

# Rural Migration News

## Blog 206

MARCH 2021

### Farm Labor and the Prosperity Paradox

Most of the world's workers were employed in agriculture until the 20th century, when economic development in industrial countries pushed and pulled farmers and farm workers into nonfarm jobs, where wages are generally higher and most jobs offer benefits that range from health insurance to pensions. Youth growing up on farms are often attracted to the bright lights of cities for opportunity, explaining why there is far more rural-urban than international migration.

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. All governments intervene in agriculture: most rich countries subsidize their richer-than-average farmers, while most poor countries tax their poorer-than-average farmers using

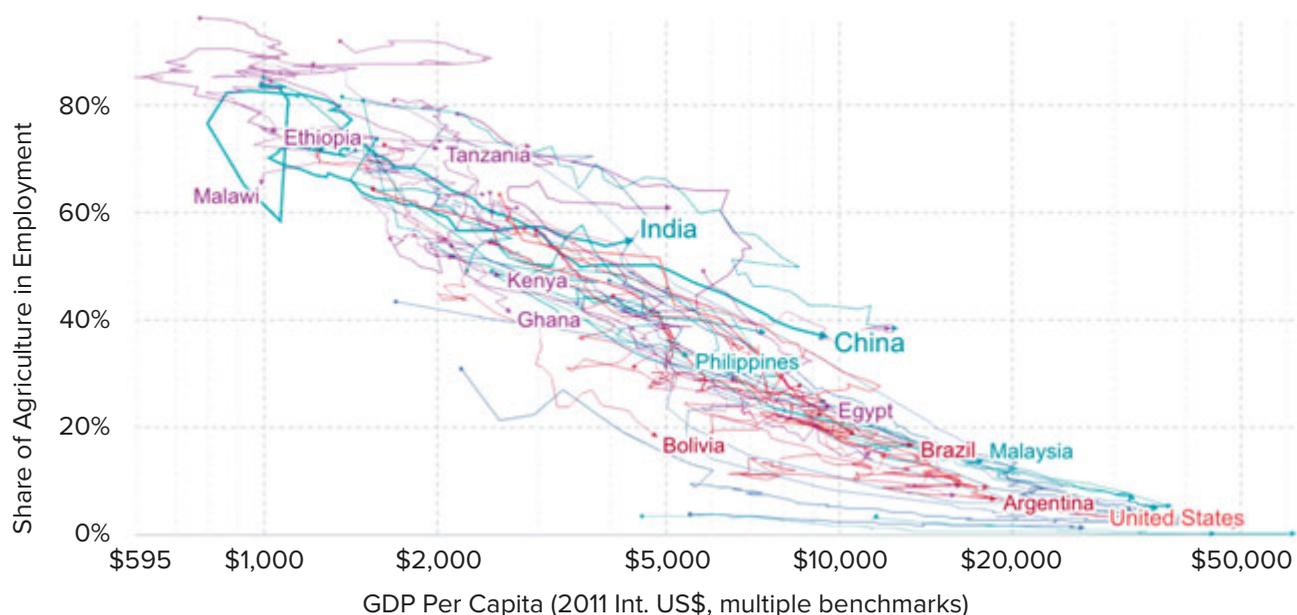
monopoly buyers of cocoa or cotton or monopoly importers of seeds and fertilizers.

The share of workers employed in agriculture falls as per capita incomes rise. *The Prosperity Paradox* highlights the fact that shrinking farm workforces include a higher share of hired workers who are more vulnerable than ever before.

There are three reasons for agriculture's increasing reliance on vulnerable farm workers. First, as agricultural employment declines, hired workers become more important on the fewer and larger farms that account for most farm production, that is, the share of farm work done by hired workers increases. On the largest U.S. fruit and vegetable farms that account for most of the production of commodities that range from apples to tomatoes, and on large dairies and animal operations, hired workers contribute over 90 percent of hours worked.

Second, most farm workers are employed seasonally at relatively low wages. Seasonal farm workers typically earn half as much per hour

The Share of Employment in Agriculture Declines as Per Capita Income Rises



Source: <https://ourworldindata.org/growth-and-structural-transformation-are-emerging-economies-industrializing-too-quickly>

## Seasonal Workers: Local Workers Who Cannot Find Nonfarm Jobs and Guest Workers



Source: <https://www.ers.usda.gov/amber-waves/2019/may/us-hired-farm-workforce-is-aging/>

as nonfarm workers, and work half as many hours a year, so they wind up with a quarter of the average annual earnings of nonfarm workers. Low annual farm earnings provide an incentive for farm workers to seek nonfarm jobs.

Third, hired farm workers include local workers who have difficulty finding nonfarm jobs and immigrant workers without other job options. Local farm workers may lack the language, skills, or legal status needed to find nonfarm jobs, while legal guest workers are often tied to a particular employer. Farm worker vulnerability is compounded by the growing role of labor contractors and other nonfarm intermediaries who bring workers to farms. A third of all workers on U.S. crop farms, and over half in California, are brought to farms by nonfarm employers rather than being hired by farmers directly.

*The Prosperity Paradox* explains how farm workers are becoming more important and more vulnerable in evolving agricultural systems in which the 10 to 20 percent largest farms account for 80 to 90 percent of farm output. ILO standards, labor laws, and unions set aspirational goals to protect farm workers that are rarely fulfilled in practice. New approaches to farm worker protection, such as fair-trade certification and buyers who require their suppliers to have

their labor practices audited, have limited footprints.

*The Prosperity Paradox* concludes that the current enforcement strategy of investigating individual employers yields snapshots of compliance or non-compliance but rarely changes behavior. What is needed is continuous or motion-picture compliance with labor laws, which could be developed by borrowing from food safety programs.

Externalities, as when spinach tainted by E Coli reduces demand and prices for all spinach growers, provides incentives for growers to implement effective food safety programs that train workers and monitor water quality and pesticide residues continuously, generating data that can be analyzed to detect anomalies. An ecosystem of private firms analyze data and use traceback systems to detect and remedy the source of problems quickly.

Worker protection programs could adapt the food safety model by requiring employers to maintain payroll records electronically, and require violating employers to submit payroll data so that algorithms could detect anomalies, making labor law investigations more efficient. Workers could keep their own records on phone-based apps to ensure compliance with wage and hour laws.

This blog summarizes the major themes of *The Prosperity Paradox*, a three-part and seven-chapter book. The major conclusions are that farm labor problems do not “solve themselves” and that protections for ever more vulnerable farm workers could be enhanced with mechanisms that monitor of farm labor conditions on an ongoing basis.

### Farm Labor

The two chapters of Part 1 explain how the concentration of agricultural production on fewer and larger farms increases reliance on hired workers and reduces the roles of farmers and their family members in farm work.

Government policies subsidize the relatively few farmers in rich countries and tax the many farmers in poor countries. Agricultural policies in rich countries offer price guarantees or payments to preserve family farms that result in farm families having higher average incomes and more wealth than nonfarm families. Such policies also generate inequalities within agriculture, as the largest farms reap most of the subsidies.

Agricultural policies in developing countries often tax farmers to keep food prices low for urban consumers. They do this in several ways, such as granting monopolies to buyers of farm commodities who offer below-world market prices and resell them at the world price, or by granting licenses to selected businesses to import fertilizer, seed and equipment so that importers can mark up the cost of these inputs when they are sold to farmers. Farm families in poor countries have lower than average incomes and wealth, which spurs rural-urban migration.

The 1979 Nobel prize in economics went to two economists with opposite prescriptions for dealing with agriculture in developing countries. W. Arthur Lewis advised

governments to treat agriculture as a source of low-wage labor for the modern manufacturing sector. Lewis advocated policies to encourage rural-urban migration, arguing that farm output would remain the same and factory wages would remain low. Theodore Schultz urged governments to invest in rural education to modernize agriculture and ensure that educated rural residents can raise their earnings in agriculture or in the nonfarm economy.

### Farm Workers

The three chapters of Part 2 explain the evolution and characteristics of seasonal farm workers in the U.S., Mexico, and other countries. In the 1800s, U.S. agriculture in north-eastern states relied on large farm families to obtain seasonal workers, while southeastern plantations relied on slaves. In western states, waves of immigrants were seasonal farm workers.

Today, two-thirds of U.S. hired farm workers were born in Mexico, and almost half are unauthorized. The slowdown in Mexico-U.S. migration since the 2008-09 recession prompted the large farms that pro-

**2/3 of U.S. Hired Farm Workers Were Born in Mexico; Half are Unauthorized**



duce most U.S. fruits and vegetables to engage in 4-S strategies, viz, satisfy current farm workers to retain them, stretch them with productivity increasing aids such as conveyor belts in the fields, substitute machines for workers where possible, and supplement current workforces with legal guest workers.

The U.S. imports over half of its fresh fruit and a third of its fresh vegetables. Mexico provides half of the imported fresh fruit and three fourths

of the fresh vegetable imports. Mexican workers in Mexican agriculture are substituting for Mexican workers in U.S. agriculture, especially on the Mexican farms that use protective structures to raise yields and to extend the season during which they can export fruits and vegetables. The expansion of Mexico's export agriculture substitutes for Mexico-U.S. migration and promotes south to north migration within Mexico.

Other countries also struggle with seasonal farm worker issues. Canada has several programs to admit farm guest workers, while European countries from Britain to Germany, and from Spain to Italy, rely on migrants from Eastern European member states to fill seasonal farm jobs. Poles and Romanians in Western European fields, orchards, and vineyards are joined by Africans and others in labor markets that range from relatively well organized in some countries to rife with exploitation in others.

The island nations of Australia and New Zealand rely on backpacker youth and adult guest workers from Pacific Islands to supplement local seasonal workforces. Australia relies mostly on backpackers who pay for their own transportation to Australia

**A Million Mexicans are Employed on Mexican Farms that Export Fruits and Vegetables to the U.S.**



and who pay for their housing while doing farm work; backpackers who do at least 88 days of farm work in their first year may stay a second year in nonfarm jobs. New Zealand farmers rely more on adults from Pacific Islands for whom farm employers must share transportation and housing costs.

Brazil is the major farm exporter among developing countries, exporting more chicken, coffee, orange juice, and sugar than any other country. Brazil relied on slaves longer than any other major agricultural producer, and the export agriculture in the center and south of the country relies on the descendants of slaves from the north and northeast to migrate south to fill seasonal farm jobs. Brazil has a broad definition of slavery, and regularly finds cases of exploitative working conditions among internal Afro-Brazilian migrants with little education.

### Protecting Farm Workers

The International Labor Organization aims to protect the rights of all workers, and devotes special attention to farm workers in its programs that aim to reduce child labor, protect migrant workers, and counter trafficking in persons. The ILO's core principle is workplace equality. All workers, regardless of migration status, should receive equal wages and treatment in the workplace in order to protect migrants and to protect local workers from unfair competition from migrants.

After very exploitative working conditions were detected that threatened exports of seafood from Thailand, the ILO helped to implement mend-rather-than-end policies to improve protections for migrant workers and to preserve their jobs, rejecting the calls of some NGOs for boycotts that would have reduced worker exploitation by eliminating jobs. One exploited or trafficked worker is one

### Polish and Romanian Migrants work in Britain and Germany



### Australia Allows Backpackers to stay a 2nd Year and Work in Nonfarm Jobs after 88 Days of Farm Work



Source: <https://gabbyboucher.com/2019/05/11/farm-work-in-australia-apple-picking-visa/>

too many, but exaggerating problems to raise attention and refusing to acknowledge that boycotts can leave workers jobless, is often less useful than the ILO's more pragmatic mend-not-end approach.

Governments find it difficult to enforce labor laws in agriculture because enforcement agencies rely on complaints, and vulnerable workers do not complain. Unions have been unable to organize and protect farm workers for many reasons, from the exclusion of farm workers from protective labor laws in many countries to the fact that the farm workers who could be union leaders are often the first to find nonfarm jobs.

What are the most promising strategies to improve protections for farm workers? Direct purchasing from farmers' markets, or deliveries from community-based farms, are likely to remain niches in the food system. Similarly, private labor-certification systems such as fair-trade labels depend on snapshot audits of farms to ensure compliance with labor, environmental, and other standards, not the motion picture compliance that is necessary to protect farm workers continuously.

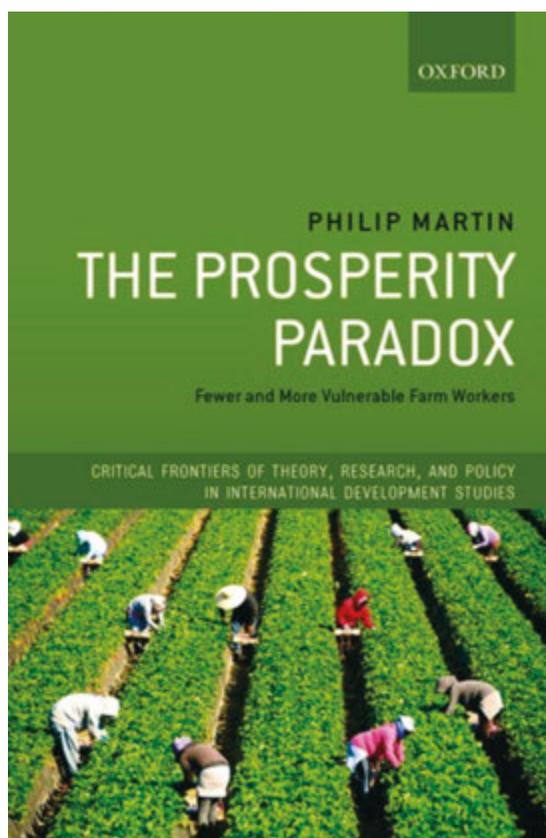
The most promising way to improve protections for farm workers is to borrow from food safety. Growers

and buyers have incentives to produce and sell fruits and vegetables that are safe. The safety of U.S. fresh produce was improved after E Coli outbreaks in leafy green vegetables led to the private development of food safety protocols that were eventually incorporated into the Food Safety Modernization Act of 2010.

The food safety model leads to a motion picture of compliance. Regular testing of water, residue, and other indicators of contamination create a database that can be monitored by algorithms for anomalies. Buyers and private firms monitor these data, and traceback systems allow farmers to determine the source of and remedy the problem. Workers compensation may also offer insights to encourage labor law compliance. By charging employers premiums that reflect the cost of lost wages and rehabilitation for injured workers, insurers create incentives for farm employers to maintain safe workplaces.

Farm worker protections could be improved with electronic record keeping and a requirement that violating employers submit certified payroll records so that anomalies can be detected. Workers could also be encouraged to keep and upload from phone-based apps records of hours and wages to cross check employer-provided data. In addition to government agencies, buyers could insist on access to employment and wage data in the same way they have access to food safety data. Over time, private businesses would emerge to analyze employer- and worker-provided data, creating an ecosystem that would make it easier to detect and to remedy problems with particular supervisors.

### Food Safety Systems Generate the Data Required for Motion Picture Compliance



### References

Martin, Philip. 2021. *The Prosperity Paradox: Fewer and More Vulnerable Farm Workers*. Oxford University Press. ISBN: 9780198867845  
<https://global.oup.com/academic/product/the-prosperity-paradox-9780198867845?lang=en&cc=us>

To subscribe to RMN blogs, send email to [ruralmigrationnews-subscribe@primal.ucdavis.edu](mailto:ruralmigrationnews-subscribe@primal.ucdavis.edu)

More at: <https://migration.ucdavis.edu/rmn/>