

Decent work: Inclusive standards & certifications



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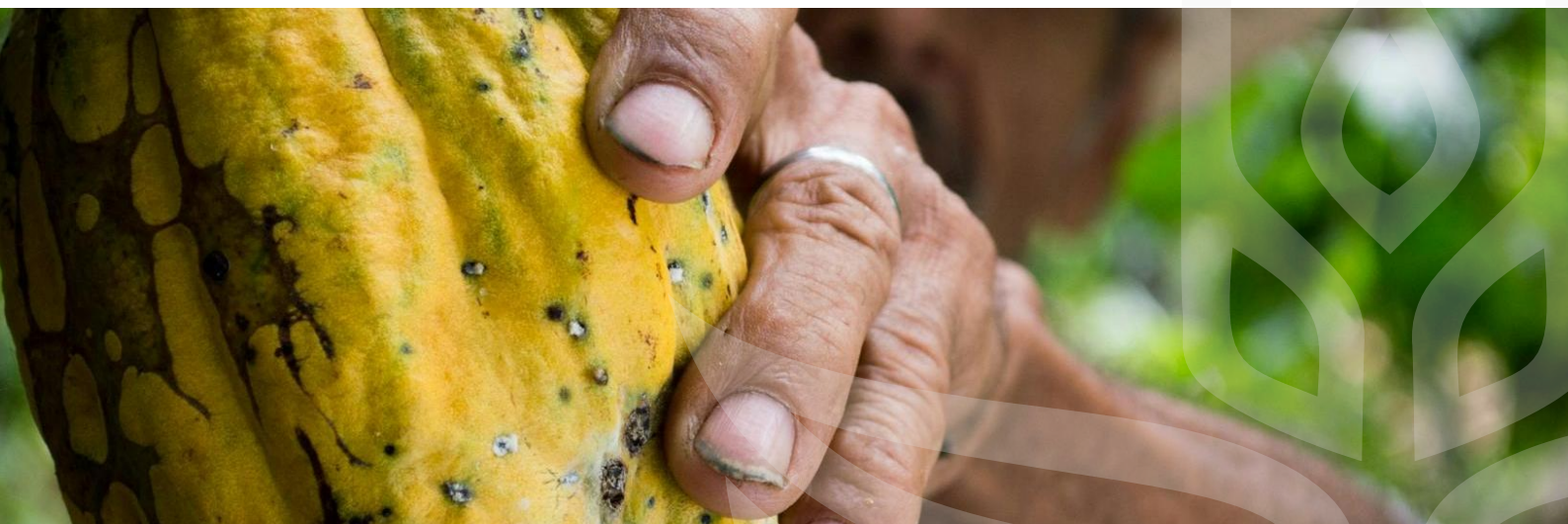
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KISM guidance series: Implementing credible and innovative practices in food markets

Paper 3: Driving inclusive employment and decent work in agriculture: role of standards and certifications

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December 2024



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Purpose of this guidance note

This guidance note is the third in a series developed by [Evidensia](#) and [ISEAL](#) for the [Knowledge Platform for Inclusive and Sustainable Food Markets \(KISM\)](#), as part of the CGIAR Rethinking Food Markets Initiative¹. This draws on the initiative's "[Creating more and better employment in agrifood systems](#)" (Berdegué et al., 2023) meta-study to explore key interventions that are fundamental to creating and promoting inclusive employment and decent work in agri-food systems. Each note focuses on one of three interventions: gender-positive action; equitable digital innovations; food standards that include labour provisions.

This guidance note focuses on the employment and inclusion effects of voluntary sustainability standards (VSS) in the food sector. It uses the Berdegué meta-study as a basis, supplementary this with contextual information, and findings from a recent Evidensia systematic review "[Effectiveness of supply-chain sustainability approaches on decent work outcomes in the agricultural sector: a systematic review of evidence](#)" (Oya and Skalidou, 2024a).

This guidance is targeted at all agri-food value chain actors, but specifically those working directly with VSS, such as suppliers, and purchasing businesses as well as practitioners working with such systems themselves.

Voluntary Sustainability Systems (VSS), standards, and certifications

Voluntary Sustainability Systems (VSS) are private, voluntary systems that require products on the market to meet specific economic, social and environmental sustainability criteria. These criteria are normally combined into various standards, which form part of the system.

The requirements of such standards can refer to product quality, production, and processing methods, and transportation.

VSS are most often designed and marketed by non-governmental organisations (NGOs) or private firms. They are adapted to various actors along the value chain - from farmers to retailers - depending on their focus and intended impact.

Often, certifications and labels are used to identify products that have successfully implemented the requirements of a VSS's standard(s).

¹ Please note that we anticipate further insights and updates will emerge on this topic following the completion of the [Rethinking Food Markets Initiative](#). This initiative is expected to yield critical data and refined strategies that are of value to agri-food system actors.

We are committed to keeping all stakeholders informed and will share detailed findings and recommendations through the open-access [KISM](#) platform as research is published.

For more information visit www.kismfoodmarkets.org or sign up to the KISM mailing list [here](#). Thank you for your engagement, and please look out for forthcoming communications on these developments.

Main conclusions and recommendations:

Below are findings from the two meta-studies highlighted in this briefing. They primarily reviewed impacts evidence on Global G.A.P and Fairtrade as two of the most widely adopted voluntary sustainability systems (VSS) in agricultural settings:

- **Mixed economic outcomes:** Certifications offer price premiums and income gains under specific conditions but can be offset by high costs and systemic wage issues. Positive outcomes often favour larger producers.
- **Improved but unequal working conditions:** Certifications can enhance working conditions and inclusiveness in agricultural value chains (AVCs) but improvements mainly benefit qualified male workers, with limited positive impact for women, casual labourers, and smallholders. This is in keeping with wider trends of exclusion in modern agribusiness settings.
- **Challenges in monitoring and enforcement:** VSS can provide significant benefits in weak regulatory contexts but face challenges like high costs, exclusion of vulnerable workers, and inconsistent implementation. While positive impacts are shown in the area of terms and conditions, VSS sometimes struggle with detecting and addressing labour standards, and elusive issues such as child and forced labour.
- **Strengthened cooperatives and communities:** VSS often require the creation of cooperatives, which have been shown to improve wages, services, job creation, and empowerment of farmers and workers.

Recommendations:

- **On wages and remuneration:**
 - Standard setting organisations and standard implementers should extend labour standards requirements to cover all workers, including those hired by small producers, even in challenging compliance contexts.
 - Standard setters should require price premiums to directly benefit hired labour and involve workers in decision-making
 - Demand-side actors should educate consumers on “living wages” and develop economic roadmaps to achieve wage minimums
 - Supply-side actors should ensure a living income for small producers, prioritising female farmers, as a step toward fair wages for hired workers.
- **On Terms and Conditions:**
 - VSS organisations should provide contract templates and training for framers and workers, ensuring clear verbal or written agreements on terms. Small producer organisations (SPOs) or a third party should offer independent contract documentation services.
 - Farms and processing facilities should establish worker-led health and safety committees in SPOs, with compensation for members, to promote awareness and monitor hazards
- **On workers’ voice and representation:**
 - Relevant governmental authorities, advocacy groups, and VSS should strengthen local unions capacity for collective action and advocate for union presence in agriculture, while ensuring Workers’ Committees complement, not replace, unions.

See **Section 3: Recommendations for key stakeholder** for more details and recommendations for future research

Section 1: Better work in agri-food value chains and the role of voluntary sustainability standards

Overview of employment trends in agri-food value chains

Agri-food value chains (AVCs) are a critical source of employment globally, engaging vast numbers of people across agricultural and non-agricultural roles. Recent estimates indicate that approximately 857 million people are employed, primarily in agriculture (not necessarily full time or solely), with an additional 375 million in non-agricultural agri-food system jobs. Notably, in both rural and urban areas, post-farmgate agri-food system (AFS) employment represents a significant portion of the workforce, underscoring the importance of value chain activities beyond primary production.

A 2023 CGIAR-commissioned meta-study titled “Creating More and Better Employment in Agrifood systems” highlights that employment within agrifood systems is increasing, driven by targeted interventions and enabling policies (Berdegué et al., 2023). The study reviewed 290 reports to identify 13 promising interventions that contribute to employment growth, enhance inclusivity, and improve working conditions in agri-food systems. However, the authors illustrated that the effectiveness of these interventions varies widely across contexts, necessitating tailored policy approaches that consider local economic, social, environmental, and cultural determinants.

The reviewed literature shows that while the shift towards modernisation in agrifood systems often results in better employment opportunities, such improvements are unevenly distributed. Higher productivity and formal employment options, such as those seen in contract farming and high value export value chains, frequently favour better-off, middle-aged men. This disparity emphasises the need for measures that explicitly target youth and women, ensuring broader inclusion in the benefits of agri-food system transformations.

The report also highlights that beyond the number of jobs created, attention must be paid to working conditions and social protection. Many agri-food system workers, particularly in low- and middle-income countries (LMICs), operate in informal settings with low incomes and limited access to social safety nets or job security. Even in settings where economic success has been achieved, there is no guarantee of improved labour conditions. Addressing systemic challenges, such as informality and geographic dispersion, is essential to ensure that employment growth translates into decent work for all.

While agri-food value chains offer significant employment opportunities, achieving equitable and sustainable improvements requires context-specific interventions that balance job creation with efforts to enhance working conditions and inclusivity. This holistic approach is vital for fostering employment systems that not only support livelihoods but also promote social equity within agri-food systems.

Using a variety of strategies to improve job quality in agri-food value chains

Efforts to enhance the quality of employment in AVCs requires a multifaceted approach, considering the diversity of employment forms, value chain stages, and regional contexts. Various tools and enabling policies can be effective at addressing employment challenges inherent in systems, though their impacts differ based on the structure and governance of the value chain.

Interventions for employment quality improvement

The authors of the study further highlight that interventions such as food standards incorporating labour provisions, modern contract farming, and value chain contracting have shown positive impacts on formal employment conditions. These approaches can enhance productivity, wages, and employment quality,

particularly for workers in formal employment. However, the growing prevalence of flexible labour contracts, that prioritise adaptability to production and marketing needs over equity considerations, can undermine these gains by introducing instability and limiting benefits available to workers by pushing them into more precarious roles.

Enabling policies

Several enabling policies support higher-quality employment and inclusive outcomes across AVCs. Investments in infrastructure – such as roads, electricity, and digital connectivity – can catalyse rural employment and income diversification. Complementing these with agricultural development interventions and social protection programmes that incorporate economic inclusion initiatives, significantly boosts rural livelihoods. For instance, social protection combined with agricultural productivity measures has demonstrated strong impacts on employment, income, and equity, particularly for traditionally excluded groups.

Other policies, including labour regulations like minimum wages and the promotion of collective action organisations, empowering workers by enhancing bargaining power and ensuring better working conditions. However, these interventions tend to benefit smaller, more formalised segments of the workforce, and their success hinges on robust institutional frameworks and implementation capacities.

Limitations in low- and middle- income countries

In most low- and middle-income countries (LMICs), the reach of labour regulations and social protection systems remains limited. Informal employment dominates, particularly in agricultural sectors, leaving many workers without access to the protections afforded to their counterparts in formal settings. While larger buyer-driven value chains (e.g. cocoa, coffee, and palm oil) have achieved some success in improving formal working conditions, these gains are not widely distributed. Barriers such as weak enforcement, administrative challenges, and limited organisational capacity further hinder progress.

A call for diverse interventions

Given these complexities, improving employment quality in AVCs requires a “portfolio” approach by all actors. This entails combining inclusive business models, and certification systems with broader policy interventions to address structural barriers. Tailoring these tools to specific value chain contexts and recognising their varying impacts across employment forms is essential for fostering equitable and sustainable labour outcomes in agri-food systems.

Voluntary sustainability systems (VSS), their coverage, and their place in the portfolio of measures driving decent work and inclusive employment

Within this policy mix, voluntary sustainability systems (VSS) operating in the food and agriculture sector have demonstrated their potential to improve employment conditions, mainly at the production stage. VSS are frameworks designed to promote sustainable practices in production and trade by requiring adherence to various social, economic, and environmental standards.

In agriculture these systems are often structured as certification mechanisms that work at farm, estate or producer organisation level to guide production practices and verify compliance against such standards. Some schemes, although not all, use consumer-facing labels to signal to customers when products they purchase are sourced from regions or farms that follow such standards. Some of the most recognisable are Fairtrade, Rainforest Alliance, and Global G.A.P.

The structures and focus of such schemes vary greatly, with some emphasising environmental sustainability, and others prioritising social equity, or a mix of both. Common social elements in agriculture-focused VSS include recognition of International Labour Organization (ILO) conventions (such as the Declaration on Fundamental Principles and Rights at Work) in standards. Examples include prohibitions against forced and (worst forms of) child labour; ensuring safe working conditions; and wage-related criteria such as providing fair or living wages and upholding other labour rights and good employer practices (Berdegué et al., 2023; Larrea, 2023). Research also shows that more often than not, such schemes include coverage of living wage and income; pensions and social security benefits; gender-equitable employer practices; and protection of Indigenous rights, particularly Free, Prior, and Informed Consent (FPIC)(Larrea, 2023).

Finally, research does show that they can contribute to wider outcomes such as community capacity building and boosting regional prosperity for LMICs, by creating access to higher value export markets. While VSS have lower market penetration compared to broader market-driven mechanisms, they are gaining traction in high-value export markets like the European Union. This rise is driven partly by their increasing integration into regulatory frameworks. For instance, the EU is moving towards mandatory due diligence laws requiring companies to ensure their supply chains comply with sustainability and human rights standards, making certifications a valuable partner to business to understand and meet such compliance requirements (Jia, 2023; Oya and Skalidou, 2024b).

In many agricultural commodity sectors, VSS have gone from niche to mainstream, reaching at least a third of all land under commodity production (ITC. 2024). As noted, although standards' stringency on socio-economic issues varies across schemes, research across contexts points to a clear role for VSS to contribute to decent work and inclusive employment as part of the policy mix. However, their long-term effectiveness depends on addressing coverage gaps, increased uptake, ensuring robust implementation, and fostering greater adoption across diverse contexts.

In the next section we unpack what evidence says on where VSS are making positive impacts and where the picture is more mixed. We also suggest recommendations for actors looking to a) adopt systems and maximise their effectiveness, and b) contribute to strengthening them and improving their long-term functioning.

Knowledge gaps in agri-food employment research

The meta-study "Creating more and better employment" highlights several critical gaps in the existing literature on employment in agri-food systems, that restrict our understanding of the quality of created employment in the sector:

- **Limited empirical evidence on social protection and agricultural outcomes:** Research exploring the effects of social protection programmes on agricultural productivity and employment remains sparse
- **Geographic concentration of studies:** Most studies focus on a narrow range of countries – primarily India, Ethiopia, Kenya, Nigeria, and Senegal – leaving trends in many Global South regions underexplored.
- **Conditions for successful contract farming:** There is insufficient evidence on the conditions and complementary interventions needed to ensure that contract farming consistently improves farmer welfare. Policymakers often assume positive outcomes but literature does not adequately address contexts where these benefits fail to materialise.
- **Gender systems and women's inclusion:** Research lacks insights into the structural and systematic factors shaping gender gaps in agri-food system employment. Understanding how these dynamics affect women's welfare, empowerment, and development is critical. Researchers and practitioners are encouraged to engage with tools like the recently published **Advancing gender equality through sustainability systems: toolkit and good practices**.
- **Over emphasis on "bright spots" in agri-food systems:** The literature disproportionately focused on high-value export agriculture and dynamic regions or value chains, often overlooking local food markets and smaller-scale value chains where most agri-food actors operate

- Adapted from Berdegué et al, 2023

Section 2: The effectiveness of VSS on decent work outcomes in the agricultural sector

Overview of impact findings

This section draws on the findings of the initiative meta-study “Creating more and better employment in agrifood systems” (Berdegué et al., 2023), and Evidensia systematic review “Driving decent work: How effective are supply chain approaches in the agriculture sector?” (Oya and Skalidou, 2024b).²

The former brings together research on the effect of standards with labour provisions (primarily Fairtrade and Global G.A.P) on the creation of employment opportunities, and their effect on inclusiveness within those opportunities. The latter systematic review captures a larger array of voluntary sustainability systems (VSS) within its wider scope of supply chain approaches and understanding their effectiveness. The focus on the Oya and Skalidou review is decent work (particularly wages and remuneration, working terms and conditions, core labour rights, and workers’ voice and representation).

Overall, the meta-study’s authors, found that:

“...studies show that the adoption of certifications and standards can improve working conditions and inclusiveness in AVC, but have also found that their effects vary depending on the context, type, and initial conditions. Certifications tend to improve working conditions for qualified male workers, but less for women or subcontracted workers...” (Berdegué et al. 2023: p. 12)

Effects on income, wages, and remuneration

Price premiums

Findings from Berdegué et al.

Berdegué et al. found that food standards incorporating labour conditions, such as Global G.A.P, and Fairtrade, have had mixed impacts on incomes for farmers and wage earners. For example, the reviewed studies show slightly higher wages for workers in Senegalese Global G.A.P agro-processors and Fairtrade firms in Ghana compared to non-certified companies. In Nicaragua too, Fairtrade certification provided coffee farmers with price premiums, especially during periods of low international coffee prices. It should be noted, however, that in this example, certification did not ensure all coffee produced was sold, and certified cooperatives struggled to establish long-term buyer contracts.

² Any supplementary material used is cited in the text.

However, price premiums were not exclusive to certified farmers. Non-certified farmers could sometimes achieve higher prices by timing sales strategically, and certified cooperatives faced delayed payments compared to larger exporters.

Cost of certification and typical beneficiaries of certification

Findings from Berdegué et al.

A key finding of the study is that although economic benefits may accrue to farmers and workers, this is at risk of being cancelled out by high costs of gaining and maintaining certification.

Overall, the reviewed studies suggest that certification benefits were skewed toward larger producers, with limited advantages for small producers or landless labourers. Studies show that while Fairtrade organic coffee production can marginally increase income from low-intensity producers, it is insufficient to lift them out of poverty. Gains were more significant when conventional coffee prices were very low, but in some cases, farmers have become poorer than their conventional counterparts.

Another finding is that vulnerable workers, such as casual labourers, migrants, and women, are frequently excluded from certification benefits.

Wider trends in agribusiness lean towards exclusivity rather than inclusion. Stringent standards, reduced government support for smallholders, and corporate streamlining to enhance competitiveness raise barriers to entry, limiting opportunities for small-scale producers and marginalised workers. These trends challenge the feasibility of achieving inclusive and equitable business practices in global value chains overall, let alone through certification.

Wages

Findings from Berdegué et al.

The study finds that certification's impact on wages is mixed and limited. For Fairtrade, smallholder farmers often lack the financial capacity to offer higher wages to workers they hire, but traditional payment systems often enable low compensation.

In Pakistan's mango value chain, Global G.A.P certification had a positive impact on wages, influenced by factors such as worker experience, age, compensatory benefits, and occupational safety measures. Overall, both certified and non-certified farms saw wage increases linked to worker participation in trade unions and more worker access to financial services. However, class discrimination negatively affected wages, though its impact was less pronounced on certified farms.

These findings highlight how certification standards can improve income under specific conditions, though challenges remain in extending these benefits equitably.

Findings from Oya and Skalidou

In the recent systematic review on the effectiveness of supply chain approaches in the agriculture sector (Oya and Skalidou, 2024a), Oya and Skalidou found similarly that efforts to improve wages in agricultural sectors through VSS and similar interventions face significant challenges. They also found that VSS often fails to raise wages substantially above those offered by non-certified employers. In many cases, employers outside the scope of VSS paid higher wages due to quality premiums, access to lucrative markets, or enhanced productivity.

VSS interventions typically aim to ensure compliance with minimum wage laws rather than achieving living wages, yet they struggle to monitor and enforce compliance effectively. This is especially true in regions with weak enforcement or absent minimum wage laws. They found that specifically in plantation settings, auditing procedures under VSS were inadequate to guarantee fair wages.

They too found that smallholders, constrained by limited resources and volatile markets, often could not afford to offer decent wages or benefits, particularly to casual and unskilled labourers like migrant workers or coffee pickers.

Local labour market complexities were also found to further hinder wage improvements. Wage rates in smallholder agriculture are heavily influenced by labour supply, demand, and seasonal dynamics. This means that even within the same certification scheme, outcomes on wages can vary. For example, reduction in use of pesticides might decrease the number of work days for female labourers (who would apply the pesticides) while increasing incomes for male tenant farmers.

Persistent gender gaps compound the issue. Women in plantation settings often earn less than men due to their temporary employment status, and concentration in lower-paying roles. In smallholder contexts, women face additional marginalisation, receiving lower pay for equivalent work and limited access to loans. These inequities are driven by gendered assumptions about women's productivity and competency.

The limited positive impacts of VSS on wages underscores structural challenges in agricultural labour markets. While some non-wage benefits, such as housing or education, have been reported in specific cases, they do not systematically compensate for low cash wages. Instead, wage variations often reflect broader contextual factors, including global value chain pressures and the competitive dynamics of non-certified businesses.

This review found that ultimately, while VSS can reduce minimum wage violations, they are insufficient to address the systemic issues underlying low wages in agriculture.

Effects on working conditions and social protection

Working conditions

Findings from Berdegué et al.

As mentioned in section 1, Berdegué et al found that economic success does not necessarily improve working conditions on-farm, and instead precarious, flexible, and informal jobs persist. The literature in the review identified significant controversies around the quality of jobs, working conditions, and the effectiveness of certification in delivering meaningful labour improvements.

The Berdegué et al. study shows that while VSS initiatives offer better working conditions in this context, and aim to improve farmers' share of value through price premiums, their reach is limited. This benefits only a small proportion of AFS workers.

As with wage violations, labour standards are rarely monitored, and in any case implementing them across numerous farms is costly and challenging. This further disincentivises small producers from adopting standards and certifications that carry related requirements.

Terms and conditions

Findings from Oya and Skalidou

In smallholder agriculture, written labour agreements are rare, and VSS appear to have limited impact in changing this. Some researchers suggest that small producer organisations (SPOs) or third parties should provide contract documentation services, offering template contracts and training on formal contracting to improve compliance. While plantation settings are expected to adhere to formal written agreements, irregularities persist.

In some cases, VSS might inadvertently lead to superficial compliance, with underlying issues left unresolved.

The quality and outreach of compliance audits significantly influence decent work outcomes. In the agriculture sector there is often a focus on narrow, auditable standards with limited settings for VSS. While auditing remains vital, it is criticised for enabling superficial compliance rather than addressing root causes.

The effectiveness of VSS is closely tied to national labour legislation. In contexts where laws already exceed the guarantees of VSS and are enforced effectively, the additional benefits of VSS are minimal. Conversely, in environments with weak enforcement or inadequate legislation, VSS can provide significant benefits, such as ensuring paid leave, but only if standards are binding and properly enforced.

Overall, the formalisation of employment is influenced more by labour market dynamics, legislative frameworks, and production scale than by private labour standards. However, VSS can enhance visibility for auditors and

pressure organisations to address non-compliances. VSS have also shown potential in improving the formal employment of vulnerable groups.

Child labour

Findings from Oya and Skalidou

VSS have made progress in raising awareness about child labour rights and promoting the importance of schooling through various sensitisation and communication strategies. However, evidence on whether these efforts have led to a reduction in child labour remains inconclusive. Some studies suggest that sensitisation campaigns may encourage farmers to conceal child labour rather than change their practices. The challenge is particularly pronounced for children working for wages or food, who are more vulnerable and often overlooked during audits.

In many contexts, unpaid family labour involving children is normalised, complicating efforts to address the issue. Farmers may be trained not to report such practices, even when they are widespread and culturally ingrained as part of children's upbringing. This highlights the limitations of VSS in transforming entrenched social norms and practices related to child labour.

Effects on workers' voice and representation

Findings from Oya and Skalidou

Oya and Skalidou found that the role of workers' committees (WCs) and joint bodies (JBs) under VSS is complex, and often fraught with challenges. While these mechanisms can improve communication between workers and management, they risk being established solely to meet compliance requirements, lacking genuine decision-making power. Critics argue that WCs sometimes serve management's interests over workers', potentially undermining trade unions. Constructive relationships between JBAs and unions rely on mutual respect, clear roles, transparency, joint training, and grassroots reporting on premium payments.

In smallholder agriculture, freedom of association is often restricted by local norms or organisational policies, requiring VSS to address these barriers. Labour market insecurity further limits workers' willingness to challenge employers, even where labour standards exist.

Gender dynamics also influence the effectiveness of these mechanisms. Although WCs and JBAs can provide opportunities for women's participation, they are frequently male dominated, limiting their empowering potential. In contrast, gender committees have shown greater effectiveness in promoting education, addressing sexual harassment and advancing workplace awareness.

Despite these efforts, certified plantations still report incidents of gender harassment. While VSS have encouraged gender and anti-harassment policies in some settings, they remain insufficient to counteract deeply ingrained local social and gender dynamics.

Labour unions, and cooperatives, and their relationship with VSS

Findings from Berdegué et al.

Labour unions and cooperatives play crucial roles in improving conditions for agricultural workers. Unions can enhance wages, safety, and reduce workloads, while farmers' organisations boost incomes, yields, and product quality. Collective actions through unions and cooperatives also facilitate greater participation in contract farming, lower transaction costs, and address power imbalances. However, progress was found to be limited in rural Africa and other regions due to the scarcity of unions and worker associations. Women's self-help groups have shown positive impacts on empowerment and access to services, further supporting community development.

VSS often work with or set up cooperatives or producer / farmer organisations as part of group certification efforts in smallholder settings and have a commitment to work with unions to formulate required standards for working conditions. In this area, Fairtrade has demonstrated positive effects in sectors like cocoa in Cote d'Ivoire, where certified co-operatives experienced wage increases and poverty reduction.

Group certified entities are better positioned than individual farmers to meet labour standards due to the pooling of resources, leading to improved wages and working conditions. In turn, certification helps cooperatives attract members, expand sales, and offer more services, creating more jobs and boosting worker wages.

Conditions for success and contextual factors

Findings from both reviews

The impact of certifications, standards, and inclusive business models on working conditions and inclusiveness within AVC varies significantly depending on factors such as context, AVC type, and initial employment conditions.

Studies show that while private voluntary sustainability standards and certifications can improve working conditions and job security, their effectiveness often depends on the specific setting and characteristics of workers involved. For example, research highlights that these improvements tend to benefit qualified male workers but often have negligible or even negative impacts for women and subcontracted workers.

Certifications are also more effective in certain value chains, such as those in agro-industrial or export-oriented sectors and are less impactful for domestic value chains with more informal labour arrangements. This further suggests that while standards and certifications are valuable tools for enhancing working conditions, their benefits could be limited to a subset of workers.

Women, who are less likely to be employed in such certified value chains, face lower wages even when they do participate. To address these challenges, experts recommend a multifaceted approach, as explored in section 1, that includes inclusive business strategies alongside certifications to better support vulnerable workers and producers.

Market and commodity dynamics also shape outcomes, particularly in agriculture, where buyer-driven networks and quality premiums can lead to higher wages. However, VSS could also compete with alternative market channels that may offer greater rewards for quality-focused production.

Agriculture-specific structural challenges, including dispersed and harder-to-reach workforces, make monitoring labour standards more difficult. Interventions often prioritise welfare issues like child labour, health and safety, but engagement with local unions or unionisation efforts remain limited.

Exclusion of those in traditional agricultural value chains

Findings from Berdegué et al.

Research on the overall social and economic impacts of AVC development and modernisation policies is limited, with existing literature and policymaking focusing heavily on modern value chains that involve formal contracts, standards, and certification.

It should be mentioned that, while participation in these modern systems has been shown to boost income and wages for smallholders and wage-earners, and help overcome market limitations, significant entry barriers prevent many farmers and workers from joining. Consequently, most remain in traditional or transitional value chains. There is a lack of comparative evidence assessing the aggregate effects of policies that promote modern value chains, which benefit fewer participants more significantly, versus those that enhance traditional value chains, which have smaller individual benefits but reach a broader range of farmers, SMEs, and workers.

Section 3: Recommendations for key stakeholders

A key aim of the Oya and Skalidou review was to draw from available evidence and offer insights to inform future research and practice in the field of VSS and agriculture. Below are the recommendations based on their work.

On wages and remuneration:

1. Actors, primarily standard setters, should ensure that no workers are outside the reach of an agreed standard. This is especially important for VSS that make a distinction between small producer organisations (SPOs) and producers with 'hired labour'. Small producers also hire labour, so labour standards should be applied to these settings, even if conditions for compliance are harder than in plantation settings. This recommendation is most relevant to standard-setters and implementers (such as certified farmer organisations), but other actors should also pay attention to this.
2. Standard setting organisations should require that a certain percentage or portion of the price premium benefits labourers hired by smallholder farmers directly/collectively and that workers are consulted on their needs and the content of the activity.
3. Demand-side actors, such as standard owners, campaign groups, large buyers and B2C companies, should sensitise consumers to what a 'living wage' for different agricultural products actually means while working out an economic roadmap to achieve specific wage minimums.
4. Actors should ensure a living income at producer or SPO level as a first step towards paying living wages for workers employed by smallholder farmers. This provision is particularly important for female farmers who tend to be more vulnerable and marginalised than male farmers but have a greater need to hire external labour. Without ensuring a living income for themselves, it will be impossible to ensure a living income for the workers they hire.

This recommendation is most relevant to those with direct relationships with suppliers and producers, such as standard owners (via auditors), local unions and certified cooperatives, and supply-side buyers, but it is also relevant to those who might make claims or be held accountable for supply-chain issues, such as B2C companies.

On terms and conditions:

1. SPOs or a third-party should offer "contract documentation" services to farmers and workers. VSS should take an active role in providing template contracts per type of worker and requirements while also providing training on formal contracting. Even in the absence of written contracts, clear terms and conditions with regards to payment, tasks to be completed, timeframe for tasks, days of work, or number of hours per day, should at least be agreed verbally, with workers fully informed of such terms.
2. Health and Safety Committees, in part led by workers, are recommended for SPO to reduce injury frequency. Members should be compensated, to incentivise participation. Such committees are visualised as being in charge of sensitisation and educating workers on the relevant work hazards, as well as performing a monitoring function.

On workers' voice and representation:

1. To improve the bargaining power of agricultural workers, it is important to empower local unions to contribute towards more effective collective action. The idea of Workers' Committees (WC) is useful for settings where there is no scope for formal union presence. This recommendation is relevant for

governmental authorities, advocacy groups, and VSS. Workers and cooperatives can also play a role by joining such unions.

However, their ability to organise collective action is limited and should not be used as a substitute for national trade unions. More advocacy for union presence in agriculture, while a long-term goal, cannot be sidelined by the adoption of workplace-level WC.

Recommendations for future VSS research

A primary focus for future research on VSS could be to develop common guidelines on how to conduct theory-based impact evaluations in relation to decent work outcomes, including:

- 1.** A common conceptual framework that could be adapted to different sustainability approaches, value chains, and geographical regions.
- 2.** Improve the coordination of research resources to address key evidence gaps.
- 3.** Improve the quality of the evidence – such as the research design and methods of analysis – as well as the reporting of the findings.
- 4.** Go beyond black-box evaluations and focus on implementation dynamics and the conditions that need to be in place for an approach or tool to be effective. Consider more process evaluations to complement counterfactual evaluations.
- 5.** Create common methodological standards. These can include capturing the intensity of the exposure to an intervention (such as the percentage of certified products sold), accounting for variations in the population in terms of vulnerability and marginalisation (e.g. migrant workers and female workers), or focusing research more on sensitive issues, such as child labour, sexual harassment and other forms of abuse in the workplace.
- 6.** Consider different methodologies for detecting child labour, especially in its worst forms. The absence or limited evidence in this field is perhaps an indication of the challenges of studying this issue using robust quantitative research design. Direct observations may often be more effective in identifying the presence of child labour, especially in smallholder settings, compare to using an interview setting to detect.

These recommendations for future research should be read in parallel with box 1, which profiles wider knowledge gaps in agri-food systems employment research.

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For questions or feedback, please write to Naomi Black at naomib@isealalliance.org

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Evidensia is the largest online repository for credible evidence on the impact of market-based sustainability tools. We partner with organizations, undertake synthesis research, and develop digestible summaries, such as this to increase uptake of credible evidence in decision-making for business, policy, research, and civil society audiences. For more information and to explore our resources, please visit www.evidensia.eco

About ISEAL

ISEAL is the global membership organization for credible sustainability systems. With a focus on credible practices, we advance scalable and effective solutions that make a lasting impact. Through our work to drive collective efforts, we make markets a force for good. You can learn more at www.isealalliance.org

About KISM

The Knowledge Platform for Inclusive and Sustainable Food Markets and Value Chains (KISM) is a research and knowledge gateway to help farmer organizations, food businesses, governments, and practitioners make better-informed investment and policy decisions on inclusive and sustainable food value chains.

To learn more about KISM, and explore its resources, please visit www.kismfoodmarkets.org

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