

# Rural economies demand more sophisticated employee benefits

Agriculture and allied business is set to enter a new phase of strategic re-alignment, and will have to re-calibrate their thinking to meet new challenges and embrace the opportunities of the future, including those for rural economies.



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## Supporting agricultural value chains

"The President's commitment to supporting value chains and products to benefit the agriculture and agro-processing sector, as articulated in his June State of the Nation Address, demonstrates a political will to rejuvenate rural economies and is likely to benefit the entire value chain," says agricultural economist Dr Kobus Laubscher, agricultural consultant to Agility Agri, a holistic and seamlessly integrated health, employee benefits, wellbeing and rewards solution specifically developed for agricultural organisations.

## A shot in the arm for rural economies

"While the primary beneficiaries will be emerging farmers who have been promised access to public land and funding, this long-awaited shot in the arm for rural economies is also expected to help stimulate farming communities and the companies they do business with.

"The planned increase in the numbers of small farmers who will enter agriculture on state land is to be welcomed. They will, however, require modern management tools and guidance from commercial farmers through structured, formalised relationships for the best chance of establishing themselves effectively. In this way, such investment could pave the way for a new era in rural prosperity for all concerned."

## Improved technology and digitisation

Far from traditional notions of sleepy rural backwaters, improved technology and digitisation are changing the approach to

business of not only farmers themselves, but also the multitude of suppliers, processing and distribution partners, and even co-operatives, which are finding new efficiencies through such innovations.

"This will call for improved ability to select, empower and retain human capital. The development and re-skilling of existing staff, and recruitment of individuals with the new skills required for this new technologically-powered approach to rural business, will also require a shift towards more sophisticated employee benefits," notes Dr Laubscher.

## **Sophisticated employee benefits**

"While access to healthcare cover, retirement funds and other group risk benefits are attractive prospects for current and prospective employees, these tools are absolutely crucial for promoting and protecting productivity within the rural workforce, which will add further impetus to stimulating profit both in the immediate term and cumulatively over the long-term."

## **Addressing rural-urban migration**

According to Dr Laubscher, the rural-urban migration of the South African population has been a long-term trend, with the rural population declining from 25% in 1996 to 17% in 2011. This has been driven by a number of factors, including the search for better living conditions, access to education and healthcare, and the need for employment opportunities. Dr Laubscher notes that this migration has had a significant impact on the rural economy, leading to a decline in agricultural production and a loss of skills and knowledge. He argues that this trend must be reversed if the rural economy is to thrive and contribute to the overall prosperity of the country.

According to Dr Laubscher, there is a critical need to turn the tide on migration from rural to urban areas, particularly among the youth.

"Once job opportunities in rural areas can match the benefits employees have come to expect in metropolitan areas, we can start to anticipate a rejuvenation of rural economies. Rural areas will open up for a new set of services, which will enhance living conditions and compel more people to move to less densely populated areas to contribute to the prosperity of rural economies, and the country as a whole.

"Now is the time to secure access to all productive assets, not least valuable human capital. Service providers to farmers and agricultural businesses – from those selling feed, fertiliser and equipment, to those involved in beneficiation of agricultural products and everything in between – will have to understand these phenomena and establish themselves as indispensable within this new context.

"This will require providing the same level of employee benefits, for example, to an agricultural equipment technician living in a small remote community as enjoyed by a similarly skilled Sandton-based office worker. Thankfully, there are companies like Agility Agri that truly understand the unique needs of the industry and offer specifically developed holistic and integrated health, employee benefits, wellbeing and rewards solution for agricultural organisations," says Dr Laubscher.

## **Managing employee wellness challenges**

Offering holistic preventative care and productivity management through the Agility Employee Wellbeing Programme, Agility Agri takes a proactive approach in identifying and managing employee wellness challenges for improved productivity. The core programme is free of charge to employers who have enrolled staff on the Health Squared Medical Scheme, and includes telephonic counselling to provide financial, legal, stress management and psycho-social support.

The programme easily identifies high-risk employees and proactively manages their wellbeing to keep them healthy and productive for longer. Importantly, the benefits and services offered span all geographic locations. This means that clients in rural and metropolitan areas receive the same level of service. The programme is also available in all official South African languages for optimal impact.

Embracing all aspects of risk management – including flexible access to quality private healthcare, employee benefits such as life cover and disability insurance, human capital and employee wellbeing, and an unparalleled rewards programme – Agility Agri offers a completely integrated solution.

## **Agility Agri's rewards programme**

Its rewards programme – Agility Rewards – is the proverbial cherry on the top. The entry-level programme is offered at no charge to all Agility clients and Health Squared members with rewards including thousands of discounts and deals. With the agricultural industry in mind, the programme places a strong focus on ensuring that its benefits are relevant to any region, income group and age.

Members then have the option of buying up to the Agility Rewards Platinum programme that offers substantial cash-back rewards – up to R37,650 – for keeping fit, taking care of your health, travelling and placing a focus on your, and your family's, education. Again, the programme keeps the unique needs of the agricultural industry in mind and its benefit structure rewards a wide variety of activities as opposed to a limited few that is largely accessible by city dwellers only.

"With the financial, healthcare and group risk needs of the workforce taken care of, farmers and corporates in the agricultural space will be better equipped to focus on their core business, and contribute to the success of rural economies in the decades to come," concludes Dr Laubscher.

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