

# Making agriculture attractive

Apart from a positive social environment, economic incentives are what either keep young people in agriculture or motivate them to seek other income-earning activities. The more dynamic the non-farming sector becomes, the more attractive agriculture has to be made if young people are to stay on the land.

If we talk about young people and agriculture then we in fact need to contemplate the long-term future for the sector. Fundamentally, young people in the agricultural sector have three options. They can work on the family farm, hire out their labour, or they can set up their own farm. The alternatives are to work in non-agricultural occupations either in the rural areas, or more frequently in the cities. The crucial question we must ask, therefore, is what prospects does farming offer to young people?

## ■ Are young people in rural areas remaining in agriculture?

The question of whether farming is (still) attractive to young people in the developing countries is not an easy one to answer, certainly not across-the-board. Statistically the rural employed population is still increasing in absolute terms in most regions of the world (except Latin America and East Asia). This means that a large number of young people still remain in rural areas.

But at the same time migration to the cities is increasing even more rapidly than population growth in almost all countries. Generally speaking, poverty levels are lower in urban areas than in rural areas; which at least partially

explains the economic motive behind migration. The proportion of rural non-farm activities is also growing. Everywhere migrants and those who choose to opt out of agriculture tend to be young and better-educated.

We should not necessarily draw the conclusion from this rough analysis of the situation that the exodus of young people is in general a problem. It could merely be a manifestation of healthy structural change. Throughout history, technological development, economic growth and urbanisation have virtually gone hand in hand. We should rather be asking: what is the desirable rate and scale of this shift, what is the actual rate and scale, and in particular, is it based on sustainable economic structures?

There is every indication that, particularly in the poorest, farming-based countries, the current outflow of young people is not the result of economic

development in the productive sectors, but follows the neglect and exploitation of agriculture and the concentration of government expenditure – including development assistance – on the cities. The lower poverty rates in urban areas are a consequence of this allocation policy. A one-sided economic policy directed away from agriculture, however, leads to non-sustainable structures and to economic and social dead ends incurring high social costs.

Most countries of sub-Saharan Africa illustrate this analysis. They have developed hardly any competitive industries; many are currently deindustrialising and experiencing increased urban poverty and social tensions. At the

*The migration of young people to the cities is on the rise. One reason is that poverty levels in urban areas are lower than in rural districts.*



Photo: J. Boethling

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same time they have lost market shares in the traditional agricultural export sectors, and have gone from being net food exporters to net food importers. They were the hardest hit by the global food crisis of 2007/2008.

All of this presents a great need for renewed investment in agriculture and rural areas. It is imperative that better-educated young people see a future in farming, as it is their innovative energy and ideas which are so important for the further development of the sector. Without them agriculture will cease to perform its essential functions and rural areas will lose their economic mainstay.

### ■ Promoting agriculture ... for the young

How should we structure our support of the agricultural sector to make it more appealing to young people? It should be made up of three steps: what framework conditions are con-

ducive for agriculture; what measures are needed to actively promote agriculture; and which of these are of particular relevance to young people?

#### a) Conducive framework conditions for agriculture

Integrated governance of the economy, of agriculture and non-agriculture, of rural and urban areas must be balanced, must identify and support long-term growth opportunities and at the same time allow adjustments and cushion hardship. This means that it is just as undesirable to neglect agriculture and rural areas as it is to entrench a status quo. The toolbox for integrated governance includes exchange rate policy, trade policy, social policy and budget allocation. For instance the African countries have committed to invest a targeted 10 percent of their national budgets in agriculture. Of at least equal importance as financial support is (de) regulation in favour of investment and production, as the lion's share of investment in the agricultural sector must be raised by the private sector.

Agricultural production and policy should not concentrate (again) on controlling prices, especially in the poorest countries, as called for under the catchphrase of "food sovereignty". This would mean a reversal of the present situation and for this reason is not only politically unrealistic, but also basically wrong, because poor countries cannot afford high food prices.

Stabilising prices, however, is an entirely different matter, being in the interests of both pro-

*Agricultural products must get better access to domestic and foreign markets. Particularly the domestic markets are gaining in importance due to growing urban centres.*

ducers and consumers. Various solutions are possible here, including the encouragement of stock-holding, warehouse receipts systems, short-term import protection mechanisms, etc.

#### b) Active support policy

Agricultural support must most of all be aimed at actively improving competitiveness, both on domestic and foreign markets. Domestic markets are small, but they grow fast, particularly with increasing urbanisation. They have few entry barriers, are less demanding in terms of quality and are more easily combined with subsistence production. Margins are low, however, and price risks are very high, often as a result of political intervention.

In many cases export markets are more lucrative; they can absorb large quantity increases more easily and hold the greatest potential in the guise of the fast-growing emerging economies. However, these markets usually have higher expectations, which constantly rise as new standards and regulations are introduced. The costs of complying with standards and certification can create great difficulties, particularly for small-scale farmers.

Regional markets tend to combine the advantages of both market segments.

For all markets it is important to reduce the transportation and transaction costs which often lead to fluctuating prices in the developing countries. This will not only increase and stabilise prices for producers, but will also support the rural areas in general. Good regulation plus investment are often more affordable, effective and in particular more sustainable than subsidies. Other targets for the promotion of agriculture are to improve sustainable productivity, as well as to link social programmes such as food-for-work with support for rural and market infrastructure.



Photo: laif



*Mechanisation of agricultural production is crucial to reduce hard manual labour and increase productivity.*

### c) Support aimed specifically at young people

Motivating young adults to enter the agricultural sector must start with education. Good standards of education in rural areas are extremely important, even though this does tend to work to the disadvantage of the farming sector. We must be prepared to accept this disadvantage, balancing it out by making the sector more attractive in general. Basic training oriented towards the practical needs of agricultural production, farm management, food preparation and housekeeping can have positive spin-offs on parental farms: it can increase the usefulness of young people and thus their standing and position in the household, while improving their own practices. Far too little has been invested in training which could be offered during less labour-intensive periods. The spread of the written media (magazines, brochures, and comics) can help to equip young people with the latest knowledge and maintain their level of education. Support programmes must also be relevant to young adults who do not have their own household, and groups of young people.

Simple and affordable financial transfer options are an important link



Photo: J. Boethling

for young people who migrate temporarily. They help them to support the family at home and maintain social contacts, and also simplify start-ups and investment in rural areas.

Growth opportunities must be clearly identifiable if farming operations are to offer long-term prospects. This includes in particular the opportunity to cultivate more land, through either lease or purchase. The mechanisation of cultivation is also important in order to reduce the extremely hard, unappealing manual labour. From an income perspective, it is not land productivity but labour productivity which is crucial. Dynamic and innovative young people

in particular will not be persuaded to stay in agriculture without these development opportunities.

The availability of jobs on larger farms should be seen as an important interim solution for young people with a low standard of education. This applies most notably to sub-sectors that are not (now) accessible to small-scale farmers, such as export-oriented flower and vegetable production. Labour principles applicable to industry should be extended to the agricultural sector, but at the same time they should also be adapted; for instance, in many areas piece-work pay makes more sense than regular wages.

### Zusammenfassung

Der Strukturwandel, der dazu führt, dass viele junge Menschen die Landwirtschaft verlassen, ist nicht grundsätzlich falsch; er sollte jedoch nicht auf der einseitigen Unterstützung nicht nachhaltiger Strukturen beruhen, wie dies lange Zeit vor allem in den ärmsten Ländern der Welt der Fall war. Eine stärkere Unterstützung des Agrarsektors ist nötig, um in ländlichen Gebieten ein ausgeglichenes und nachhaltiges Wirtschaftswachstum zu ermöglichen und so die Abwanderung junger Menschen zu verringern. Die Agrarwirtschaft ist auf die Rückkehr gut ausgebildeter junger

Erwachsener angewiesen, um erfolgreich bestehen zu können. Der Artikel umreißt drei wichtige Faktoren, die dazu beitragen, den Agrarsektor für junge Menschen interessant zu machen: attraktive Rahmenbedingungen, aktive Unterstützung des Sektors und Maßnahmen, die sich gezielt an junge Menschen wenden.

### Resumen

El cambio estructural que lleva a un gran número de jóvenes a abandonar la agricultura no es nocivo en principio, pero no debería basarse en un apoyo unilateral a estructuras no sostenibles, como ha sucedi-

do durante mucho tiempo – especialmente en los países más pobres. Por lo tanto, se necesita un mayor apoyo para el sector agrícola, a fin de permitir un crecimiento equilibrado y sostenible en las áreas rurales, el cual reducirá el éxodo de los jóvenes. Es de vital importancia incitar a los adultos jóvenes con mayor grado de educación a regresar a las labores agrícolas, pues sin ellos la agricultura no prosperará. El artículo describe tres opciones que formarían parte de los esfuerzos para atraer a los jóvenes al sector agrícola: condiciones marco propicias, medidas activas de apoyo y medidas de particular importancia para los jóvenes.