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# The right to decent income and livelihood

IN THE UNITED NATIONS
DECLARATION ON THE RIGHTS OF
PEASANTS AND OTHER PEOPLE
WORKING IN RURAL AREAS

This analytical briefing on the right to decent income and livelihood is part of the second series of briefings published by FIAN International to feed into the negotiations on the draft declaration of the United Nations on the rights of peasants and other people working in rural areas.

The first series of briefings covered the following topics: rights to sovereignty over natural resources, development and food sovereignty, the right to food and the right to land and other natural resources. This series discusses the 2015 advanced version of the draft Declaration.

The second series of briefings covers the following topics: rural women's right, the right to seeds and the right to water and sanitation. This second series discusses the 2016 advanced version of the draft Declaration. Finally, this specific briefing on the right to decent income and livelihood is based on the 2017 advanced version of the draft Declaration. Please note that the numbering of the articles is different in the 2016 and 2017 advanced versions of the draft Declaration.

All these briefing notes are available on our websites: http://www.fian.be and http://www.fian.org



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Decent work is one of the 17 goals of the Sustainable Development Agenda by 2030 approved by the United Nations with effect on January 1st, 2016. Goal 8 aims at full employment and decent work for all, in particular for young people. Creating and maintaining secure and paid jobs is a major challenge in rural areas. The ageing of the farming population and rural depopulation by young people could quickly lead to skilled-labour shortages at global

level and affect negatively food security<sup>1</sup>. The right to decent work is covered by Art. 13 of the 2017 advanced version of the draft Declaration. This analytical briefing draws on the content of Art.16 on the right to decent work and livelihood. Respecting this right is key for those who feed the world to be able to feed themselves and make a dignified living out of their work.



### On a trouvé en bonne politique l'art de faire mourir de faim ceux qui en travaillant la terre nourrissent les autres

(Translator's note: *One has found, as good politics, the art of starving those who, by working the land, feed the others).* 

# 1. DEFINITION: THE RIGHT TO DECENT INCOME AND LIVELIHOOD

The right to decent income and livelihood means that peasants and other people working in rural areas must have sufficient income and livelihood to live a dignified life and realise their fundamental rights, such as their rights to food, health, social security, housing, education, etc. Article 16 of the draft Declaration states that peasants and other rural producers (fisherfolk, pastoralists, gatherers, craftsmen and women, etc.) must have "the right to a decent income and livelihood for themselves and their families, and to the means of production necessary to achieve them". (Paragraph 1). This means they should primarily live off their production and not off subsidies or food aid.

For peasants and other rural producers (pastoralists, fisherfolk, craftsmen and women ...) who get their income from the sale of all or part of their production, the article refers to agricultural, environmental, trade and investment policies implemented at local, national, regional and international levels. Income is the difference between the selling price on the market and the costs (production costs and depreciation of investments). Although peasants have some control over their productions costs and investments, they usually have very little control, if any, over selling prices. Earning a decent income through the sale of their production is therefore far from being a reality, whereas it should be the core principle of any agricultural policy. The situation is even harder for small-scale farmers who, unlike large-scale ones, do not benefit from production-cost reductions (bulk purchase of inputs), investment credit facilities, or even higher prices. Although the agricultural-policy framework follows the rules of the

<sup>1</sup> Youth and agriculture: key challenges and concrete solutions. Published by the Food and Agriculture Organization of the United Nations (FAO) in collaboration with the Technical Centre for Agricultural and Rural Cooperation (CTA) and the International Fund for Agricultural Development (IFAD), 2014. http://www.fao.org/3/a-i3947e.pdf

World Trade Organisation (WTO), Member States have ample room for manoeuvre to focus part of their policies in favour or against peasant farming, which can either improve or worsen the conditions of agricultural income.

For peasants and other rural producers living off subsistence agriculture, the issue at stake is their access to sufficient production means to live a dignified life. The access to land, to production means, to seeds and to water is crucial for the majority of rural producers in 'developing' countries, as they do not or hardly earn any financial income from their activities. Their working the land, animal breeding, harvesting and/or fishing aim essentially at the family's or the community's **subsistence**. Articles 17, 19 and 21 of the draft Declaration tackle specifically the rights to land, to seeds and to water<sup>2</sup>.

Lastly, for **non-peasant agricultural rural people** (agricultural workers, seasonal workers, the landless, migrant workers ...) and other rural people, who earn their livelihood from services they offer to the population, Art. 16 complements Art. 14 on the right to safety and health at work, as the latter must be sufficiently paid to enable people to live a dignified life.

Art. 16 also states that peasants and other people working in rural areas have the right to "develop communitybased commercialization systems" and that direct farmer-to-consumer sales should be facilitated (Paragraph 1). That means peasant women and men must be able to get together to sell collectively to a wholesaler, to a process industry or directly to consumers. They can do it as a production or processing cooperative, a gathering group, as stores selling farm products, or through a contract between a group of producers and a group of consumers<sup>3</sup>. They can also get together as a small group to process their products in an artisan processing facility. The issue is always to improve the power balance vis-à-vis the industry or the wholesaler, to raise their share of added value and/or to build sustainable and fair relationships with their consumers. That usually requires to improve marketing and artisan-processing standards, most of which are based on hygiene-riveted industrial criteria which are a major constraint for artisan processing and small-scale direct sales.

The right to decent income and livelihood can be exercised at individual, family, community, town or cooperative levels, provided that each person earns a fair share from the collective work he or she contributed to. The implementation of this right is particularly important for peasant women and other women working in rural areas, who face considerable challenges in their access to land, to participation and decision-making processes and to fair wages and pay equity for equal work<sup>4</sup>, considering the family caring responsibilities they carry in a disproportionate way.

<sup>2</sup> See other FIAN's analytical briefings on these topics

<sup>3</sup> Community supported agriculture (CSA) in English, Association pour le maintien de l'agriculture paysanne (AMAP) in France, Groupe d'achat solidaire de l'agriculture paysanne (GASAP) in Belgium,... cf. Urgenci, International CSA Network: http://urgenci.net

Article 11 of the Convention on the Elimination of All Forms of Discrimination against
 Women recognises the right to working conditions that ensure, at least, fair and equal
 remuneration in respect of work of equal value, without any kind of discrimination.



# 2. WHAT ARE THE STATES' OBLIGATIONS?

Art. 16 provides that

States shall take appropriate measures to strengthen and support local, national and regional markets in ways that facilitate, and ensure that peasants and other people working in rural areas have, full and equitable access and participation in these markets to sell their products at prices that allow them and their families to attain an adequate standard of living.

Prices should be set through a fair and transparent process that involves peasants and other people working in rural areas and their organizations. (Paragraph 3).

In most countries, agricultural prices are market prices, based more or less on the rules of supply and demand, but also on the power balance between the seller and the buyer. In certain countries or regions, there can be interprofessional trade unions gathering producers, processors, distributors, and setting prices for a fixed time period according to sectoral agreements. In the past, in Europe before 1992 for instance, there were also 'pricing policies' guaranteeing minimum prices to producers. These policies were reduced or withdrawn in the last decades with the implementation of neoliberal policies.

Therefore, putting in place a transparent and fair pricesetting mechanism that involves the participation of peasants and rural people and takes production costs into account – in order to earn a decent income – entails radical reforms of the current agricultural and trade policies.

In order to implement fair and sustainable national agricultural policies, States must first and foremost initiate together the reform of current international-trade rules (1994 GATT/WTO and other 'free'-trade agreements).

The access to decent income based on selling prices and the market access have tailed off since the 1994 GATT/WTO Agreement, which formats the agricultural policies of 162 signatory States and hinders the use of these policies

as tools guaranteeing remunerative prices. The same goes for dozens of so-called 'free'-trade agreements, reinforcing the focus on imports/exports, at the expense of local/regional trade.

Article 16 shall not be implemented without fair rules applying to multilateral trade. Trade should give priority to the import of regional products that cannot be produced at national level and to the export of products, if possible with high added value, that other regions/countries do not produce. Moreover, historical and pedoclimatic data indicate that some regions (North Africa, Middle East, Bangladesh, etc.) will long remain with shortages of cereals, the basis of their food security, whereas other regions (United States, Canada, Brazil, Argentina, Australia, etc.) will long have surplus productions. International trade should consequently be fair and prevent dumping practices<sup>5</sup>, i.e. without affecting the capacity of peasants from other countries to make a decent living.

States, according to their own situation, can then adopt a series of public policies promoting fair agricultural prices and decent income:

### Promoting market-regulation policies to stabilise prices

In order to maintain fair prices, the formation of market surplus or structural shortage must be hindered. Consequently, States must implement market-regulation sectoral policies to prevent crises. Evidence shows that wherever international and national regulations are withdrawn, with very few exceptions a considerable volatility of agricultural prices takes place, fuelling speculation while destroying peasant agriculture<sup>6</sup>.

## • Developing sectoral inter-profession trade unions setting fair prices

At national or State-union level, inter-profession unions by sector of production, gathering the actors concerned and involving the State's and consumers' participation, should have the right to set prices, for a definite period of time, at the different stages. These prices should reflect a fair distribution of the added value, in particular for peasant women and men. In case of a surplus (or shortage) crisis due to adverse climatic conditions, minimum (and maximum) prices should be fixed, guaranteeing producers' income (and consequently poor consumers' purchasing power).

## Fostering peasant farming at the expense of global large-scale farming

States can improve the conditions of viable peasant farming by improving policies of access to land, subsidies, and credit and developing agro-ecological production standards that safeguard the environment, biodiversity and soil fertility. To this end, the implementation of Articles 17 (right to land) and 21 (right to water) of the draft Declaration is particularly needed.

<sup>5</sup> The 1994 GATT/WTO Agreement 'laundered' rich countries' dumping, allowing them, without any limit ("green box"), to subsidise their producers in compensation of low global prices.

<sup>6</sup> For instance, the Canadian milk-industry regulation allows for fair and affordable prices for consumers.

### Modifying market competition and transparency rules

States must counteract the domination of mass distribution and agroindustry oligopolies which control national and international markets. By modifying competition laws, they can support producers' power through a price setting mechanism that remunerates the work of all actors of the sector, starting with the peasants, and not ending with them. An end must be put to the systematic deduction of the peasant's work added value, both upstream and downstream, by remunerating each actor of the food sector in a fully fair manner.

## Fostering local markets and collective and direct marketing

Access to the local market, be it for the producer or the consumer, should be prioritised. States must foster and support the development of producer groups, producer-consumer groups, farm-gate commercialisation and direct selling at local markets. They must hinder/stop the setting up of supermarkets, which often devour farmland, as well as the clustering of supermarket chains into oligopolistic purchasing groups. States should not hinder but facilitate short supply chain initiatives that strengthen producer-customer relationships.

### Fostering the artisan processing of agricultural products through specific standards

States can foster the development of local markets by setting up specific standards for peasant production and for the artisan processing of agricultural products, so as to allow peasants to keep a larger share of their products' added value. These standards should be safe but adapted to small-scale processing conditions, i.e. less constraining than industrial standards. The same goes for commercialisation standards of raw agricultural products (shape, calibration, colours, etc.).

# Focus points and recommendations for improving the current version of the Article

- In order to design agricultural policies guaranteeing peasants a decent income through the sale of their products, reference should be made to the need to modify the current rules of agricultural international trade accordingly. The international level is indeed not mentioned in the current version of Article 16. A new paragraph 3 could be phrased the following way: "States shall, together, modify the current rules of agricultural international trade, so that they can comply with their states obligations through appropriate agricultural and trade policies, and implement food sovereignty".
- In paragraph 3, the price-setting mechanism could be detailed the following way, involving all the actors of the sector and consumers, and not only peasants: "These prices are set through a fair and transparent process involving all the actors of the sector, including peasant, consumer and agricultural-worker organisations".
- Paragraph 3 could be strengthened by mentioning States' obligation to regulate markets, which is necessary for price stability and consequently for peasant farming, as well as States' obligation to modify competition and market-transparency rules so as to prohibit abuse of power, dominant positions and export dumping.
- In Paragraph 3, we suggest to include provisions on public subsidies and aids to agriculture, stating that these should be allocated primarily to poorer peasants and should not affect negatively other producers from other regions or countries.
- In Paragraph 3, we recommend to mention a States' obligation to promote, through differentiated and appropriate standards different from those applied in industry –, the artisan processing of peasant products and direct sales, allowing peasants to keep a larger share of their products' added value.





# 3. WHAT SOURCES OF INTERNATIONAL LAW SUPPORT THE RECOGNITION OF THIS RIGHT?

The "right to an adequate standard of living" is recognised by the main international human rights law instruments. It is recognised by Article 25 of the Universal Declaration of Human Rights, stating that "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services (...)" (UDHR, Art. 25.1) . Article 25 complements Article 23 on the right to work. The latter recognises everyone's right to work and to free choice of employment, and to "just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection." (UDHR, Art. 23.3).

The right to an adequate standard of living is reiterated in Article 11 of the International Covenant on Economic, Social and Cultural Rights (ICESCR). Article 11 complements Articles 6 and 7, dedicated respectively to the right to work and to the right to the enjoyment of just and favourable conditions of work.7 The right to an adequate standard of living explicitly includes the right to adequate food, to housing and to the continuous improvement of living conditions (ICESCR, Article 11.1).

For a major part of the world's population relying on subsistence farming, the right to an adequate standard of living is directly related to the right to ensure one's livelihood and that of one's family through an activity that is linked to the access and use of natural resources (farming,

7 These rights are also recognised in many regional instruments, such as the European Social Charter and the Additional Protocol to the American Convention on Human Rights (Art. 6 and 7). fishing, herding or pastoralism, gathering). The Committee on Economic, Social and Cultural Rights also insisted on States' obligation to pro-actively engage in activities intended to strengthen people's access to and utilization of resources and means to ensure their livelihood, including food security.8 The importance of the role of the State in creating and maintaining jobs in rural areas is also underlined in the Right to Food voluntary Guidelines.9 Therefore, the implementation of the right to an adequate standard of living for peasants and other people working in rural areas, as recognised by Article 18 of the draft Declaration, cannot bypass the implementation of Articles 19 to 24 related to their access to natural resources and production means.

For peasants and other rural producers (pastoralists, fisherfolk, craftsmen and women, ...), who earn their living from the sale of all or part of their production, the right to an adequate standard of living is primarily linked to their access to the market and to selling prices that cover their production costs, allowing them to realise their fundamental rights. Quite a few international instruments have addressed this issue. The Committee on World Food Security adopted a series of recommendations on the links between smallholders and markets.10 These recommendations insist on the importance to promote short food supply chains that enable smallholders to obtain a better income from their production (xviii), promote a more enabling market environment for smallholders, that provides fair and transparent prices that adequately remunerate smallholders' work and investments (ii) and to support the development of markets linked to local, national and regional food systems (xiii). The UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions also insists on the importance of promoting viable local and regional markets (Article 14).

Committee on Economic, Social and Cultural Rights, General Comment 12 on the right to food, (E/C.12/1999/5), Paragraph 15.

<sup>9</sup> The voluntary guidelines for the progressive realization of the right to adequate food in the context of national food security were adopted by FAO in 2004. Directive 8.8 states for instance: "States should take measures to encourage sustainable development in order to provide opportunities for work that provide remuneration allowing for an adequate standard of living for rural and urban wage earners and their families, and to promote and protect self-employment."

<sup>10</sup> Committee of Food Security, Connecting Smallholders to Markets (CFS 2016/43/5). The recommendations also state the importance to "promote smallholder products with specific quality characteristics which increase income and can respond to consumer demand while preserving traditional practices and knowledge, and agricultural biodiversity" (xiv).

The ILO's Rural Employment and Decent Work Programme includes a series of Directives aiming at better market-access opportunities for smallholders and promoting their participation in national and global value chains. In addition, the Committee of Experts on the Application of Conventions and Recommendations, in its analysis of the issues relating to the Convention 111 concerning Discrimination in Respect of Employment and Occupation, pointed out that market access should be provided without any form of discrimination. Lastly, Recommendation No. 204 concerning the transition from the informal to the formal economy considers market access as a core measure enabling this transition, along with the promotion of small enterprises and other forms of economic models such as cooperatives and social and solidarity economy.

For non-peasant agricultural rural people (agricultural workers, seasonal workers, the landless, migrant workers ...), the right to a decent living is primarily linked to the right to decent work. The rights to work, to just and favourable conditions of work and to a decent livelihood are addressed in Article 14 of the draft Declaration. They are also recognised and guaranteed by many ILO instruments, such as Convention No. 155 and 184 on occupational safety and health, Recommendation No. 132 concerning tenants and share-croppers, Convention No. 110 on plantation workers, Convention No. 117 on social policy as well as Convention No. 122, along with the related Recommendation No. 169, on employment policy. These rights are also affirmed in the ILO Declaration on Social Justice for a Fair Globalization 11, adopted in 2008 and in the Declaration of Philadelphia (part of the ILO Constitution 12), which place decent work for all at the heart of national and international policies. Gender equality is recognised by Convention No. 100 on equal pay and Convention No. 111 on discrimination (employment and

Lastly, for peasant women and other women working in rural areas, the realisation of the right to a decent living requires first to eliminate all forms of discrimination against women, which continue to undermine their right to work and notably their right to equal pay for equal work. Article 14 of the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) recognises the specific challenges rural women face. The recently adopted General Recommendation No. 34 on the rights of rural women gives clarity on States' obligations in that regard. The Committee on the Elimination of all Forms of Discrimination against Women insists for instance on the States' obligation to incorporate the right to decent conditions of work in their legal and policy frameworks (Paragraph 50), to strengthen local rural economies and create local employment opportunities and livelihoods for rural women in the context of sustainable development (Paragraph 51) and to improve rural women's working conditions by preventing exploitation and other forms of abuses, notably sexual harassment (Paragraph 52).

# 4. WHY SHOULD THIS RIGHT BE RECOGNISED FOR PEASANT WOMEN AND MEN?

Because earning a decent living out of agricultural production is a difficult undertaking. Peasant women and men are subject to globalised markets, hence to prices that are usually too low, as they are surplus prices.

For the peasants in the 162 Member States of the WTO, i.e. almost the whole world, the GATT Agreement, signed in Marrakesh in 1994, established the WTO and international agricultural trade rules, which Member States' agricultural policies have had to comply with, in order not to face sanctions or complaints from other Member States. Since then, 'free'-trade agreements have been signed, usually taking neoliberal deregulation further.

In this context, market prices are hardly related to production costs. They rather depend on the good or poor harvests in the export country with the lowest production costs. In other words, the weather conditions in New Zealand determine the price of milk in Europe as much as in India. And this price falls regularly below the production costs, bankrupting the most vulnerable producers. Moreover, these rules were set at the expense of 'developing' countries, as they allow 'developed' countries to export their agricultural products at prices below their production costs, through subsidies compensating their producers.

### Because accessing local markets is often essential to their income and promotes people's local food security and autonomy.

In order to earn a decent living from sales, one needs to sell, hence to have access to a market, and then to get a remunerating price on that market. The rapid market access is particularly necessary for fresh products (dairy products, eggs, fruit, vegetable, etc.) or other products than cannot be stocked. The access will be facilitated if the peasant is part of a cooperative or a group of producers which, in principle, defends the interests of its producers. The peasant's negotiation power is usually very limited when he/she is on his/her own to deal with a merchant, a wholesaler or a private processing factory. Moreover, the access to the local market is often hindered by low-priced imports from other countries. This is the case, for instance, for African milk, chicken and rice producers, amongst others, facing dumping of surpluses from the EU, the US and Southern Asia. Although WTO rules allow 'developing countries' to protect themselves with customs duties, those are often reduced or eliminated at the 'behest' of the World Bank, The International Monetary Fund (IMF) or through 'free'-trade agreements. The same occurs for peasants in developed countries, when agribusiness firms relocate production in the global South to benefit from low wages and then bring it back without paying any

<sup>11</sup> http://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/gener-icdocument/wcms\_371208.pdf

<sup>12</sup> http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:62:0::NO::P62\_LIST\_ENTRIE\_ID:2453907#declaration

customs duties. Market access entails sufficient transport and packaging **infrastructures** for perishable products, as well as **health and production standards** compatible with peasant production.

### Because peasants are crushed by agribusiness firms and financial powers, who put pressure on the whole food chain to get low prices.

In the last decades, the commercialisation of food products has become heavily concentrated in the hands of major international groups who now control the largest part of food trade and have been increasingly taking hold in growing cities. These major supermarket chains and purchasing groups take advantage from international trade rules allowing them to purchase worldwide at minimal cost. They have turned into financial powers capable of putting pressure on the whole food chain.

Very often, **competition law**, which in principle forbids monopolies and pricing agreements amongst the industry or mass distribution, has let powerful groups emerge and control too large a part of the market.

On the other hand, the same competition law is always prompt to condemn groups of producers in their attempts to impose fair prices on the food industry. Moreover, consumers' preference for 'local' products has become a significant trend even beyond industrialised countries and has given rise to an increasing number of initiatives, which public authorities have started to support. The emergence of local or farm product sections in supermarkets shows that trend is taking root, but it is also being captured by major supermarket chains, which entails lower prices for local producers.

### Because without sufficient livelihood, peasants or rural people migrate to other cities or countries, reinforcing food insecurity and territorial imbalances.

Peasant farming and traditional fishing currently produce over 70% of the whole world's food. Those who feed the world must urgently be recognised and economically valued. Article 18 aims to improve the economic and cultural recognition of farming and of its produce, discredited in many societies. For food security to be guaranteed in the mid- and long-term, and the planet to be protected, peasant agricultural and food production must be seen as a public-interest activity, duly recognised and duly valued economically, by the younger generations. That will also trigger the latter's interest in getting involved in it.

#### Current version of the article in the 2017 draft Declaration

### Article 16. Right to a decent income and livelihood and the means of production

- 1. Peasants and other people working in rural areas have the right to a decent income and livelihood for themselves and their families, and to the means of production necessary to achieve them, including production tools, technical assistance, credit, insurance and other financial services. They have also the right to use individually and collectively traditional ways of farming, fishing and livestock rearing, and to develop community-based commercialization systems.
- 2. Peasants and other people working in rural areas have the right to the means of transportation, and processing, drying and storage facilities necessary for selling their products on local, national, and regional markets at prices that guarantee them a decent income and livelihood.
- 3. States shall take appropriate measures to strengthen and support local, national and regional markets in ways that facilitate, and ensure that peasants and other people working in rural areas have, full and equitable access and participation in these markets to sell their products at prices that allow them and their families to attain an adequate standard of living. Prices should be set through a fair and transparent process that involves peasants and other people working in rural areas and their organizations.
- 4. States shall take all measures to ensure that their rural development, agricultural, environmental, trade and investment policies and programmes contribute effectively to strengthening local livelihood options and to the transition to environmentally sustainable modes of agricultural production. States shall stimulate agroecological, organic and sustainable production whenever possible, and facilitate direct farmer-to-consumer sales.
- 5. States shall take appropriate measures to strengthen the resilience of peasants against natural disasters and other severe disruptions, such as market failures.

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