

2020 LIVING INCOME WORKSHOP #2

Measuring a Living Income

**27th May 2020 |
13:00-17:00 BST (GMT +1)**

**The Living Income
Community of Practice**

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For further information visit:
www.living-income.com



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Quick Start






Session Info

2020 Living Inco...

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There are multiple tabs
available during this
workshop.

Questions and Comments?

- ▶  Participants
- ▶  Chat
- ▶  Q&A
- ▶  Polling
- ▶  Breakout Session

You can change your view here.

Participants can toggle
between interactive elements
by using these small graphics.

Housekeeping Rules

HOW CAN I ASK A QUESTIONS/COMMENT?

You will be kept muted throughout main session so,

1. Raise your virtual hand (organizers shall unmute you) OR
2. Pop the question in the chat or Q&A box

(there will be a follow workshop report that aims to address as many questions as possible)

WHAT HAPPENS IF THE NETWORK FAILS?

- Try to reconnect. If after 5mins it does not work, please refer to your emails for any updates from the organizer.

HEARD SOMETHING NOTEWORTHY? Share in on twitter or LinkedIn using the hashtag #LICOP2020event

TECHNICAL DIFFICULTIES ? Helpline +49 30 235911618

(Reach out to rita@isealalliance.org OR m.muensch@conpolicy.de)

Agenda

TIME (BST/GMT +1)	Duration	Session
13:00 – 13:45	45m	Session 1 Living Income State of Play Sector Updates in Rubber and Palm Oil
13:45 – 15:00	75m	Session 2 Actual Income Measurement What approaches are best for me?
15:00- 15:15	15m	<i>BREAK</i>
15:15 – 17:00	105m	Session 3 Updates on Living Income Benchmarks Integrated Approach to Living Income: benchmarks, actual incomes, modelling and implementation to close income gaps
17:00		End

TOWARDS A DECENT STANDARD OF LIVING FOR SMALLHOLDER FARMERS

Living Income - State of Play (Palm Oil & Rubber Sectors)

13:00 – 13:45 BST/GMT +1 (45m)

LICOP Moderator



Sheila Senathirajah



Nina Kuppetz



Kertijah Abdul Kadir

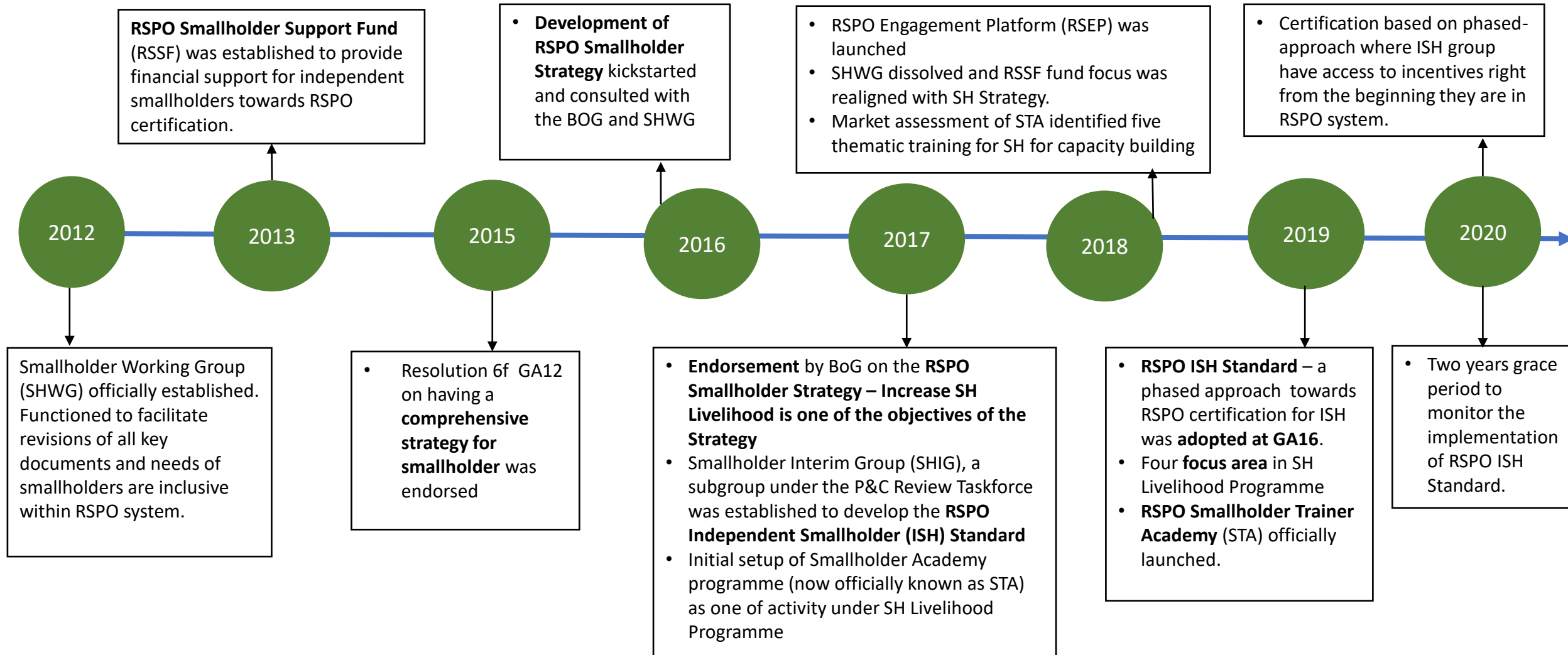
Smallholder Programme Manager,
Roundtable on Sustainable Palm Oil (RSPO)



Stefano Savi

Director, Global Platform for Sustainable
Natural Rubber (GPSNR)

Smallholder Programme Milestone – Towards Increasing SH Livelihood





Global Platform for Sustainable Natural Rubber

Living Wage Presentation

Stefano Savi, GPSNR Director – stefano.savi@gpsnr.org



THE NATURAL RUBBER SECTOR

CURRENT STATE

Issues Faced

- Natural rubber prices are dependent on underlying market dynamics:
 - Low
 - Fluctuating
 - Below cost of production
- Nature of the natural rubber supply chain
 - 6 million smallholders produce 85% of global natural rubber
 - 70% of natural rubber goes to tire production (a few big industrial users)
 - Vulnerable chain especially if end links default





GPSNR

ROLE & PROGRESS

GPSNR: a multi-stakeholder approach to sustainability

- Launched in 2018
- Global multi-stakeholder initiative: smallholders, producers, processors, traders, tire makers, car makers, civil society organizations, academia, government agencies, associations
- Vision: A fair, equitable and environmentally sound natural rubber value chain



GPSNR Working Groups

Smallholders Representation

- Definition of natural rubber smallholders
- Propose model for smallholder representation within GPSNR

Strategy and Objectives

- Definition of “Desired State”, Theory of Change, impacts

Strategy 1: Sustainable Policy Toolbox and Best Practices Guide

Strategy 2: Support Capacity Building for Smallholders and Plantations inclusive of Production Planning and Operations

Strategy 3: Enhance traceability and transparency in the Natural Rubber Supply Chain to support the identification and mitigation of social and environmental risks

Sub-Group on Equity



GPSNR

FOCUS ON EQUITY

Equity as a priority

- Economic sustainability a key pillar of Natural Rubber Desired State, along with Social and Environmental sustainability
- Value chain equity identified as an important issue
 - Equitable distribution of value
 - True cost of rubber covered
- Sub-Group on Equity established to focus on this issue



Considering competition law

- Competition law seen as a barrier that prevents joint action by businesses to tackle sustainability issues
- ‘First mover disadvantage’ perceived as a real obstacle to successful unilateral initiatives on pricing – Fairtrade report on UK grocery sector
- Competition law an important issue, especially with GPSNR’s tire maker and OEM members
- GPSNR addresses the issue by engaging an independent counsel to be present in relevant discussions to advise on any competition law aspects



Scope of Equity Sub-Group

- Develop a definition and common understanding of “equity” for use within GPSNR
- Carry out a study to inform GPSNR policies on a Living Wage and a Living Income
- Work with a risk assessment consultant to:
 - Understand the current levels of equity along the natural rubber supply chain
 - Identify where these could pose a threat to ecological, social and economic sustainability
- Draft recommendations on actions to address these risks

Study on Living Wage & Living Income

- Cost of living

- Food
- Housing
- Other essentials
- Savings



Living
Income
Benchmark

- Actual income

- Main (cash) crop
- Other on-farm income
- Off-farm income (incl. remittances, etc.)

LI – AI = income gap

- We are in the process of collecting available information for the main production countries.
- To assess each country independently, we rely on our members to help with the collection of data from on-the-ground.



THANK YOU

GLOBAL PLATFORM FOR SUSTAINABLE NATURAL RUBBER

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Questions and discussion