



Milan Urban Food Policy Pact Monitoring Framework

Draft version, July 2018

Indicator 21: Number of formal jobs related to urban food system that pay at least the national minimum or living wage

MUFPP framework of actions' category: Social and economic equity

The indicator measures the total number of formal paid jobs that the urban food system provides at or above the nationally accepted minimum or liveable wage. Note: If it is NOT possible to quantify jobs paid at least at the national minimum or living wage, the focus should be to quantify the total number of formal paid jobs in the food system.

Overview table

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| MUFPP Work stream | Social and economic equity |
| MUFPP action | Promote decent employment for all , within the food and agriculture sector, with the full inclusion of women |
| What the indicator measures | The indicator measures the total number of formal paid jobs that the food sector provides at or above the nationally accepted minimum or liveable wage. NB if it is NOT possible to quantify jobs paid at least the national minimum or living wage, the focus should be to quantify the total number of formal paid jobs in the food and drink sector. |
| Which variables need to be measured / what data are needed | -Total number of jobs related to the urban food system -Total number of jobs that are paid the minimum/living wage or above. The number of jobs in the food system will need to be compared with other figures, e.g. total number of jobs in the city; or with other employment sectors. There may be seasonal variations in numbers of jobs in the food system so this information could be important to note. Localised typology of the six main business categories will need to be identified prior to data collection or analysis (see notes below). |
| Unit of measurement <i>(i.e. Percentages, averages, number, etc.)</i> | Number of formal jobs paid at least the nationally set minimum or living/liveable wage. This figure could be compared to total job numbers within the city and will be a useful benchmark to help measure change over time. It could also be compared to the total number of jobs provided by the urban food system, including those below the minimum/liveable wage and who are partially employed. |
| Unit(s) of Analysis | The numbers of jobs will need to be disaggregated by sector within the food system (see definitions below). |

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| <i>(i.e people under 5 years old, etc.)</i> | |
| Possible sources of information of such data | <ul style="list-style-type: none"> -National or local government employment registers and statistics or census data -Ministry/Department of Labour or Employment or Economic Development -Local Chamber of Commerce -Trade Unions representing food sector workers -Manufacturing Associations -Business or enterprise development agencies -Food sector support agencies |
| Possible methods/tools for data-collection | <ul style="list-style-type: none"> -Review of existing data -Interviews with holders of key data (most likely by representative bodies within the food system or by any other institution or organisation working with the food system) |
| Expertise required | Data analysis; research and interviews |
| Resources required/ estimated costs | |
| Specific observations | If there is no way to get specific figures for this indicator, it would still be worth knowing the total number of jobs in the urban food system, regardless of wage rates. If finding figures for the whole food system is too difficult, part of the food system could be considered (e.g. specific food business categories). This indicator doesn't include the informal food sector, but a similar process could be followed to develop a specific informal food sector indicator. |
| Examples of application | Vancouver in Canada has looked specifically at the growth of the local food sector. http://www.vancouvereconomic.com/vecs-focus-areas/local-food/ . The methodology can be seen in section 5 of this report. http://www.vancouvereconomic.com/wp-content/uploads/2015/06/vec-local-food-screen1.pdf |

Rationale/evidence

The food and drink sector is a significant provider of jobs in every country around the world and there are many different types of jobs that define the food and drink sector. Very often however, the working conditions are poor and jobs are low paid. Any city wishing to address food system change needs to understand both the significance of and the issues facing workers in the food and drink sector.

The International Labour Organisation (ILO, established in 1919 based on a view that lasting peace is closely related to social justice), distinguishes between the 'tobacco, food and drink sector' and 'agriculture, plantations and other rural sectors'. The ILO highlights the significance of employment in the global food and drink sector and draws attention to some of the 'challenges to overcome in order to fulfil decent work in this sector, including low labour productivity and low skills; limited social protection and other benefits; occupational, safety and health issues at the workplace; gaps in working conditions between female and male workers; and the need to strengthen social dialogue.'¹

According to the ILO agriculture alone 'accounted for 31 per cent of global employment in 2013, down from 45 per cent in 1991. While the numbers working in agriculture are expected to continue to decline over time, the sheer scale of the working poor in the sector, and the inherently dangerous and uncertain nature of agricultural work require that the world focus on addressing decent work deficits at all levels.'²

¹ International Labour Organisation website; Food drink and tobacco sector

<http://www.ilo.org/global/industries-and-sectors/food-drink-tobacco/lang--en/index.htm>

² ILO Agriculture, plantations and other rural sectors <http://www.ilo.org/global/industries-and-sectors/agriculture-plantations-other-rural-sectors/lang--en/index.htm>

Glossary/concepts/definitions used

The urban food system: Urban food systems will be increasingly called upon to contribute to multiple agendas and goals including job creation, nutrition and health, environmental sustainability and food security. According to the World Bank (2018)³, the food system is a major generator of urban employment and livelihoods in areas of food processing and food distribution (and potentially, recycling and waste management); large and small-scale and formal and informal enterprises benefit from the food system; and it is often a key source of work for women and young people. The food and beverage sector is the only labour-intensive, low-tech industry that sustains value-added and employment growth in manufacturing and service sectors as countries move up to upper-middle and high incomes.

A key task is to decide which businesses and organisations constitute 'the food system or the food and beverage sector' in the city. This apparently simple term is in fact quite complex.

The 'food system' or 'food sector' is often used to mean the 'food and beverage sector'. Use and meaning of 'the food and beverage sector' vary. The term can refer primarily to the food and beverage processing and manufacturing industry alone (companies that source their raw materials from the agricultural sector) or it could include the whole food chain - from agriculture, food and beverage manufacturing, retail, hospitality and logistics. The ILO definitions outlined above, separate food products and related manufacturing from production systems - in relation to areas of employment.

The food and beverage sector encompasses all businesses operating in the production, processing, or retailing of food and beverage products. It may or may not include the hospitality/food service sector. In the US, the 'food and beverages industry' is defined as all companies involved in processing raw food materials, packaging, and distributing them. This includes fresh, prepared foods as well as packaged foods, and alcoholic and non-alcoholic beverages. The two segments within this definition are production and distribution of edible goods. Distribution involves transporting the finished food product into the hands of consumers, but the definition excludes grocery stores and the retail sector.⁴

The Food and Agriculture Organisation (FAO) tends to use the terms 'food sector', 'food systems' and 'food chain' interchangeably, meaning all the stages from on-farm production (including input manufacturing) to the consumer's plate.

Categories of food business: From the perspective of urban food strategy planning, the 'food system' or 'food sector' generally includes the following six key categories of business types:

- Urban and peri-urban food production
- Food processing and manufacturing
- Wholesale & distribution of food
- Food Retail
- Catering, hospitality & food service
- Organic and food waste management/disposal/re-use.

In the interest of clear auditing and accuracy, within each of the above six categories, there are also sub-categories. Business types within these above categories will vary from country to country. Therefore, for each of these six business categories, a list of main business types needs to be developed. For example, within retail a range of types can be distinguished: supermarkets, smaller

³ The World Bank, FAO and RUAF Foundation, 2018. Urban food system diagnostic and metrics framework. Washington, USA

⁴ International Business Center at Michigan State University; globalEDGE™ knowledge web-portal <https://globaledge.msu.edu/industries/food-and-beverage/memo>

grocery stores, specialist food retailers (e.g. bakers, butchers, and fish sellers), kiosks, market vendors, etc. An adapted and locally relevant food business typology needs to be developed and used to guide data collection and analysis.

Consideration of jobs in urban and peri-urban agriculture: Within a city, the focus is more likely to be on non-land based jobs that take place beyond the farm gate, but there may be populations of agricultural workers who work on the land within the city boundary or who travel out of the city to work in rural areas.

The informal food sector: The informal sector plays an important role. In some cities, this sector is more important than the formal food sector. It provides jobs and reduces unemployment and underemployment, but in many cases the jobs are low-paid and the job security is poor. While this indicator does not include the informal food sector due to the likely absence of data, it is nevertheless important to understand what comprises the informal food system/sector in terms of context. Unfortunately there is no absolute definition - the simplest is whether the business is registered to pay taxes or not. The informal sector includes small manufacturing enterprises and small traders and service providers, legal and illegal activities and a wide array of artisans. The most visible activities relating to the informal food sector are: i) food production (urban and peri-urban); ii) catering and transport; iii) the retail sale of fresh or prepared products (e.g. the stationary or itinerant sale of street food).⁵

Jobs vs employees: A full time job may be split between more than one person; thus there may be more employees than jobs. The full time equivalent (FTE) pay rate for a job may be deemed to be a liveable wage as a total, but if the job is split between more than one person, they may still be paid below the liveable wage. These details will be too complicated to deal with for this indicator but it is worth the researchers being aware of such situations in terms of context and nuance.

Minimum/living/liveable wage: Many countries have national policy that determines minimum or living wage rates. For example in the UK the National Minimum Wage is the minimum pay per hour almost all workers are entitled to. The National Living Wage is higher than the National Minimum Wage - workers get it if they're over 25. These rates are reviewed annually. Under UK law, it doesn't matter how small an employer is, they still have to pay the correct minimum wage.⁶ In South Africa a new National Minimum Wage Bill (R20 per hour) is due to come into effect on May 1st 2018, though it may take another two years for farm, forestry and domestic sectors to be brought up to 100% of the national minimum wage.⁷

Preparations

The team responsible for monitoring this indicator should agree on:

1. Definition of the 'food system' - This need to include a locally appropriate typology of food businesses within the six main categories outlined above. Using the main six categories as a shared framework between all cities will enable a degree of comparison.
2. Definition of the minimum/living/liveable wage as appropriate to the country - If there is no national minimum wage set in policy, there may be a level that is discussed by civil society and thus be one that can be used. If there is a need for interviews, the researchers need to have clear information to share with respondents on the national or minimum wage levels, with any variations noted for different sectors if relevant (for example the lower level for the farming

⁵ The informal food sector: Municipal support policies for operators; 'Food in Cities' collection no. 4; FAO, 2003 <http://www.fao.org/3/a-y4312e.pdf>

⁶ UK National Minimum Wage and National Living Wage <https://www.gov.uk/national-minimum-wage-rates>

⁷ Fin24 online news website, Nov 2017 <https://www.fin24.com/Economy/cabinet-approves-minimum-wage-bill-20171102>

sector in South Africa – see above). Details of different national minimum wage rates in local currencies can be found online; for example see Brazil figures here:

<https://tradingeconomics.com/brazil/minimum-wages>.

3. Type of data disaggregation and categories that will be used (see further below)
4. Data collection method if there is no centrally available data
5. Interview design - If interviews are required, questions and instrument have to be designed. Training of interviewers may be needed.

Sampling

The purpose of the survey will be to find out new information on numbers of jobs and wage levels. In case these data have to be collected, a survey could be used in specific food business categories or for specific types of businesses within a category. If for example it is decided to focus only on the food retail sector, a typology of businesses within that category is first needed, followed by an audit of the total number of such businesses in each category. In turn this will enable a sampled approach. A 10% sample (10% of all food businesses within one food business category) is minimally needed.

Example

Total number of types of formal food retail businesses: 5

Total number of retail businesses: 380 (10% = 38 businesses to survey)

Supermarkets: 20 (10% = 2)

Smaller grocery stores: 100 (10% = 10)

Specialist food retailers - bakers (40; 10% = 4), butchers (40; 10% = 4), fish sellers (20; 10% = 2), fruit & veg shops (60; 10% = 6)

Registered food market traders – 100 (10% = 10)

NB: If the decision is to only sample one type of retail business then a higher minimal sample number of 25% – ie 25% of all supermarkets (25% = 5). This would give enough to make an educated estimated about the total.

Data collection and data disaggregation

Total number of jobs in the food sector

Data disaggregation can be done by: i) Category of food business; ii) Type of food business within each category; iii) Number of jobs per type of food business; iv) Number of jobs per category of food business; v) Total number of jobs in the food system.

Jobs paid at least the minimum/living/liveable wage

Data disaggregation can be done by: i) Number of such jobs per type of food business; ii) Number of such jobs per category of food business; iii) Total number of such jobs in the food system.

Existing data on food system employment can be collected from national or local government statistics, records and registers. In addition, other departments or organisations may hold useful data that can help with building an overall picture even if estimated. Interviews with key experts, e.g. university academics or government statisticians, or local labour organisations or trade unions may help with further details, accuracy and clarity, especially if only estimates can be reached.

New data from surveys

It is unlikely that any survey could collect absolute data, given the complexity and extent of the food system, so any survey results would be only to develop estimates or to provide specific sub-sets of data in relation to jobs within specific business types or categories.

Data analysis/calculation of the indicator

The indicator is computed by calculating the total number of jobs in the food system, and comparing that total with the total number of jobs paid at or above the national minimum/living wage.

Depending on the data available, estimates may be needed. Or where there is more information about specific sectors, those figures can be presented in the context of whole picture and estimated totals.

As a data subset it could be important to consider number of jobs for men and women separately and to take note of types of jobs that employ more men than women and vice versa if this additional information becomes clear during data analysis. This would provide additional metrics in relation to the MUFPP action area: Promote decent employment for all, within the food system, with the full inclusion of women.

References and links to reports/tools

The World Bank, FAO and RUAF Foundation, 2018. Urban food system diagnostic and metrics framework. Washington, USA

<http://documents.worldbank.org/curated/en/807971522102099658/pdf/Final-report-Urban-Food-Systems-Diagnostic-and-Metrics-Framework.pdf>

Food and drink sector statistics

Cities in many countries have available data on jobs in the food and drink sector – a starting point for this indicator.

UK: In the UK a central website holds employment data relating to Local Government jurisdictional areas. To find out which of the employment categories would include the food and drink sector, an interview with a Local Government statistician would be necessary. For example the city of Bristol: <http://www.nomisweb.co.uk/reports/lmp/la/1946157348/report.aspx?town=bristol#tabjobs>

Toronto: Food and Beverage sector statistics

<https://www.toronto.ca/business-economy/industry-sector-support/food-beverage/>

Minimum and living wage policy in South Africa:

'A National Minimum Wage for South Africa: recommendations on policy and implementation', 2016 http://www.treasury.gov.za/publications/other/NMW_Report_Draft_CoP_FINAL.PDF