

## Investigation of Recruitment of University Graduates in the Agricultural Labor Market

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**Abstract:** The purpose of this study was to investigate the recruitment in the agricultural labor market from personal and banking system points of view for university graduates in agriculture who have received employment loan from the Agricultural Bank of Iran from 2001-2005. This research is quantitative in its nature and applied in kind; from the research method viewpoint, it is considered as a cause-correlation research. The research population was consisted of 52 production units that have been established by 117 agricultural graduates in Tehran province of Iran. Validity of the questionnaire as the research instrument was confirmed by the research committee. All 52 agricultural production units in Tehran province were surveyed. The results showed that there was no significance relationship between university courses passed and job market needs. As well as there were no any significant relationship between “the level of transparency of bank regulations”, “crop insurance”, “timely payment of bank credits” and “recruitment in the agricultural labor market”.

**Key words:** Recruitment • Employment loan • Agricultural labor market

### INTRODUCTION

The issue of employment of university graduates is a major challenge for the Iran country. On the one hand, higher education and training specialists is an important index for human development; on the other hand lack of appropriate job opportunities imposes lost opportunities. There is, therefore, a significant challenge for public and private policy makers in agricultural sector in order to generate work and employment opportunities, whether through increasing the number of jobs available, or through promoting and supporting self-employment for university graduates in the labor market. According to statistical center of Iran [1], until the year 2003, about 45 percent of agricultural workers had illiterate and only 0.8 percent have had university degree. Meanwhile, from the total of 145000 graduates in agriculture courses until the year 2001, about 65 percent did not find a right job with university degree [2]. In line with this, the study attempted to investigate the role of employment loan in recruiting university graduates in the field of agriculture who have received employment loan from the Agricultural Bank of Iran from 2001 to 2005.

A study conducted in Tehran in Iran on 52 production units that have been established by 117 agricultural graduates. Table 1 summarizes some major variable and implications resulted from literature review in respect to the role of employment loan in generating job in private sector of agriculture.

Now the main questions are:

- Is there any relationship between the banking variables and recruitment of agricultural graduates in the agricultural labor market?
- How the individual and professional variables affect on the recruitment of agricultural graduates in the agricultural labor market?

### MATERIALS AND METHODS

This research is quantitative in its nature and applied in kind; from the research method viewpoint, it is considered as a cause-correlation research. The research population was consisted of 52 production units that have been established by 117 agricultural graduates.

Table 1: Literature review

Source	Research Title	Implications
[3]	A study to investigate the impact of public investment in agricultural infrastructures on productivity growth in agricultural sector (Iran)	Increase investment in agricultural sector by government motivates farmers to increase private investment in this sector.
[4]	A case study to investigate the role of bank credits to develop job opportunities (Bank of Agriculture-Iran)	In short term, credits paid by agricultural bank has had positive impact on employment; and in long term has had positive impact on investment.
[5]	A study to investigate the impact of monetary and fiscal policies on value added in agricultural sector (Iran)	Bank loan has a significant and positive impact on production.
[6]	A study of the casual relationship between credits and value added in agricultural sector (Iran)	There is a two way casual relationship between value added in agricultural sector and credits granted.
[7]	A case study to investigate the impact of credits paid by agricultural bank on crop and horticulture products in Mazandaran province of Iran.	In respect to increase agricultural production in Mazandaran province, there is a need to increase the investment credits and to reduce the current credits. It seems that the current credits are being spent on nonproductive activities.
[8]	A study to investigate the effecting factors on refund agricultural credits in Fars province of Iran.	-These variables reduced the probability of refund loan: Natural disasters and waiting time to get a loan. -These variables increased the probability of refund loan: the ratio of farm income to total income, farm income, crops insurance, savings and supervision exercised by bank officers, loan repayment period, the type of activity by loan borrower, of-farm income, the area under cultivation, the level of education.
[9]	The size of government, economic growth and labor productivity in agricultural sector (Iran)	-It is necessary for government to involve in agricultural sector -Policies to support from the price of agricultural products -Policies to reduce the costs of production -Revise the policy in the fields of agricultural extension and the level of knowledge of farmer and experts

Validity of the research instrument was confirmed by the research group. All 52 agricultural production units in Tehran province were surveyed. In this research, the recruitment to the agricultural labor market considered as dependent variable. In this regard, university graduates refers to those who have received employment loan from the Agricultural Bank of Iran from 2001-2005.

The variable of recruitment to the agricultural labor market as dependent variable was measured by:

- Time period 1: Since given the feasibility employment plan to the agricultural bank until approved (Day)
- Time period 2: Since approved employment plan by agricultural bank to get loan by agricultural graduate (Day)

## RESULTS AND DISCUSSION

Table 2 shows the demographic profile of the agricultural graduates who have received employment loan. The results of descriptive statistics indicated that the average age of university graduates was 31 years old and about 41 percent of respondents were between 31-33 years old. The majority of respondents have graduated from Islamic Azad University and 92 percent had a bachelor degree. About 53 percent of them had studied crop production and breeding and about 24 percent had

studied animal science. The results showed that nearly 54 percent of university graduates were involved in greenhouse crops, after that, about 15 percent of them were working in the field of dairy cow. The time table of the projects showed that nearly 55 percent of the university graduates were involved in their activities between 22 to 39 months at the time of the research. As well as results showed that about 59 percent of university graduates had a private ownership of land.

The results showed that, since given the feasibility employment plan to the agricultural bank of Iran by the university graduates to carry out the plan approval process, took 208 days, on average.

In order to measurement the relationship between banking variables and recruitment in the agricultural labor market, Spearman coefficient was employed. As can be seen in table 3 there were no any significant relationship between “the level of transparency of bank regulations”, “crop insurance”, “timely payment of bank credits” and “recruitment in the agricultural labor market”. As the results showed, timely payment of credits by agricultural bank had no effect on reducing the time of recruitment in the agricultural labor market. On the other hand, any reduction in the recruitment to the agricultural labor market cannot be validated because of the timely payment. In the other words, this is a two way process and cannot be interpret as a casual process.

Table 2: Demographic and descriptive information of university graduates

Variable	Category	Frequency	Percent	Implications
Type of activity in employment plan	-Greenhouse crops (tomato and cucumber)	25	54.34	Mod: Greenhouse crops (tomato and cucumber)
	-Dairy husbandry (Dairy cow)	7	15.21	
	-Sheep raising	4	8.69	
	-Fattening (beef cattle)	4	8.69	
	-Horticulture	2	4.34	
	-Other	4	8.69	
Duration of the project	-4 to 21 month	13	26.53	Mod: 22-39 month
	-22 to 39 month	27	55.1	
	-40-57 month	9	18.36	
Status of land ownership	-Private ownership of land	29	59.18	Mod: Private ownership of land
	-Purchasing land for the project	14	28.57	
	-Rent of land for the project	5	10.2	
	-Taking land from the natural resources	1	2.04	
Age	-25 to 27 years old	5	10.2	Mod: 31-33 Mean: 31
	-28 to 30	16	32.65	
	-31 to 33	20	40.81	
	-More than 33 years old	8	16.32	
Living place	-Town	33	67	Mod: Town
	-Village	16	33	
Education	-Bachelor	48	92	Mod: Bachelor
	-Master	4	8	
Major	-Crop production and breeding	27	52.94	Mod: Crop production and breeding
	-Animal sciences	12	23.52	
	-Food industries	3	5.88	
	-Agricultural extension and education	2	3.92	
	-Other	7	13.72	
University	-Private (Islamic Azad University)	43	84.31	Mod: Private (Islamic Azad University)
	-Public	8	15.68	

Table 3: Spearman correlation measures between independent variables and Recruitment in the agricultural labor market

Independent variables	Dependent variable	r	sig.
The level of transparency of bank regulations	Recruitment in the agricultural labor market	-0.295	0.052
Crop insurance	Recruitment in the agricultural labor market	0.278	0.065
Timely payment of bank credits	Recruitment in the agricultural labor market	-0.170	0.263

Table 4: Difference among recruitment in the agricultural labor market and other variables

Variable (1)	Variable (2)	Test	P-value
The type of land ownership	Recruitment in the agricultural labor market	F	0.720
The type of activity in the employment plan	Recruitment in the agricultural labor market	F	0.456
University	Recruitment in the agricultural labor market	t	0.05
Major	Recruitment in the agricultural labor market	F	0.248

Meanwhile, it is expected that timely payment of credits would be have an important role in reducing the process of recruitment to the agricultural labor market and to generate work opportunities.

As well as at the time of the research, the production units established by university graduates have not been covered by agricultural insurance. In line with this, experts

believe that insurance plays an important role in reducing the agricultural risks both in production and in sales. As well as insurance plays an important role in sharing risks [10-11].

To test for statistically significant differences in recruitment in the agricultural labor market by the type of land ownership, the type of activity in the employment

plan, the type of university and the major in the field of agriculture, it was found out that only the type of the university had positive impacts at the 0.05 level on recruitment in the agricultural labor market (Table 4). In line with this, agricultural graduates who have graduated from private university of Islamic Azad University of Iran had the greatest role in the agricultural labor market by establishing production units in various fields of agriculture.

There were no significant differences in recruitment in the agricultural labor market by the type of land ownership, the type of activity in the employment plan and the major (table 4).

### CONCLUSION

According to the perception of the agricultural graduates who have received employment loan and were involved in agricultural labor market, totally along with the benefits of employment schemes, there has been some major challenges in order to carry out the employment plan. Moreover, there was no significance relationship between university courses passed and job market needs.

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