



4.02 Improve Governance of Labour Markets in Food Systems

1. What, in brief, is the solution?

- *Institutionalise rights*: A key solution in strengthening labour market governance and institutions is to ensure that waged agricultural workers' labour rights (as human rights) are respected and guaranteed, namely the right to:

- be paid a living wage.
- direct employment (not through labour contractors), including migrant workers.
- decent health and safety conditions in workplaces, including the right to remove themselves from danger without loss of employment.
- regular hours of work and avoidance of excessive overtime.
- paid sick leave (especially if workers with COVID-19 are to isolate, if necessary, rather than going to work to earn money).
- freedom of association and collective bargaining.
- social protection.
- be protected by government labour inspection services.
- adequate food of good nutritional quality.

An increased focus on agency and on sustainability as core dimensions of food security and nutrition, as called for by the HLPE (2020) can help frame the importance of labour rights in food systems.

- *Coordinate with Ministries and Parliamentarians and civil society*: FSS should work to strengthen labour market governance and institutions in association with national Ministries of Labour and Agriculture, Parliamentarians, the Rome-based agricultural agencies, and the ILO. Where appropriate, labour laws governing the agricultural/food sectors should be modernised, including inclusion of clauses on determining the employment relationship. Labour markets should include access for workers and farmers to employment advisory services which can now also be provided via digital technology. The newly adopted Voluntary Guidelines for Food Systems and Nutrition (VG-FSyN) can provide guidance for country level policy (CFS, 2021).

- *Improve access to the labour market*: This is essential since often labour is the only asset possessed by the poor and working class in the food sector. This includes increasing employment opportunities (that are regulated by labour laws) and earnings through minimum wage laws. Employment opportunities and higher levels of employment and earnings for women are especially critical for empowerment and food security. The deportability of foreign migrant labour creates a vulnerability in the labour market that needs to be addressed through regularisation of citizenship/immigration status.

- *Eliminate child labour while ensuring competitiveness of small-scale agriculture*: Improving labour market governance also requires eliminating child labour in agriculture, while addressing the competitiveness issues for agriculture, since children are often used as traditional free or low-paid labour allowing small-scale rural agriculture to remain competitive. The competitiveness of small-scale rural agriculture can be improved through government procurement schemes for commodities produced by wage labourers and small farmers, debt forgiveness and small farmer investment policies, and rural banking systems.



- *Regulate the contractor relationship:* As the earlier FAO/ILO report found “the most serious problem is that of labour hired through or by contractors”. Labour contractors manage the recruitment, transport, and management of waged agricultural workers, including foreign migrant workers. Contractors in the food sector must be regulated. As a result of abuses by labour contractors, as especially revealed by the COVID-19 pandemic, direct employment of workers in meat factories is now a legal requirement in Germany. Labour contractors must be licensed by the government, apply labour laws, and be subject to periodic inspection by government labour inspection services. Workers employed in a labour gang by a labour contractor must have proper contracts of employment.

- *Include agricultural wage workers in land reform:* Agricultural and food sector workers have virtually been excluded from land reform, and therefore, from the potential benefits of productive agriculture. This needs to be rectified.

- *Involve agricultural workers’ unions and grassroots collectives in land reform and all policy reforms:* The bargaining power of the precarious labour market in agriculture must be reinforced through special protections for collectives, unions, other forms of organisation, and imposing standards for collective bargaining. Grassroots organizing and unionization amongst food workers must be promoted. NGOs and international organizations such as the ILO which will also reinforce labourers’ bargaining power. Capacity building of worker unions and collectives will lead to a deeper understanding of the policies, instruments, arrangements and options in land reform and redistribution and will empower workers to seek to improve their labour conditions as beneficiaries of land reform. Additionally, networks and alliances can be built between waged agricultural workers, including foreign migrant labour, and small farmers through their trade unions and producer organisations. This will also tackle systemic racialization and social and cultural marginalisation that pervades agricultural labour since it provides solidarity across power differentials. Trade unions can also manage savings and credit cooperatives as done in Tanzania and Uganda.

- *Policies for decentralized economies:* In addition to strengthening labour regulations, there is also a need for policies that promote and strengthen local decentralized economies. Such local decentralized economies have the advantage of simultaneously cutting down the distance between producers and consumers and reducing our dependence on fossil fuels. Such local decentralized economies will lead to local-level job creation while strengthening local production and consumption. It will highlight women’s role in society and address discrimination against marginalized groups. Availability of sustainable livelihood also plays a key role in providing dignity, food security, and economic security to households.

2. What problem is it trying to address within food systems?

Well-functioning labour markets in food systems are essential for poverty reduction for smallholder farmers, waged agricultural workers, and other food workers but labour market governance and institutions remain weak, undermining the achievement of equitable livelihoods.

Rural and urban labour markets in food systems take many forms and involve many different types of employment relationships. Food systems labour markets offer employment in both agricultural and non-agricultural sectors to skilled and unskilled labour, in self-employment and wage labour. Although wage labour is often thought of in the context of large commercial farms, plantations, or cash-crop systems, there is also an active labour market in the small-scale agriculture sector, comprised especially of women farmers, women sharecroppers, and daily and seasonal workers.



An estimated 1.1 billion people are engaged in agriculture. This includes some 300-500 million waged workers, many of whom depend on wage from jobs on plantations or large commercial farms, including aquacultural farms. Their employment can vary from full-time, casual, to seasonal and their wages are often based on piece rate work. Many of them are migrant workers from another country. Many are employed via or by labour contractors. On average, women agricultural workers form 20-30% of the waged workforce and their numbers are rising as a percentage of the workforce in most regions. In addition, large numbers of casual, temporary and seasonal workers are engaged by small and larger-scale growers.

Rural and urban labour markets tend not to function well because labour market governance and institutions are usually weak and have little capacity to directly address factors determining supply or demand for labour. Rural labour markets are largely marketing for unskilled labour where supply comes from workers with little formal education or training. The prevalence of casual labour and child labour contributes to low productivity, low wages, and weak bargaining capacity. Where small family farms predominate, much of the supply of labour is from small farmers and their families who need to supplement the income obtained from their own holdings by hiring out their labour.

Labour markets in food system are characterised by the labour monopsony (single buyer) of large corporations; rural poverty; the property inequality among rural households; seasonality, precarity, and insecurity employment; low income and indebtedness; high risk/hazardous and backbreaking nature of agricultural labour; and the demand for labour in irrigated and unirrigated agriculture, fisheries and across the food chain for ensuring food security and competitiveness in international food trade. Workers are also commonly exempted from laws protecting other workers, especially rights to collective bargaining and to health and safety. The weakness of the labour markets governance regime and the lack of human rights monitoring creates greater precarity amongst food workers who are unable to exercise their rights and therefore continue to work in labour conditions where their livelihoods, health, well-being and even lives are threatened.

Trade liberalization and capital flows have made livelihoods in the food system even more precarious as large farms and corporations get better access to markets, can make profits in the input-intensive sector through depressing wages, by holding smallholder farmers to contract farming, and can take advantage of specific, political, economic and cultural factors (such as societal marginalisation, rural poverty, low labour power, social controls, using foreign migrant labour, etc.) to structure the local labour market. The present global restructuring of the economy and the commercialization of agriculture has led to the adoption of labour-displacing mechanization and new technologies for producing less labour-intensive crops. This has led to thousands of landless people, subsistence farmers, and wage labourers displaced and unable to sustain their livelihoods and a neo-colonisation that perpetuates and extends colonial economic and social structures.

Changes in the structure of the labour market and in the organization of work demand a new framework to understand the employment relationship. False self-employment, false subcontracting, the establishment of pseudo-cooperatives, false provision of services, and false company restructuring disguise the employment relationship. Further, precarious immigration and citizenship status of foreign migrant workers also lead to forms of employment relationship that traditional contract and employment laws and policies are unable to respond to.

The central concern that emerges in the context of the governance of labour markets in food systems, is the lack of human rights monitoring and accountability where labour standards are breached. Enterprises are able to take advantage of the low socioeconomic status of food workers, and the vulnerabilities of migrant workers, to continue to deny food workers their human rights and use monopolistic practices with impunity. Law enforcement, labour inspection, and compliance with international labour standards, among other things, are currently lacking in the international food systems labour market. Governing



institutions of the international food systems labour market, such as the International Labour Organization, and the Food and Agriculture Organization of the United Nations (FAO), have yet to meaningfully capitalize on its resources and capacity to improve labour standards and monitor compliance of private and public entities that rely on the labour of food workers. But the solutions also have to address governance in general and unique concerns such as property inequality among rural households; centralization of agricultural land ownership; inter-generational occupational change; rural-urban and foreign migration; the competing demands for labour in various sectors; insecurity, unemployment and seasonality of employment; and the geographical and political isolation of the rural poor through environmental controls.

3. How can this solution address that problem (theory of change)?

Making rural and urban labour markets more effective pathways out of poverty is a major policy challenge that remains poorly understood and sorely neglected in policymaking. Well-functioning agricultural labour markets are essential for poverty reduction for both smallholder farmers and waged agricultural workers but require game-changing solutions to address market failures.

Improving the governance of labour markets can only be accomplished with policy and institutional reform which centres the voice of food workers and empowers them to collectively organize and enforce their human rights. Thus, it is recommended that the bottom-up approach is taken so that the governance of food systems incorporates a true understanding of the diverse interests and concerns of food workers.