governing Body decisions, and it is grounded in a rights-based rural development approach.²
8. The ILO's programmes on the rural economy make an important contribution to the seven ILO Centenary Initiatives and in particular the End to Poverty Initiative, designed as the vehicle to take forward the ILO's work in implementing the 2030 Agenda for Sustainable Development. The ILO's rural-related work enables it to play a larger role in putting an end to extreme poverty by 2030.
9. The following paragraphs highlight selected interventions and examples across the three areas of expected change, as well as in respect of social dialogue and the capacity building of constituents and partnerships.

A. Integrating decent work into policies and strategies

10. The Office is providing technical assistance to constituents in the development and implementation of policies and strategies that prioritize the promotion of productive

¹ Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meeting_document/wcms_098017.pdf.

² GB.310/ESP/1, para. 57 et seq.; GB.310/13(Rev.); and GB.310/PV, para. 160.

employment and decent work in the rural economy. This includes policy-oriented research and advice, capacity building and the promotion of social dialogue.

- 11.** While the ILO has long-standing experience in policy development on specific decent work issues facing rural economies, the approach pursued under outcome 5 is to support the integration of decent work principles and objectives into national development policies and frameworks that cover rural areas. Areas of intervention are determined by constituents' priorities and demands on the ground. Outcome 5 cuts across all other ILO programme and budget outcomes and, therefore, synergies have been established with several of them, inter alia, with outcome 1 on comprehensive employment frameworks, outcome 2 on the promotion of relevant international labour standards, outcome 3 on social protection floors, and outcome 6 on national legal and policy frameworks that facilitate the transition to formality. Substantial progress is being made on reportable results, particularly in terms of government integration of decent work into policies and strategies for rural development.
- 12.** Specific examples include the ILO's technical assistance provided to Colombia to integrate decent work and gender equality into rural development policies as a central element for building peace and social cohesion. The ILO is supporting the Colombian Government in the design of an integrated jobs for peace and resilience programme for rural development and decent work. Important areas of intervention include the promotion of the transition to formality in the rural economy, the extension of social protection floors to rural areas, and the strengthening of the representation and voice of rural workers' organizations.
- 13.** Technical assistance is being provided to the Government of the Lao People's Democratic Republic for the development of an integrated national rural employment strategy for poverty reduction through the scaling up and replication of a rural employment and poverty reduction programme implemented in Sekong and Savannakhet provinces. The work is aligned with the recent Lao People's Democratic Republic–UN Partnership Framework 2017–21, which focuses on employment, rural development and food security, and the goal of the Lao People's Democratic Republic of becoming a middle-income country by 2020. It derives its mandate from the eighth five-year national socio-economic development plan of June 2016, which prioritizes rural employment promotion. The chairmanship of the Association of Southeast Asian Nations (ASEAN) by the Lao People's Democratic Republic in 2016 has led to the adoption of the Vientiane Declaration and Action Plan, which focuses on rural employment promotion and the transition to formality. The ILO provided technical support to the development of the Declaration.
- 14.** In Sri Lanka, the ILO is supporting government efforts to promote decent work for vulnerable communities in a post-conflict environment. The project, which links the producers of the north with the exporters of the south in key economic sectors, thereby bridging the trade development gap, is having a significant impact on incomes and livelihoods, inter-community dialogue and partnerships. The Government is considering adopting this approach as a model for rural development for the country.
- 15.** The Zambian Government has prioritized rural development as a cornerstone for poverty reduction. It is one of the overarching objectives of the Revised Sixth National Development Plan for 2013–16, which promotes rural development through agricultural and rural enterprise development and the provision of support infrastructure in rural areas. A related plan is Vision 2030, whose objective is for Zambia to become a middle-income country by 2030. The Government is currently formulating a rural development strategy, and the ILO is providing technical assistance to integrate decent work principles into it.
- 16.** In Madagascar, the Government has requested ILO assistance in developing an action plan on decent work in the rural economy that would contribute to the implementation of the National Rural Development Programme. Four policy priorities have been identified by the

constituents in a tripartite dialogue supported by the ILO. These priorities are: enhancing employability with a specific focus on young people; extending social protection; improving access to public and private services in rural areas and promoting employment-intensive investments in infrastructure; and enhancing the voice and representation of rural workers through the implementation of relevant international labour standards, improved social dialogue and local governance. Based on these priorities the ILO is providing technical support in the formulation of the action plan.

17. Tools and guidelines are being developed to strengthen policy development capacity. These comprise tools that will be discussed in tripartite meetings in 2017, namely: a revised code of practice on safety and health in opencast mines; guidelines on decent work and socially responsible tourism; and conclusions and recommendations to be adopted by a tripartite sectoral meeting on issues relating to migrant fishers. A Meeting of Experts to discuss draft policy guidelines for the promotion of sustainable rural livelihoods targeting the agro-food sectors was held in Geneva last September. While the draft guidelines were not adopted, the discussion demonstrated the importance that constituents attach to the subject. The report of the Meeting has been submitted to this session of the Governing Body for follow-up.
18. In addition to the recently published *WASH@Work: A Self-Training Handbook*, which provides guidance on the implementation of ILO instruments on occupational safety and health, with a particular focus on the rural economy, a practical guide on the use of employment-intensive investment strategies in water supply is being developed.
19. The *Portfolio of policy guidance notes on the promotion of decent work in the rural economy*, designed to provide a comprehensive overview of ILO tools and methodologies on the rural economy, as well as guidance on their implementation, will be expanded to include additional notes on statistics, gender equality, rights of indigenous and tribal peoples, and rural tourism.

B. Developing and implementing programmes in rural areas based on decent work

20. The Office is supporting constituents in the development and implementation of interventions targeting groups most vulnerable to discrimination and decent work deficits. Progress is being made on reportable results related to formulating and implementing sector-specific programmes, as well as on the outreach and representation of the social partners. Programmes focus, inter alia, on: the promotion of rights; the organization and representation of rural workers; sustainable rural enterprise development; local economic and value chain development; cooperatives; access to finance and business development services; skills development; employment-intensive investment approaches to rural infrastructure; and the promotion of gender equality and non-discrimination. Furthermore, country-specific integrated interventions are being developed and implemented to improve working conditions in the plantations sector. Synergies have been established, among others, with outcome 1 – responding to local demands of the constituents for employment creation and skills development in economic, social and environmental sectors, as well as the development of rural labour-market institutions; outcome 4 on rural enterprise development through cooperatives, access to finance and value chain development; and outcome 8 on the promotion of fundamental principles and rights at work in the plantations sector.
21. Country examples on sector-specific programmes include: value chain analysis and development of Andean grain in Ecuador and the Plurinational State of Bolivia, and of sugar cane in Paraguay; enhancing access to financial services in rural Kenya; improving rural infrastructure in Nepal and India through employment-intensive investment programmes focusing on rural roads; strengthening labour market institutions in Uruguay, with a focus

on labour administration and employment policies in rural areas; and assisting with the possible reform of a law on agricultural workers' rights in Chile. In Lebanon, a programme focused on local economic development, targeting rural communities affected by the Syrian refugee crisis, is contributing to building the resilience of rural host communities by enhancing employability and access to employment opportunities and livelihoods. In Indonesia, a pilot project on sustainable rural development and food security in one of the poorest provinces, East Nusa Tenggara, addressed decent work challenges in key agro-food value chains. The Government is expecting further ILO support on rural development, particularly in the context of its national programme on village funds which, since 2015, has reached some 75,000 villages.

22. Zimbabwe's programme on women's economic empowerment aims to improve rural women's employability and labour market integration by using ILO tools such as Start and Improve Your Business and Training for Rural Economic Empowerment (TREE), and participatory gender audit methodologies. The TREE methodology is also being used in Mozambique to enhance rural livelihoods through skills development and improved access to markets.
23. Building on the previous biennium's work on improving working conditions in the plantations sector, which included the development of national action plans based on field surveys and country studies, the Office has developed an intervention model and resource mobilization strategy to assist selected countries with the implementation of their national action plans. Work is under way in Ghana, Indonesia, Malawi and Sri Lanka, and extra-budgetary resources have been mobilized for Indonesia and Malawi.

C. An enhanced knowledge base and statistics

24. Gathering and strengthening knowledge through evidence-based research on the measurement and monitoring of decent work is essential for informed policy-making and for providing effective and relevant guidance to constituents. Employment-related statistical data, disaggregated by rural–urban areas, is essential to understanding decent work challenges in rural areas.
25. Progress is being made on reportable results arising from countries' improved collection and dissemination of data or statistics on decent work in rural areas. Key findings on country practices in five West African countries³ were prepared, using a household survey questionnaire and sampling design to improve decent work statistics, particularly concerning vulnerable groups, and disaggregated by rural–urban areas. These results, along with key international labour statistics standards, were discussed with labour statistics experts of the five countries in Abidjan in June 2015. Targeted recommendations were established in order to improve the statistics in these countries. Questionnaire and sampling designs for household and labour force surveys are being reviewed in nine countries in Asia and the Pacific.⁴ A report on country practices will help develop recommendations to enhance the measurement and dissemination of indicators disaggregated by rural–urban areas. A capacity-building workshop targeting labour statisticians and data analysts will contribute to sharing information and raising awareness of best practices in collecting and disseminating statistical information on decent work in rural areas, with a particular focus on women, young people, and indigenous and tribal peoples.

³ Cameroon, Côte d'Ivoire, Guinea, Mali and Tunisia.

⁴ Bangladesh, India, Indonesia, Lao People's Democratic Republic, Myanmar, Nepal, Pakistan, Samoa and Sri Lanka.

26. Building on the previous biennium's work on statistics, the Office continues to update the ILOSTAT database with decent work indicators and, increasingly, SDG indicators disaggregated by rural–urban areas, focusing on populations in vulnerable situations. ILO household survey micro-data sets are being used to construct the indicators based on standards adopted by the International Conference of Labour Statisticians and the Office guidelines. Furthermore, the ILO is working with the Food and Agriculture Organization (FAO) of the UN on the development of a definition of “rural areas” for the purpose of international reporting of statistical indicators, and it participates in statistics forums, such as the Seventh International Conference on Agricultural Statistics.
27. The Office has stepped up efforts to undertake policy-oriented research in order to inform policies and strategies targeting rural areas, as stated in the results criteria. An example is the report *Understanding the drivers of rural vulnerability*, which focuses on the economic empowerment and socio-economic inclusion of vulnerable, disadvantaged and marginalized populations. The rural economy is one of the areas of focus of the 2016 ILO's flagship report *World Employment and Social Outlook 2016: Transforming jobs to end poverty*. The report examines potential routes out of rural poverty and the policies required to achieve them. The 2016 thematic *Labour Overview of Latin America and the Caribbean* is devoted to the rural economy, with a focus on employment, working conditions and income in rural areas. Studies on supply chains based on rural activities are under way in Brazil (agro-food), Chile (grapes and wine), Paraguay (cotton, textiles and clothing) and Uruguay (forestry and wood). Furthermore, a regional report on employment and decent work in plantations covering the Latin America and Caribbean region, as well as a global trends and development report on the plantations sector are being developed. Diagnostic studies on decent work in the rural economy have been launched in Lesotho and Zambia and, in early 2017, in Madagascar.

D. Capacity building of constituents and strengthening social dialogue

28. Strengthening the capacity and commitment of ILO constituents to engage in social dialogue on policies and strategies for rural development and to improve the organization and representation of rural stakeholders is a crucial element of the outcome 5 strategy.
29. Capacity-building activities are being organized in collaboration with the International Training Centre of the ILO (the Turin Centre) and in conjunction with other policy outcomes. In May 2016, the ILO conducted a symposium on agriculture insurance, together with the World Bank, the FAO and other relevant stakeholders, to explore policy recommendations to promote insurance as an important driver of economic development in rural areas. With inputs from this event, the ILO has developed a new agriculture insurance training package that will be tested in 2017. Furthermore, in collaboration with the FAO, the ILO has developed a training programme for the apex bodies of savings and credit cooperatives, which are often the only financial service providers in rural areas. These materials will be piloted in Zambia in 2017.
30. In August 2016, a knowledge-sharing event was organized in Zimbabwe with a view to facilitating the exchange of experiences, lessons learned and good practices that are relevant for the promotion of decent work in the rural economy of Zimbabwe and to generating building blocks for an action plan. A similar capacity-building exercise has taken place in Madagascar in December 2016 to develop its action plan on decent work in the rural economy.
31. At the request of the Government of Egypt and in partnership with the United Nations Industrial Development Organization (UNIDO) and the FAO, the “Academy on Rural Development: Towards decent work for youth in the rural economy” offered a course in

Luxor in October 2016, providing a knowledge-sharing and learning opportunity to over 90 constituents from Egypt, several African countries and officials from international organizations. The Academy included electives on informality, gender-equality and private investment policies. Courses at the Academy on Youth Employment and on Indigenous and Tribal Peoples were held at the Turin Centre in October and November 2016, respectively, and both included a specific focus on the rural economy. These events provided an opportunity for the constituents from outcome 5 target countries to share their experiences in the development and implementation of rural policies and programmes and to learn from the experiences of other countries.⁵ In Colombia, in January 2017, a rural development academy on peacebuilding through rural development and decent work was organized in collaboration with the Ministry of Labour, the Secretariat for Post-Conflict, Human Rights and Security and the Colombian Agency of International Cooperation.

32. A tripartite regional workshop on occupational safety and health and working conditions in the oil and gas industry in Africa will take place in Mozambique in May 2017.
33. Later in 2017, a workers' capacity-building activity will be organized to give effect to the outcome of the discussion by the Committee on the Application of Standards of the *General Survey concerning the right of association and rural workers' organizations instruments*, "Giving a voice to rural workers". In addition, the second edition of the Academy on Rural Development will be organized in Turin in November 2017.

E. Strengthening partnerships

34. As stated in the introduction, the daunting decent work challenges facing many rural economies around the world make it vital for the ILO to leverage resources and align policies through partnerships with international organizations working on rural development, whereby the focus is on comparative advantage. The ILO is strengthening synergies with development partners, including the FAO, the United Nations Development Programme, the Organisation for Economic Co-operation and Development, the World Bank Group and others, on advocacy work, country-level interventions and on the development of policies to promote productive and decent jobs in the rural economy. The ILO also collaborates on rural development with other agencies in the context of the G20. Most recently, it contributed to a report on rural youth employment, which was developed by the World Bank Group and the International Fund for Agricultural Development in the context of the G20 Development Working Group's work on food security. The ILO regularly contributes to the work of the FAO-hosted Committee on World Food Security and the UN Secretary-General's High-Level Task Force on Global Food and Nutrition Security.
35. In 2016, the ILO led the World Water Day, which highlighted the links between SDG 8 on decent work and economic growth and SDG 6 on universal access to water and sanitation, while the ILO's Director-General, as Chair of UN-Water during 2016–17, has been coordinating the work of 31 UN agencies, funds and programmes and 38 outside partners on SDG 6.
36. Another example of fruitful collaboration with other organizations is the FAO–United Nations Economic Commission for Europe (UNECE)–ILO Team of Specialists on Green Jobs in the Forest Sector, which provides policy advice on employment and labour issues. The ILO was also actively involved in the process leading to the 2016 United Nations Conference on Housing and Sustainable Urban Development (Habitat III), concluded with

⁵ For example, constituents from Zambia and Zimbabwe were invited to the Luxor Academy on Rural Development and constituents from Chile, Colombia, Indonesia and the Lao People's Democratic Republic were invited to the course on indigenous and tribal peoples.

the adoption of the Quito Declaration, which highlighted the importance of the rural–urban continuum and of decent work for economic development.

Draft decision

- 37. The Governing Body requests the Director-General to take account of its guidance in further implementing the strategy for outcome 5 of the Programme and Budget for the biennium 2016–17 on decent work in the rural economy.***