

Farm Labor in the 21st Century

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Highlights

Farm labor poses a prosperity paradox. The (1) share of employment in agriculture declines as a country's per capita income increases, (2) hired workers do more of the work on the fewer and larger farms that produce most farm output in richer countries, and (3) these hired workers include local workers who cannot find nonfarm jobs and guest workers.

Farming is often a multigenerational business and way of life, while farm work is often a decade-long or one-generation job, as most farm workers hope that their children obtain the education and skills needed to find nonfarm jobs. Can farm work be transformed from a job into a career, and can farm workers make the transition from worker to farmer despite the rising need for capital and education?

Farmers are being asked to do more than simply produce safe and affordable food, including caring for the environment and treating farm workers well. What are the trade offs between farm production costs and these other responsibilities?

The Prosperity Paradox

Most of the world's workers were employed in agriculture until the 20th century, when economic development pushed and pulled farmers and farm workers into nonfarm jobs, where wages are generally higher and usually come offer benefits that range from health insurance to pensions. Two thirds of the world's population are projected to live in cities in 2050, making peasant revolutions such as those in Mexico, Russia, and China a thing of the past

Agriculture remains a major employer: 884 million or 27 percent of the world's 3.3 billion workers are employed in agriculture. All countries with more than 50 percent of their workers employed in agriculture are poor, and all countries with fewer than five percent of their workers employed in agriculture are rich.

The Prosperity Paradox (<https://global.oup.com/academic/product/the-prosperity-paradox-9780198867845?lang=en&cc=us>) highlights three reasons for more vulnerable farm workers. First, hired workers do most of the work on the fewer and larger farms that produce most farm output, that is, the share of farm work done by hired workers is increasing. Second, most farm workers are employed seasonally, typically earning half as much per hour as nonfarm workers and working half as many hours a year, so they wind up with a quarter of the average earnings of nonfarm workers. Third, hired farm workers

include local workers who have difficulty finding nonfarm jobs and migrant workers without other job options.

Jobs vs Careers

Labor markets match workers with jobs, benefiting both. What happens if workers are dis-satisfied? Workers can *exit* jobs they dislike and seek other jobs, meaning worker turnover, or *voice* their dis-satisfaction in order to change what they dislike and keep their jobs, often a union response.

Farm work is mostly an exit labor market. Workers switch farm employers if they dislike supervisors or work rules, and many seek nonfarm jobs that offer year-round work, benefits, and opportunities for advancement. Turnover has costs to employers that can be mitigated by paying piece rate wages, so that the cost of getting work done is predictable even if the workforce is diverse.

Aging local farm workers, including unauthorized workers in the US, and are often joined in the fields by younger guest or migrant workers. Major questions include: (1) can farm work be turned from a job into a career for local workers, or (2) should richer countries accept the inevitability of ever more farm guest workers?

Broader Ag Responsibilities

Agriculture is a capital-intensive business in which managing non-traditional investment and marketing issues are becoming as important as efficient production. The dominant farm policy has been low-cost food, so that governments (1) subsidize prices and incomes to reduce the risks involved in farming's biological production processes, (2) support research that increases efficiency and favors fewer and larger producers and marketers, and (3) aim to reduce the share of household income spent on food to 10-15 percent.

Governments are imposing new responsibilities on agriculture. Longstanding exemptions from labor laws are being eliminated as farmers employ more migrants from other countries. New regulations govern a wide range of farm-related practices, from water use to dust to pesticides. Support policies are shifting from payments linked to the volume of production to payments for protecting the environment and treating workers well, especially in Europe.

There are several alternative scenarios for the farm labor system:

1. Most likely is slow change to the *status quo*, which means a shrinking older and diverse local workforce supplemented by younger and more homogeneous

migrant workers, with debates over how many hurdles governments should place between employers and guest workers.

2. There could be a wave of *labor-saving mechanization* that sharply reduces the demand for hired farm workers in both higher and lower wage countries. Changes in labor demand are likely to vary by commodity and shaped by technical challenges, consumer acceptance, and government policies. It is not clear whether mechanization will be governed more by farming or retailing changes. Will farmers accept lower labor costs and pack outs of machine-harvested produce, and/or will hand- and machine-harvested produce join conventional and organic produce in supermarkets?
3. There could be more *imports* of labor-intensive commodities, so that fruits and vegetables rather than workers cross borders; there are a million Mexicans employed on Mexican farms that export to the US, and two million on US farms. More produce could come from vertical farms and other indoor spaces that are more akin to factories, which could make farm workers year-round employees. Will settled workers employed in protected culture farming encourage their children to follow in their footsteps?

Most labor-intensive agriculture is in metro areas, which often accentuates environmental concerns and makes it more difficult for especially migrant workers to find affordable housing. Predicting the future of farm labor means evaluating many moving parts, from land use patterns to farm, trade, and migration policies to consumer desires.