

New WBCSD workstream on Rural Labor

Objectives, scope, and activities

As of April 10, 2013

Objectives: Making rural areas attractive places to live, work, and invest

Improving the attractiveness, vibrancy, and sustainability of rural economies - for workers, their communities, and the businesses who operate and invest there - is vital for strengthening supply chains, enhancing food security, increasing productivity, balancing urbanization, and protecting the environment.

This poses a significant stumbling block for business. Approximately 3.1 billion people live in the rural areas of developing countries, or 45% of the total world population (FAO 2012), however this includes over 70% of the world's poor.¹ People in rural areas of the developing world tend to be disadvantaged with regard to accessing education and training, decent and viable livelihoods, basic health care, as well as credit and other financing sources.

As a result, companies are grappling with three key challenges:

- sustainable access to the natural resources they depend upon;
- quality and long-term availability of human resources in rural areas;
- health, safety and overall working conditions of workers throughout their supply chains;

In this context, WBCSD is seeking to help our members address the following two questions:

How can business contribute to making rural areas in the developing world more resilient and attractive, with access to basic services and facilities at the same level as in urban areas, and with labor standards and practices that are equitable?

What can businesses accomplish working together, and what is needed from other actors?

Scope: Leveraging WBCSD to find cross-industry solutions

There are many initiatives currently addressing rural livelihoods, but the majority focus on smallholders and agricultural productivity. WBCSD is uniquely placed to bring together the diverse range of players required to make a significant, cross-cutting and sustainable impact in this area - and to take a cross-industry, business driven approach.

The Rural Labor workstream intends to bring together companies from various sectors (agriculture, forestry, IT/telecoms, healthcare, banking, consumer goods, education, energy, etc.) as well as Regional Network partners from emerging markets who are interested in jointly developing solutions to secure future supply, strengthen the license to operate, and ensure that the people they impact are increasingly empowered to live sustainable livelihoods.

¹ Source: The World Bank. Data – Agriculture and Rural Development. Available at: <http://data.worldbank.org/topic/agriculture-and-rural-development> [Accessed 14 January 2013].

WBCSD can contribute by:

- **Sharing existing solutions and best practice** – to gain inspiration from leaders in their fields, and articulate the business role in this space (as well as the role of other actors).
- **Facilitating collaboration between companies and across industries** – to cooperate on the development of new solutions, align pilots, explore complementary programs, optimize infrastructure, or share services along the supply chains.
- **Facilitating partnerships** – to advance collaboration with governments, international organizations, and civil society to improve the operating environment, ensure local ownership, provide validation, and aid implementation and roll-out of initiatives on the ground.

Activities: What can we do together that we cannot do alone?

So far, input has been gathered from 11 members: Nestlé, APRIL, DuPont Pioneer, ITC, Monsanto, MWV, Novartis, Novozymes, PepsiCo, Sime Darby and Syngenta.

Initial discussions have established that there is a clear appetite for a new way of working. Companies are keen to demonstrate that more can be done by working together, above and beyond what they are already doing independently.

Appendix 1 summarizes the input from these 11 companies on the challenges they face, and the potential solutions which need to be optimized and improved. By building a joint understanding of the problems, and the mechanisms and capabilities required to solve those problems, it will be possible to define where business fits in, and where organizations from different industries could collaborate to provide new solutions.

This will also help to clarify the limits of business responsibility, and identify where there is a need for public or development agency support.

How the Rural Labor workstream fits within WBCSD

In the context of WBCSD's "Strategy 2020", centered on implementing business solutions to sustainability challenges, all of WBCSD's activities on the topic of Development have been integrated into a newly created Social Capital Focus Area. This reflects the desire of our member companies to strengthen the Council's activities in addressing rapid socio-economic transformations in industrialized as well as emerging and developing markets.

By "social capital" we mean people's skills, experience and knowledge, in addition to societies' shared values, norms and institutions. Together, these features can be considered resources that need to be maintained and enhanced to make society more cohesive and resilient, and business more successful. Social capital issues are embedded in WBCSD's Vision 2050 of "9 billion people living well, and within the limits of the planet".

We will align the Rural Labor workstream with the ongoing development of a framework for action called "From Vision 2050 to Action 2020" rallying the efforts of member companies to deliver on the economic, environmental and social promises made in Vision 2050. This new framework includes a scientific review of the long-term trends in view of defining short-term priorities ("must-haves" by 2020) that we must reach on the pathway to a sustainable world. Following that, measurable and scalable business solutions to achieve these intermediate goals will be defined.

To facilitate this process, it has been suggested that WBCSD could:

1. Work with members to map out:
 - The challenges faced by business
 - The mechanisms and capabilities required to address these challenges, including the identification of “strategies that work”
 - Ongoing initiatives and geographic focus areas to facilitate alignment and enhancement, and to identify countries where there could be a critical mass for collaboration.
2. Convene a series of structured forums to act as an “information exchange” to catalyze ideas for collaboration and help build new alliances by connecting practitioners especially across different business sectors
3. Establish ‘lighthouses’ – proof of concept initiatives which shine a beacon on how new solutions could work
4. Provide clarity on duties and roles for each actor (business, government, civil society)
5. Develop targeted advocacy messages to ensure supportive public policies are in place

Next steps

- **Session on Rural Labor during WBCSD’s Liaison Delegates meeting in Montreux, Switzerland, on Wednesday April 17 (10:30am to 12:30pm)**

The Montreux meeting aims to build engagement in the workstream, and will also be important to ensure alignment of this workstream with the ongoing development of WBCSD “Action 2020” roadmap
- **Convening a Rural Labor working group**

Activities will be ongoing throughout April and May to reach out to companies from industries required for cross-cutting solutions – in particular information technology and finance.
- **Mapping and Forums**

From early May, we will begin mapping challenges, capabilities, initiatives, and focus geographies, and scheduling a series of exchanges to spark ideas for collaboration.

Comments & questions

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Appendix 1 – Preliminary challenges and solutions highlighted by members

Challenges	Sustainable access to natural resources	Availability and quality of human resources	Health, safety, and working conditions
Solutions			
Viability and attractiveness of both on & off-farm livelihood opportunities	Limited steady income opportunities are at the heart of many rural issues, and strategies for income distribution (such as cash-flow and storage solutions) are required to tackle challenges of seasonal produce. Long-term improvement of rural economies depends on improving the status of rural occupations, and improving on and off farm opportunities, particularly for disadvantaged groups such as wage-workers, landless workers, and women.		
Education & skills	Better outreach strategies for education and training are required to increase exposure to new knowledge, technology and practices, to reduce resistance to change, and to raise interest in the STEM fields (science, technology, engineering, mathematics).		
Infrastructure	Infrastructure is a basic requirement to increase connectedness and access to services, to strengthen business operations, and to reduce the rural-urban gap. This includes public infrastructure, but also enabling access to/improvement of facilities, equipment, and stock.		
IT solutions	Information and communication technology solutions are increasingly prevalent and affordable, but its potential applications need to be recognized. For example, could existing technology provide solutions for recruitment and job seeking, banking and financial transactions, distribution and sales, or training and education?		
Distribution & supply chains	Rural supply chains are often fragmented and under-developed, which can result in the deterioration of a product, and a mark-up from market price at each step. There is potential for companies operating in the same geographies to align and optimize supply chain solutions.		
Guidelines and impact measurement	<p>Definitions, guidelines, tools and standards for social issues are generally under-established in comparison to environmental guidelines and requirements. There is scope for companies to collaborate on defining internationally acceptable guidelines and tools where they do not already exist, or on navigating and implementing existing guidelines and impact measurement approaches.</p> <p>This could include defining the business contribution towards rural communities, and collaborating with governments, civil societies and international agencies on improving transparency, endorsement and alignment.</p>		