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**Roles of Farmers' Associations
on Promoting Non-Farm Income Sources in Taiwan**

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Abstract

This paper attempts to present roles of farmers associations on promoting non-farm income sources in Taiwan. Important roles include (1) promoting farmers' second job skill training; (2) promoting rural youths' job creation supervising programs; (3) promoting job skill training program and introducing local jobs for rural women; (4) providing various direct welfares and introducing indirect welfares contributed by governments and NGOs for farmers. These four major roles are presented respectively in Section III through Section VI of this paper. In the final part, this paper makes suggestions for applying Taiwan' related experiences to other Asia and Pacific countries.

The evidences are delivered from sources of findings in previous studies, the author's observation, and documents of farmers' associations. The study results will be used as references for achieve same objectives of agricultural cooperatives or farmers' associations of other countries in Asia and Pacific region.

Key words: non-farm income, farmers' associations, agricultural cooperatives, Taiwan

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Hong-Chin Tsai

I. Introduction

1. General roles and functions of farmers' associations in Taiwan

Taiwan has 281 local farmers' associations, 21 city and county farmers' associations and one provincial farmers' association. These local farmers' associations are the most important social and economic cooperative organizations in local areas of Taiwan. These associations are organized by farmer members and are planned to achieve three kinds of objectives, namely economic objective, social objective and political objective. On the aspect of economic objective, the association is expected to help farmers developing agriculture, increasing income, and improving living conditions. According to farmers' association law, a local farmers' association is constructed by six divisions, including association affair division, accounting division, credit division, supply and marketing division, insurance division, and extension division. Different divisions play different roles or do different functions to achieve the common economic, social and political goals or objectives.

The six divisions of the association help farmers improving their economic conditions through promoting both agricultural development and non-farm income sources. Since non-farm income sources comprise a larger portion of the total farmers' income gradually, the role of farmers' associations on promoting non-farm income sources has also become more important.

2. General role of farmers' associations on promoting farmers' income

In general, farmers' associations attempt to promoting farmers' income primarily though promoting agricultural operation and secondarily through promoting non-farm income sources. Major promoting works on agricultural operation include promoting cooperative marketing and extension education. The former focuses on organizing farmers to buy agricultural instruments and resources in lower costs and to sell agricultural products in higher prices. The later yet focuses on teaching and supervising farmers to learn all kinds of agricultural techniques and methods. Minor or secondary promoting works on non-farm income focuses on

teaching and supervising farmers various kinds of non-farm job skills and doing various services for helping farmers for earning income from or saving expenses on non-farm sectors. More detailed non-farm job skill training provided by farmers' associations will be discussed in Section II through Section V of this paper, welfare and service income sources directly contributed by farmers' associations or indirectly through farmers' associations to farmers will be presented in Section VI.

3. Increasing status of non-farm income in farm households

Taiwan had 721,165 farm households in 2003. Among those households 129,449 were full-time farm households and 591,712 were part-time farm households. The average annual income for per farm household in the year of 2003 was 873,901 NT\$, that was 76.91 % of per household income for non-farm households. Among average per farm household income only 20.38 % were earned from agricultural source. The other or 79.62 % of average per farm household income were earned from non-agricultural sources. This percentage was higher than the proportion of non-agricultural income of per farm household in almost previous years. The percentage was 61.06 % in 1976. It increased to 78.62 % in 1991 and 81.49 % in 2001. In 2002 through 2003 when Taiwan experienced economic depression, part of non-farm workers in farm households returned to work on farms. So the proportion of farm income in those farm households increased slightly. But in the long-term trend, the proportion of non-farm income in farm-households increased significantly. Gradual increase in the proportion of non-farm income exactly implies the industrial development process in this country.

Table I. *Trend of the composition of average income sources in farm-households in Taiwan, 1976-2003*

Year	per farm household income		farm income		non-farm income	
	NT\$	%	NT\$	%	NT\$	%
1976	106,257	100	41,377	38.94	64,880	61.06
1991	572,269	100	122,360	21.38	449,909	78.62
2001	861,298	100	163,158	18.51	718,140	81.49
2003	873,901	100	178,111	20.38	695,790	79.62

Sources: Council of Agriculture, 2004, Basic Agriculture Statistics, 2004 p 50

II. Importance of Farmers' Associations in Promoting Non-Farm Income Sources in Farm Household Level

Farmers' associations in Taiwan are more important in promoting farm income sources than promoting non-farm income sources for farm households. But the role of promoting non-farm income sources is significant enough to increase farm household income level. As data indicated in Table I, The proportion of non-farm income in total farm households' income was high up to 79.62 % in 2003. Although that non-farm income was not completely contributed by farmers associations, the associations had contributed significant portion of that non-farm income.

Farmers' associations help farmers to earn non-farm income mainly through two ways, the way of teaching and supervising farmers working skills or technologies in non-farm sectors and the way of helping farmers to earn social welfares or services that also have cash value. Important skill and technology teaching and supervising programs include (1) the second job skill training for adult farmers, (2) rural youth job creation supervising program, (3) rural women training program on elder care and others. Farmers' welfares and services programs include welfares and services provided by farmers' associations directly and provided by governments or NGOs then through farmers' associations indirectly. More detailed contributions by farmers' associations on these welfares and services will be described in section V.

III. The Role on Promoting the Second Job Skill Training Program for Adult Farmers

1. The background and objectives of the program

The farmers' second job training program was initiated by the top of agricultural authority, Council of Agriculture (COA). COA initiated this program to achieve the goal for helping farmers to transfer jobs successfully. The program started in later 1980s. In 1989 the proportion of agricultural employment population was higher than 10 percents of the total employment population. Agricultural labors were surplus, agricultural lands were limited, and farmers' income was low. Near 90 % of farmers needed to work in non-farm sectors to earn supplement income to cover their living expenses. Under this circumstance, Council of Agriculture initiated farmers' second job training program to help farmers getting a second job easily and earning more income successfully.

2. Important training items under the program

In considering localized characteristics of the farm works and the possibilities of the job farmers can transfer, farmers' second jobs should be temporary and low skill types. Farmers can easily enter and drop out the second job in short time. In the first year of the training program, the government selected seven items as the training content. Most of these items were related to building construction or remodeling. Specifying items include (1) to lay bricks; (2) to painting wall; (3) to nail wooden mold; (4) to tie steel; (5) to pave surface materials; (6) to do oil painting; (7) to do as a carpenter.(Chow, 1989, p 121) Up to now, the total training items increase to more than one hundred. (COA, 2001, pp. 1-8)

3. Qualified trainees and their benefits

All farmers and fishermen aged 15 to 55 are qualified persons to receive this training. All trainees can also apply for job opportunities connecting to their training experiences. The trainees can also receive NT\$ 16,000 per person per month. But they can receive financial support only six months at maximum. (COA, 2000, p.2)

4. Major role of farmers associations in the training program

Farmers associations in all levels and other public job training institutions as well as training centers play the role of program executive agent. Farmers' associations cooperate with county and city governments to recruit trainees, to collect all kinds of related information, and to arrange training facilities and personnel.

5. Program performance

The terminate purpose of the farmers' second job training program is expected to achieve job transfer of farmers. According to a field survey on farmers who have received the training program, 33.3 % of the total trainees have transferred their jobs. These farmers have resulted in increasing their household income and adjusting agricultural labor structure. (Cheng, 1999, pp. 31-32)

Since the percentage of job transfer in all trainees is not very high, the second job training program for adult farmers can not be concluded very successfully. However the survey results also indicated the fact that only 12 % of the total trainees had received training information after completing the training program and 59.6 % of the total trainees had thought to take a non-farm job. Those survey results also indicated

the fact that not all farmers who had received the second job training program had really thought to shift their jobs and had really transferred their jobs. To them receiving the training program is just a preparation for transferring the job or for enhancing their qualification to taking a new job. However, the job transfer rate for trainees seems not high.

IV. The Role on Promoting Rural Youths Job Skill Training Program

1. The background and objectives of the program

The 4-H club, one of three extension education schemes in farmers' associations also paid much attention on rural youths' job skill training. The program was designed to promote rural youths to create new jobs and to improve their farm management. Most of new jobs created by rural youths are more capital intensive agricultural operations. Although most of these agricultural operations were identified as farm works, some had shared non-farm characteristics.

A previous survey result indicated that trained rural youths had operated or managed more than twenty kinds of new jobs after receiving the job skill training program. Those new jobs that were partial farm work and partial non-farm works included growing vegetables, growing fruits, cultivating mushrooms, growing bamboo shoots, growing orchid flowers, doing peppermint processing, feeding bees, feeding silkworms, feeding ducks, feeding deer, feeding rabbits, culturing eels, culturing fishes, feeding turkeys, feeding geese, feeding chicken, feeding dairy cows, and feeding hogs. (Liu, 1987, p 9)

2. Program performances and problems of the program

According to Liu's survey, the result also reported that important performances included 124 trained youths or 76.1% of the total trainees had earned profits in one year after executing the job creation program. Among these rural youths 107 or 65.6% had earned more than 10 thousand NT\$ in the year. But 39 trainees or 23.9% of total trainees had lost money after they executed the new job creation program. (Liu, 1987, p 49) However the study had not investigated reasons or factors of the program failing, but it had pointed out the negative effect that program failing might result in youths' economic problems, psychological frustration, and totally gave up agricultural works.

V. The Role on Promoting Rural Women Job Training Program: Elder Care Taker and Others

1. The background and objectives

Home economic extension being one branch extension division in farmers' associations mainly teach and supervise rural women to learn various kinds of skill and technology including that related to farm job and non-farm jobs. The home economic extension workers of farmers' associations usually teach and supervise rural women the knowledge and skill about home management. But home economic extension also extended its extension scope to cover knowledge and skill for taking care of elders in rural communities recently.

Important reasons to do extension objective on elder care taking have two. First, the proportion of elder population in total rural population increased remarkably in recent years. In 2000 the percentage of old population aged 65 and over was high to 8.6 % for total Taiwan population, and to higher than 10 % in many rural counties. Second, female labors may properly play the role of elder care takers are extremely lack in rural communities. Thus to train or supervise rural women to become voluntary or professional elder care takers is urgent. When rural areas have sufficient members and qualified elder care takers, rural elders don't have to move to nursing homes or other service institutes outside the home village. This strategy is thus also called as the program for rural elders to stay in local area.

2. The content of the supervising program

Agricultural administration authorities in Taiwan started to promote living improvement program for elder population in rural areas in 1992. Since then all farmers' associations have taken the supervision of elders' living improvement as important home economic extension program. (Kao, 2003, P. 2) According to the extension program designed by top agricultural authority, important rural elder care taking works include eight items. (1) to find out elders who need the care or service, (2) to organize elders' cooperatives and autonomous organizations, (3) to search all service resources in rural communities, (4) to coordinate health institutions and medical institutions to evaluate elders' health conditions, (5) to supervise elders' living status, (6) to select, train, and use elders' leaderships, (7) to supervise elders' leisure and recreation lives, (8) to create community-support families and nursing homes. (Chen, 1998, pp. 121-122.) These eight statements prepared by a senior home economic supervisor in top agricultural administration authority become a main guideline for rural women training program on elder care taking.

3. Elder care taking become one potential non-farm job for rural women

Rural women who have received elder care taking training or supervising may become a potential elder care taker, either voluntarily or professionally. If a woman becomes a professional elder care taker, she may earn wages for supporting family living expenses. An elder care taker may serve an elder in many ways, including serving at home, doing respite care, purchasing goods, accompanying elders to see doctors, talking with elders, and doing other services.(Sha, 1996, PP. 162-170)

4. Other job trainings and intermediation for rural women

The extension education divisions of local farmers' associations in Taiwan also train rural women to familiar with many other kinds working skills and techniques. The most popular skill is cooking. After learning cooking skill from extension education process, rural women can improve their cooking skill not only for making home food but also for providing food services. Many rural home economics group members work as professional cooks to provide food services for customers in wedding or religious occasions as well as for rural tourists in weekends or holidays. Excepting learning food cooking and supplying skills, rural women may also learn how to take care of children as baby sitters, to take kindergarten students as teaching aids or to take care of patients as nursing aids.

Farmers' associations may introduce job opportunities for rural women after they have received various kinds of job skills from the associations. Local farmers' associations may contact with urban tourists groups as customers for rural women cooks.

Farmers' associations may also introduce skillful elder care takers to get jobs in hospitals or nursing homes, and help skillful women cooks get jobs in restaurants.

5. Performances and problems of rural women's non-farm job skill training program

Home economic education is a regular extension education program, but elder care taking training is implemented infrequently. The former has been implemented for longer than a half decade, but the later has been implemented only since 2000. In this section of paper, our discussions start to state performance of home economics extension education program and performances of the elder care taking training program, then to examine problems or shortcomings of these two kinds of women extension programs.

(1) Performances of home economics extension education program

Home economics extension education program under farmers' associations started in 1956. Important working directions of that extension program in past decades had been identified into several aspects: (1) to enhance family functions of farm and fishery families, (2) to help farm and fishery households to building or renewing houses, (3) to supervise farm household women to manage and use living sources effectively, (4) to create a beautiful and good quality environment for rural people to live, (5) to improve rural people's health. Specific annual extension goals and contents changed more or less every year. Up to the most recent years, when rural population became older, the extension program emphasized much more on train rural women to be successful elder care takers. This extension role and function of farmers' associations will be presented detailed in section (2) to be followed.

After implementing the goals or strategies mentioned above, home economics extension program of farmers' associations had definitely achieved a good performance. In general, rural women's abilities and social status had raise up, their living quality and environment had become much better, rural social and economic conditions also had been improved. (Chen, 1966, PP. 18-34) But such performance may effect the promotion of non-farm income for farm households in more indirect than direct way.

(2). Performance of the elder care taking training program

Each county and city in Taiwan select part of home economics study groups under local farmers' associations for receiving the training program of elder care taker. In 2003, among 5,958 total home economics study groups 2016 groups had been selected for receiving the training. Taichung, Yunlin, Chaiyi, Tainan, Kaohsiung, Pingtung, and Miaoli were seven counties that have selected more than 150 home economics study groups for receiving training program. Each study group had about 30 women members. They had received well this training. Most of these women also had earned a certificate. A survey study reported the result that about 43 % of the trainees had been employed as earned workers and about 10 % of trainees had become voluntary elder care takers. Other trainees who had not worked as elder care takers had become more skillful too after receiving the training. (Kao, 2003, PP. 1-23)

(3). Problems or shortcomings of the rural women job training program

There are many problems and shortcomings for the home economics extension program and the elder care taking training program. Some more important problems and shortcomings are selected and discussed below.

a. Educational and training financial sources are limited

Since financial conditions of farmers' associations became worse, the financial

sources for home economic extension education and elder care taking training also became worse.

b. Human resources for playing the role of educators and trainers are also limited

Although each local farmer association has at least one economics extension worker, not every worker can do education and training works very well.

c. Farmers' associations can not arrange or coordinate all trainees to take a job

Such bad arrangement and coordination problems may result in losing trainees' interest in receiving the education and the training.

d. Rural women's participation motivation or interest in extension and training program is not high

Some rural women may have not high motivation or interest in participating the extension or the training program. Their reasons are complicate. They may be too old, too busy or too tired to participate in the program.

e. Other women may not like too tedious processes under the education program

Some tedious processes may interrupt or hurt rural women's interest to participate in the home economics extension program and the elder care taking program. These processes include paying fees, requiring instrument preparation, inconvenient transportation, etc.

VI. The Role on Promoting Various Welfare and Service Income Sources for Farmers

Farmers' associations in Taiwan also have contributed non-farm income sources for farmers directly though providing various kinds of associations' welfare and indirectly through promoting outside welfares from government or non-governmental institutions for farmers.

1. Direct providing

According to law of farmers' associations, a local farmers' association must use 64 % of total annual profits from running financing business for extension costs or other farmers' welfare purposes. Farmers associations may use these profits for buying gifts or providing other welfares for farmer members. Important welfare sources directly provided by farmers' associations include opening farmers' hospitals, constructing marketing facilities, building farmers' activity centers in rural villages, supporting kindergartens, providing free lunch for elder farmers, giving farmers daily necessities or consumer goods. All these welfares or gifts have money value.

2. Indirect promoting and contributing

Farmers' associations may also indirectly promote governmental welfares or non-governmental welfares for farmers. At the current stage, important governmental welfares for farmers include all kinds of financial supports for operating leisure farms and tourism farms, for coving loss of resting lands, for reliving natural disasters, for releasing farmers' tax burden, for decreasing electric and water fees for farmers, for lowing land taxes, for renewing farm villages, for improving rural environment and health, etc. Governments also pay pension for elder farmers aged 65 and over, and assist poor farmers or handicappers in rural villages. (Li, 1994, PP.154-159; Li.1995, PP.1-3)

In the high industrialization stage, local farmers associations also often help farmer members to ask factory owners to compensate farmers whose farms have been polluted by factory wasting water. Fishermen associations may more often help fishermen to ask the same compensation, because fishes have been more seriously killed and hurt than crops by factory water. All these compensation promoted or helped by farmers' associations can be also counted as non-farm income sources for farmers or fishermen.

VII. Conclusion and Suggestions for Applying Taiwan's Experiences to Other Asia and Pacific Countries

In this final section of paper, the content focus first on summary and conclusion of Taiwan's experiences on the role of farmers' associations on promoting non-farm income sources, then on applying Taiwan's experiences for other Asia and Pacific countries.

1. Summary and conclusion

The above presentations indicate some important information that farmers' associations in Taiwan have played the role of promoting non-farm income sources for farmers. Important roles or contributions include teaching or supervising farmers various kinds of job skills or technologies. These job skill training programs are called as (1) farmers' second job skill training program, (2) rural youths job creation supervising program,(3) rural women's local job training and introducing programs,(4) welfare providing or introducing. These programs for promoting farmers' or rural people's non-farm income sources can be summarized into two categories, namely job skill or technique training program and welfare income providing or introducing program.

Generally speaking, roles of farmers' associations in Taiwan on promoting non-farm income sources are significant, but not perfect. Other Asia and Pacific countries can learn some excellent experiences from Taiwan if agricultural cooperatives or other related institutions in these countries want to play good roles on promoting rural people's non-farm income sources. What these other countries' agricultural cooperatives or related institutions can learn are implementing non-farm job training and job introducing for farmers or other rural people, as well as providing and introducing welfares.

2. Suggestions for other countries to learn

When other countries attempt to learn strategies used in Taiwan, these countries should particularly emphasize on learning strengths and avoid weaknesses or shortcomings of strategies implemented in Taiwan. Two important points that can be properly applied to other Asia and Pacific countries may include these;

(1). to provide more kinds of proper promoting non-farm income skill items for the training program.

Taiwan has provided many kinds of promoting non-farm income skills, but not all kinds are proper or applicable for other Asia or Pacific countries. Each different country must select their proper skills for the training items. Not only these skills that can be easily learned are important, but these skills that are highly welcome by industrial sectors are particularly important.

(2). to provide sufficient information of job opportunities and welfare providing and introducing for farmers

Farmers who have receiving various kinds of job training program usually have high motivation or interest to transfer jobs or to take part-time jobs on non-farm sectors. To provide farmers more information of job opportunities is extreme important to help them to access a new job. In fact farmers' associations in Taiwan have done more job training than provided job opportunities information. Farmers still have difficulties to get a second job or a part-time job after they have completed the job training program. Other Asia and Pacific countries must pay more attentions on this shortcoming or disadvantage in Taiwan when they want to learn and apply Taiwan' experiences to their countries. To provide and introduce welfare income sources to farmers is also an effective role for promoting non-farm income sources for farmers, but farmers in Taiwan have not received sufficient information about such support or help. Farmers' associations or cooperatives in other countries should also work harder in this aspect.

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