



KNOWLEDGE MATERIALS

Decent rural employment and productivity of family labour

Enhanced labour productivity improves working conditions in agriculture (and vice-versa)

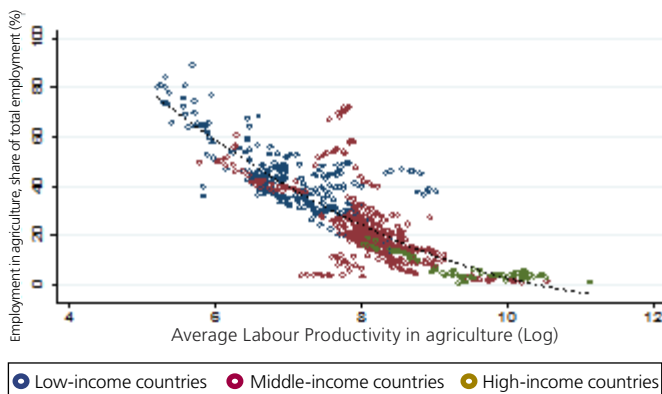


Data show that in countries with higher agricultural productivity, the agricultural workforce faces a lower probability to be in vulnerable employment. This indicates that decent work gaps in agriculture can be addressed by increasing labour productivity. To do so, FAO works to improve the skills of the agricultural workforce, especially youth, through trainings and education, helping them adapt to ongoing and future labour market demands.

The issue

Successful transformations of rural economies around the world have resulted in rapid transfer of surplus labour from agriculture to secondary sectors and/or services, accompanied by consistent increases of labour productivity in agriculture, and GDP growth. In unsuccessful regions, however, non-agricultural activities failed to absorb surplus labour (Lele and Mellor, 1981; Mellor, 1998; Timmer, 2002). They continued to show insufficient capital and low productivity in agriculture, with surplus labour still trapped in this sector (Fig.1).

Figure 1 | Correlation between agricultural employment and average labour productivity in agriculture



Sources: Calculations on ILO - Global Employment Trends 2014.

Surplus labour entails poor-quality jobs. Especially subsistence farmers, with high rates of underemployment and limited available land, report a low return to labour. Under such conditions, the labour force can be reduced without loss of output (Ranis, 2004). Hence **limited availability of productive and decent jobs** is still a worldwide challenge for many rural dwellers.

The most vulnerable forms of employment, namely

own-account workers and unpaid contributing family members, are commonly found in agriculture (ILO, 2008). These kind of workers generally face higher economic risks than employees do (ILO, 2012) since their returns depend respectively upon potential profits and on the economic potential of the household. As shown below, the share of workers holding poor-quality jobs – *vulnerable employment* (Fig.2) and *working poor* (Fig.3) – could be reduced by increasing labour productivity.

Figure 2 | Correlation between vulnerable employment and average labour productivity in agriculture

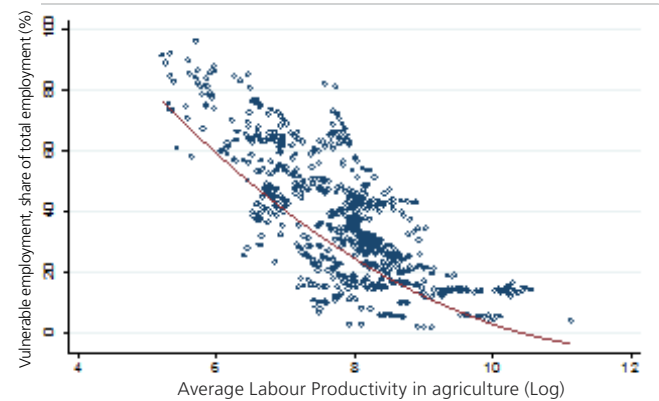
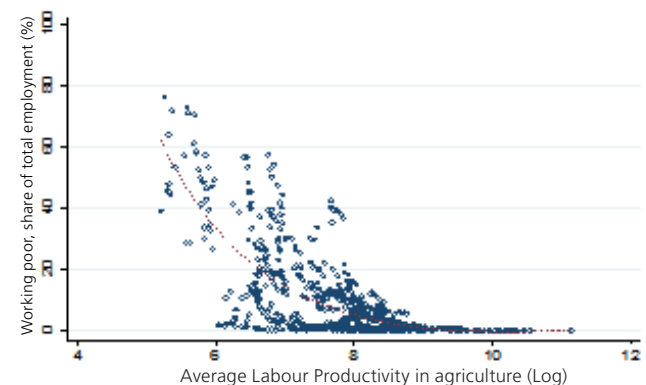


Figure 3 | Working poor and average labour productivity in agriculture



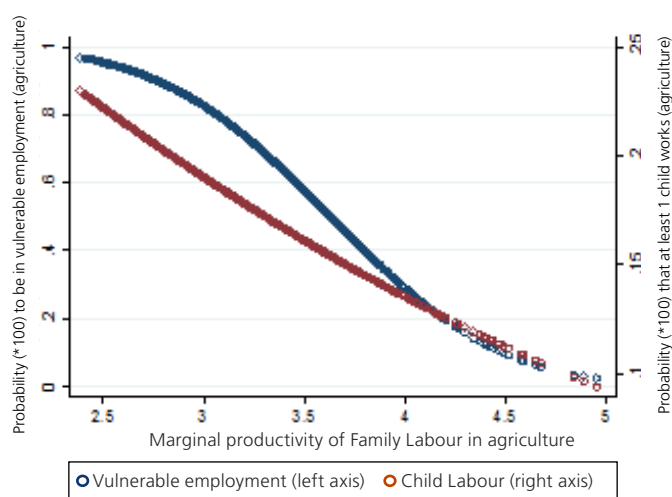
Sources: FAO estimates, ILO - Global Employment Trends database (2014).

Addressing the decent work deficit

[Recent findings](#)¹ from data collected in Tanzania show that, when increasing the days worked by family members in agriculture, total production remains nearly unchanged. This surplus labour remains trapped in agriculture, with little labour mobility taking place to other activities. Structural constraints - such as the lack of education, poor incomes, and no alternative employment opportunities - are likely to prevent labour mobility.

Data show that workers with high labour productivity face a lower probability to be in vulnerable employment² in agriculture. High productivity also decreases the probability of seeing at least one child labourer³ in the household (Fig.4). This indicates that **decent work gaps in agriculture can be addressed by focusing on labour productivity**.

Figure 4 | Effects of marginal productivity of family labour in agriculture on the probability of informal work and on the probability to have at least one child labourer in the household



Source: FAO estimates, Tanzania LSMS-ISA 2012-13.

As workers get older, the probability to be in vulnerable employment decreases. This implies that **youth are more likely than adults to be engaged in jobs of vulnerable type**.

How to break the loop between low productivity and poor quality jobs?

To address this challenge, employment and decent work creation should be promoted in agriculture, and not only in other sectors. As agriculture moves away from subsistence, it can generate labour demand and absorb at least part of the surplus labour by raising productivity.

Improving the skills of the agricultural workforce through trainings and education is key to enhance the quality of jobs. It can facilitate the mobility of surplus labour both

within agriculture and towards other activities. **Keeping children out from work** and offering them educational and vocational trainings clearly contributes to increase present and future agriculture labour productivity.

The improvement of vocational skills must target all groups engaged in agriculture and **reach the most marginalized**, while adapting them to labour market demands. This will enhance the ability of rural dweller to engage in high quality jobs and increase their mobility inside and outside agriculture. Altogether, this will foster inclusive rural development.

What is FAO doing?

Through policy assistance and awareness raising, FAO works to support governments in the design and implementation of policies, strategies, investment plans and programmes that more effectively target rural youth. To this end, FAO has developed the **Junior Farmer Field and Life Schools (JFFLS)** methodology that trains rural youth in the agricultural, business and life skills needed to earn a decent living and improve their productivity.

In Nigeria, FAO supported the design and implementation of the **investment plan** for the National Youth Employment in Agriculture Programme (YEAP). The programme has already trained over 7,000 young agropreneurs in different value chains and provided them with starter packs.

Another example of FAO intervention is the **Integrated Country Approach (ICA) for promoting decent rural youth employment**. This leverages a set of FAO's core functions: policy advice, technical support and capacity development, knowledge generation, partnerships, advocacy and communication. In Senegal, ICA has supported the Government in the development of the National Rural Youth Employment Policy.

To foster all this, FAO counts on the following **specific knowledge products and tools**:

- The [DRE Policy Database](#);
- Assessment tools;
- FAO-ILO e-Learning Course [End child labour in agriculture](#);
- [Handbook for monitoring and evaluation of child labour in agriculture](#);
- [Incorporating decent rural employment in the strategic planning for agricultural development](#);
- The harmonization, compilation and dissemination of national data on rural employment.

¹ For further details on the empirical analysis, see: [More productive for better jobs: Labour productivity and decent employment in rural Tanzania](#).

² According to the ILO, "vulnerable employment" is defined as the sum of the employment status groups of own-account workers and contributing family workers.

³ In Tanzania the minimum age for employment is 14 years of age.