



***FACTORS INFLUENCING YOUTH ENGAGEMENT
IN
AGRICULTURE UPSTREAM ACTIVITIES***

MOHAMAD AFEEQ BIN MOHAMAD FADZIL

FP 2018 42

FACTORS INFLUENCING YOUTH ENGAGEMENT
IN
AGRICULTURE UPSTREAM ACTIVITIES

BY

MOHAMAD AFEEQ BIN MOHAMAD FADZIL

A project report submitted to Faculty of Agriculture, Universiti Putra Malaysia in fulfilment of the requirement of PPT4999 (Final Year Project) for the award of the degree of Bachelor of Science (Agribusiness)

Faculty of Agriculture
Universiti Putra Malaysia

2018

This project entitle ‘Factors Influencing Youth Engagement in Agriculture Upstream Activities’ is prepared by Mohamad Afeeq bin Mohamad Fadzil and submitted to the Faculty of Agriculture in fulfillment of the requirement of PPT4999 (Final Year Project) for the award of the degree of Bachelor of Science (Agribusiness).

Mohamad Afeeq bin Mohamad Fadzil

.....

Certified by:

.....

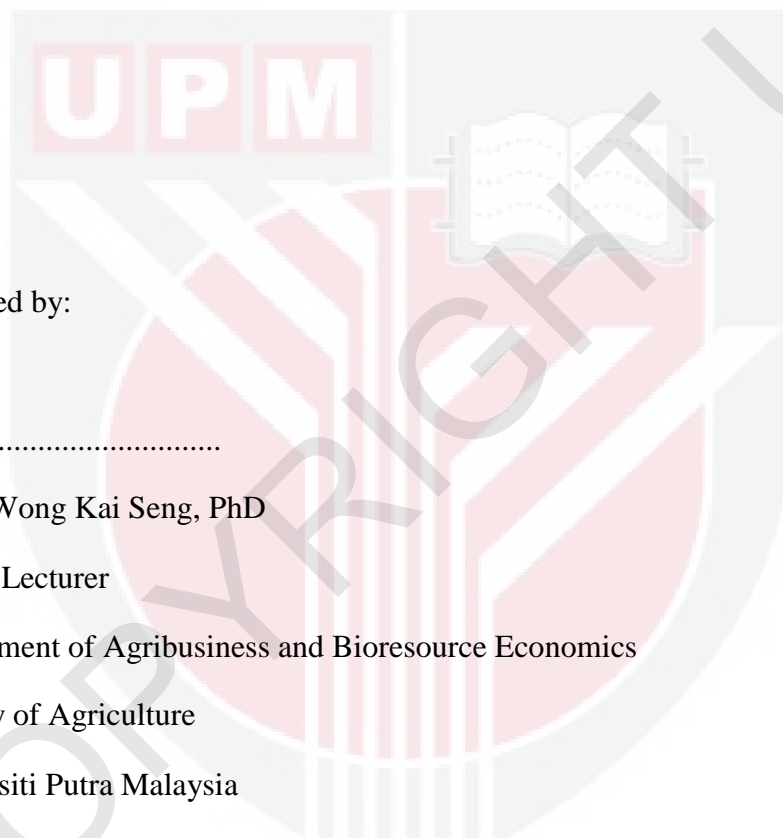
Kelly Wong Kai Seng, PhD

Senior Lecturer

Department of Agribusiness and Bioresource Economics

Faculty of Agriculture

Universiti Putra Malaysia



ACKNOWLEDGEMENT

I would like to take this opportunity to thank all those people who made this thesis possible and for giving me new experience by doing this research regarding factors influencing youth's intention to participate in agriculture upstream activities.

First of all, I wish to express my sincerest gratitude to my final year project supervisor, Dr. Kelly Wong Kai Seng who has always helped, guided and share his knowledge and expertise along the preparation of this thesis from the beginning until the end with patience and care. Without his help I do not think that i would be able to complete the thesis in time.

I am grateful to all of my friends for their encouragement and help especially during the distribution of the questionnaire. This made my questionnaires reached the targetted area. I sincerely appreciate their encouragement and help along the preparation of my thesis and also for willing to spent the time spent to help me with process on completing my thesis

Finally, I would like also to express my deepest gratitude for a constant support, emotional understanding and love that I received from my family especially when I am facing some difficulties. Without their comfort and support I would probably have problems to complete this thesis.

Thank you.

TABLE OF CONTENTS

ENDORSEMENT	Page
ACKNOWLEDGEMENT	II
CONTENTS	III
LIST OF TABLES	IV-V
LIST OF FIGURES	VI
ABSTRACT	VII
ABSTRAK	VIII-IX

CHAPTER 1

1

INTRODUCTION

1

2

LITERATURE REVIEW

2.1 Theory of Planned Behaviour 7-11

2.2 Hypothesis and Conceptual Modes 11-13

3

METHODOLOGY

3.1 Introduction 21

3.2 Research Design 21-22

3.2.1 Quantitative Methods 22-23

3.2.2 Population and Sampling 23

3.3 Questionnaire Design 24-25

3.4 Data Analysis 25

3.5 Summary 26

4

RESULT & DISCUSSION

4.1 Descriptive Analysis 27-32

4.1.1 Socio Demographic Profile 27-31

4.2.1 Involvement of Family Members in
Agriculture and Willingness to
Change Job 31-33

4.3 Chi Square Analysis 33-34

4.4	Factor Analysis	34-39
4.4.1	Factor 1 : Subjective Norms	38
4.4.2	Factor 2 : Knowledge	38
4.4.3	Factor 3 : Attitude	38
4.4.4	Factor 4 : Negative Perception	38
4.4.5	Factor 5 : Perceived Behavioral Control	38-39
4.5	Reliability Test	39-40

5 CONCLUSION & RECOMMENDATIONS

5.1	Introduction	41
5.2	Conclusion	42
5.3	Recommendation	52-53
	REFERENCES	45-47
	APPENDICES	48-58

List of Tables

Table No.		Page
1.	Table 2.1: Summary of Literature Review and Limitations	14 - 20
2.	Table 4.1: Demographic Information of Youth	27 -29
3.	Table 4.2: Cross Tabulation table between socio-demographic profile and youth's intention to participate in agriculture upstream activities	33 - 34
4.	Table 4.3: KMO and Bartlett's Test	35
5.	Table 4.4: Factor That Influencing Consumer willingness to pay for modern dessert (Rotated component matrix)	36 - 37
6.	Table 4.5: Reliability statistics-Cronbach's Alpha	39 - 40

List of Figures

Figure No.		Page
1.	Figure 1.1: Youth Employment based on Employment Category (Asian Forum on Youth Employment, 2013)	3
2.	Figure 2.1: Theory of Planned Behaviour (Azjen, 1991)	8
3.	Figure 4.1: Involvement of Respondents' Family Members in Agriculture Sector	31
4.	Figure 4.2: Respondents' Intention to Change Job Into Agriculture Sector	32

ABSTRACT

Agriculture sector in Malaysia is considered as one of the most important sector due to its contributions to the country. Agriculture sector played an important role and has a lot of potential in contributing into Malaysia's economy growth. However, the agriculture sector in Malaysia is labour intensive to make sure that agriculture productions can be done smoothly. Policies have been constructed by the government to tackle problems in the agriculture sector, promoting youth involvement and at the same time help improving the agriculture sector in Malaysia. However, despite the efforts and implementation of these policies by the Malaysian Government the involvement of youth in the agriculture sector in Malaysia is still low compared to their involvement in other more popular sectors.

This research is conducted to identify factors influencing youth engagement in agriculture upstream activities. The factors are subjective norms, knowledge, attitude, negative perception and perceived behavioural control. The respondents of this research were those between the age of 15 – 40 years old since it is the age range for youth.

Based on the results collected and analysed, Subjective norms or external factor proved to be the most contributing factor among other factors. Out of all the factors, attitude is the only factor that does not influence youth intention to participate in agriculture upstream activities.

ABSTRAK

Sektor pertanian di Malaysia dianggap sebagai salah satu sektor terpenting kerana sumbangannya kepada negara. Sektor pertanian memainkan peranan penting dan mempunyai banyak potensi dalam menyumbang kepada pertumbuhan ekonomi Malaysia. Walau bagaimanapun, sektor pertanian di Malaysia memerlukan tenaga buruh yang ramai untuk memastikan pengeluaran pertanian dapat dilaksanakan dengan lancar. Pelbagai polisi telah diperkenalkan oleh pihak kerajaan untuk menangani masalah dalam sektor pertanian dan pada masa yang sama membantu meningkatkan sektor pertanian di Malaysia serta menggalakkan penglibatan belia dia dalam sektor pertanian. Walau bagaimanapun, penglibatan belia dalam sektor pertanian di Malaysia masih rendah berbanding penglibatan mereka dalam sektor-sektor lain yang lebih popular.

Kajian ini dijalankan untuk mengenal pasti faktor-faktor yang mempengaruhi penglibatan belia dalam aktiviti hulu pertanian. Faktor-faktor tersebut adalah norma subjektif, pengetahuan, sikap, persepsi negatif dan kawalan kelakuan yang dianggap. Para responden kajian ini terdiri daripada mereka yang berumur antara 15 - 40 tahun kerana ia merupakan julat usia untuk belia di Mslaysia.

Berdasarkan keputusan kajian, norma subjektif atau faktor luaran terbukti merupakan faktor yang paling menyumbang berbanding faktor-faktor lain. Sikap adalah satu-satunya faktor yang tidak mempengaruhi niat belia untuk mengambil bahagian dalam aktiviti hulu pertanian.

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Agriculture sector in Malaysia is considered as one of the most important sector due to its contributions to the country. In the year 2015, the agriculture sector contributes 8.9% to the national GDP and at the same time providing 16% of employment for the population (Nations Encyclopedia). In the second quarter of 2017, the national GDP from the agriculture sector in Malaysia has increased from 21,787 MYR Million to 22,507 MYR million which is 3.2% increase according to the Department of Statistics Malaysia. It is at the second place after GDP from the manufacturing sector which shows that agriculture sector played an important role and has a lot of potential in contributing into Malaysia's economy growth.

However, the agriculture sector in Malaysia is labour intensive (Bakar B., 2009) meaning that ample numbers of labour are needed to make sure that agriculture productions can be done smoothly. Competitions due to rapid growth of other sectors has made the demand for labour become high until it cannot be provided by the local labour markets thus, in order to fill this employment gap, foreign workers have been brought into the country (Firuza B. M. et al., 2011). Agriculture upstream activities in Malaysia have high dependency towards foreign labour especially in the manufacturing and plantation (Bakar B., 2009). There were approximately 2 million foreign workers equivalent to 17% out of total employment have been brought into Malaysia the year 2010 (Ismail and Yuliyusman, 2014). It is undeniable that the presence of foreign workers has contributed to the agriculture sector and also to the Malaysian economy.

However, if the dependency level is left too high, it may cause the currency out flow which may result in the fluctuation of the Malaysian Ringgit (MYR).

The Ministry of Agriculture and Agro-based Industry Malaysia have constructed policies to tackle problems in the agriculture sector and at the same time help improving the agriculture sector in Malaysia. The two particular policies that are mentioned are The Third National Agricultural Policy (NAP3) and The Tenth Malaysia Plan (10MP) which specifically discussed on the issue of labour and to encourage youth engagement in the agriculture sector. Other than that, these two policies also discussed on increasing the income in the agriculture sector, improving human capital productivity, expanding the application of agropolitan concept to make the agriculture sector more appealing to the youth (10th Malaysia Plan, 2011).

However, despite the efforts and implementation of these policies by the Malaysian Government the involvement of youth in the agriculture sector in Malaysia is still low compared to their involvement in other more popular sectors (Abdullah A. et al., 2013). The majority of farmers in Malaysia is aged 55 years and above (Zaleha, 2007) and this may be due to the migration of youth from the rural areas to the urban areas and also their negative acceptance on the agriculture sector (Abdullah and Mustapha, 2009). Figure 1.1 showed that the involvement of youth in the agriculture sector is recorded at 8% which is the second lowest based on youth employment based on employment category (Asian Forum on Youth Employment, 2013). This shows that youth involvement in the agriculture sector in Malaysia is still low.

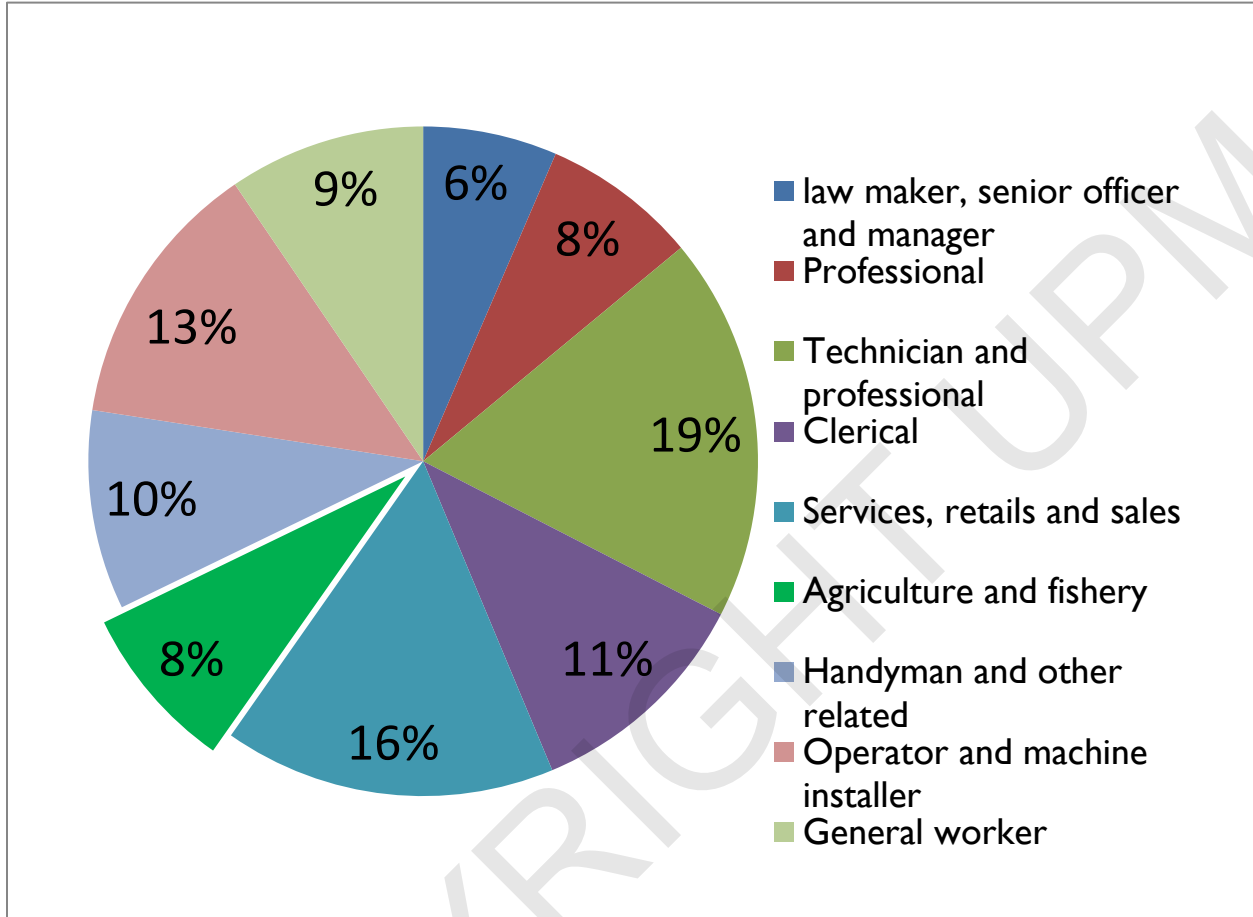


Figure 1.1. Youth Employment based on Employment Category

(Source: Asian Forum on Youth Employment, 2013)

Youth involvement in the agriculture sector in Malaysia is still low maybe due to their perception that they have on the agriculture sector because even though most youth perceived agriculture sector as a good sector but not all are willing to be involved directly (Abdullah et al., 2012). Agriculture sector is still considered as a secondary choice among the youth as compared to other more popular sectors. This is largely due to the conventional opinion that the agricultural sector is physically and mentally challenging along with low salaries and does not promise a

good future for the youth. In society, youth are still thinking that the agriculture sector in Malaysia is still under-developed (Abdullah A. et al., 2013). However, the development of agriculture in Malaysia is moving forward to the new technologies and higher innovation sector. For example, Zaharah (2012) claimed that there are increasing numbers of new agriculture technologies have been introduced and used to assist the farmers' daily agriculture activities and increase their production in Malaysia. On the other hand, Abdul Aziz Abdullah and Norhalimatun Naem Sulaiman (2013) stated that the agriculture sector is reflected as not a right occupation especially for those with higher level of education.

1.2 Problem Statement

Agriculture upstream activities in Malaysia are labour intensive meaning that lots of labours are needed to keep the production and processes running. Due to shortages of labour in the agriculture sector lots of companies decided to hire foreign labour to fill in the employment gap because competitions from other sectors and low involvement of local labours (Bakar B., 2009). As a result of this, 1.78 million foreign workers in Malaysia that consists of labours from Indonesia, Vietnam, Nepal and a few more countries have been brought to Malaysia to fill in the employment gap to maintain the production of the large agriculture companies (Minderjeet Kaur, 2017). Other than that, if there are too many foreign workers being brought to Malaysia, this may also cause the currency flow out of Malaysia to be increased resulting in the fluctuation of the Malaysian Ringgit's (MYR) currency (Ismail and Yuliyusman, 2014). The MYR can be stabilized if youth involvement in the agriculture sector is improved resulting in lesser dependency of foreign workers.

Youth played an important part in shaping the future of a nation because they are the backbone of a country. In order to have a promising future for the country, youth should be exposed into agriculture at a young age so that they would realize how much benefits can be gained from agriculture. In Malaysia, the age group of youth is between 15 years old to 40 years old. This range might vary in different countries. The population of youth in Malaysia as of 2016 is 16.86% (male 2,647,105 and female 2,571,883) out of 30,949,926 people (CIA World Factbook, 2017). The Malaysian Government can seize this opportunity to promote the agriculture sector and expose the youth to the agriculture sector to encourage them to be involved in the agriculture sector in Malaysia.

However, the involvement of youth in the agriculture sector is still considered low (Abdullah et al., 2012). Even though there are a lot of job opportunities available for the youths to grab, they still prefer to enter other sectors maybe because of the challenges of working in the agriculture sector (Abdullah A. et al., 2013). Perception is one of the barriers that cause youth to reject agriculture sector because they have a mind-set that agriculture is not popular, physically and mentally challenging and does not promise a profitable income (Abdullah A. et al., 2013). It is reflected as not the right occupation especially for those who has a higher level of education and the youth nowadays are more attracted to white-collar jobs which are much more popular (Abdullah A. et al., 2013).

In summary, the problem of lack of youth engagement in Malaysia's agriculture sector especially in the upstream activities may be caused due to high dependency on the foreign workers. Consequently, Malaysia's government would like to reduce the higher dependency of foreign workers in Malaysia and encourage the young new entrant workers to engage in the agriculture sector. However, the perception of youth and their interest on agriculture sectors are

low. How the policy makers can encourage the youth engagement and attract their interest on agriculture activities? What factors related to the youth decision making on job searching?

1.3 Objectives of the Study

The general aim of this study is to examine the youth's intention on participating in Malaysia's agriculture upstream activities. To be more specific, this study also:

- To identify the factors related to the youth's intention on Malaysia's agriculture upstream activities participation.
- To examine the correlation between youth demographic profile with their intention

1.4 Significance of the Study

In this study, the findings will provide the factors which related to the youth's intention towards the agriculture upstream activities in Malaysia. These findings are important for the government or policy makers to prepare their strategies to approach the youth to participate in the agriculture upstream activities in Malaysia. This is important because the youth are the future leaders and without the successor, Malaysia's agriculture sector will highly depend on the foreign workers which result in currency flow out and this will cause the Malaysian Ringgit to be affected. Other than that, this study will also be able to help future researchers to the addition of research findings in the field of agriculture.

REFERENCES

- Adetayo, D. (2006), "Factors influencing attitude of youth towards entrepreneurship", *International Journal of Adolescence and Youth*, Vol. 13 No. 1, pp. 127-145.
- Arisandi, D. (2016), "Intensi Berwirausaha Mahasiswa Pascasarjana Institut Pertanian Bogor Pada Bidang Agribisnis (Studi Kasus Pada Mahasiswa Program Magister Sps-Ipb)", Thesis, Bogor Agricultural University, Bogor, ID.
- Ismail, M., Khalid, S.A., Othman, M., Jusoff, H., Abdul, R.N., Kassim, K.M. and Zain, R.S. (2009), "Entrepreneurial intention among malaysian undergraduates", *International Journal of Business Management*, Vol. 4 No. 10, pp. 54-60.
- Masoomi, E., Zamani, N., Bazrafkan, K. and Reza, M. (2016), "An investigation of the factor influencing entrepreneurial intention of senior agricultural students at Shiraz Univerity, Iran", *International Journal of Agricultural Management and Development*, Vol. 6 No. 4, pp. 431-4374.
- Mohamed, Z., Rezai, G., Shamsudin, M.N. and Mahmud, M.M. (2012), "Enhancing young graduates' intention towards entrepreneurship development in malaysia", *Emerald Education p Training*, Vol. 54 No. 7, pp. 605-618.
- Mohavedi, R., Latifi, S. and Sayyar, L.Z. (2013), "The factors affecting agricultural students attitude towards self-employment and entrepreneurship", *International Journal of Agriculture and Crop Sciences*, Vol. 5 No. 15, pp. 1813-1819.
- Pande, D. (2015), "Identifying youth's difficulties to become agro-entrepreneurs", *National Youth Forum on Agro-based Entrepreneurship Development Lalitpur*, January 9- 10, 2015.
- Parcel, J. (2003), "Undergraduate perceptions of the need for an agricultural entrepreneurship curriculum", Selected Paper Prepared for Presentation at the Western Agricultural Economics Association Annual Meeting, Denver, June 13 16, 2003.

Pambudy, R., Burhanuddin, S.T., Budi, W., Kriswantriyono, A., and Satria, A. (2005), *Bisnis dan Kewirausahaan dalam Sistem dan Usaha Agribisnis*, Pustaka Wirausaha Muda, Bogor, ID.

Wijerathna, R.M.S. (2015), “Factors predicting the intention of academics of faculties of agriculture in the state universities in Sri Lanka to engage in outreach activities”, *Tropical Agricultural Research*, Vol. 26 No. 2, pp. 285-293.

Zakaria, H., Adam, H. and Abujaja, A.M. (2014), “Assessment of agricultural students of university for development studies intention to take up self-employment in agribusiness”, *International Journal of Information Technology and Business Management*, Vol. 21 No. 1, pp. 53-67.

Zampetakis, L., Anagnosti, A. and Anagnosti, A. (2014), “Understanding entrepreneurial intentions of students in agriculture and related sciences”, Poster paper prepared for presentation at the EAAE 2014 Congress ‘Agri-Food and Rural Innovations for Healthier Societies’, Ljubljana, August 26-29.