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AFRICAN YOUTH IN AGRIBUSINESS AND RURAL DEVELOPMENT

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Executive summary

The demographic transition in Africa has created a burgeoning youth population that is entering the labour market. However, impressive economic growth in a number of African countries over the past decade has not been translated into widespread employment or income generation for the youth.

Major urbanization has also failed to create a sufficient number of decent jobs desired by young people. The region's population is still chiefly rural where farming is the backbone of rural livelihoods. There is consensus by African leaders that transformation of the agricultural sector is key, since it will continue to be the main sector to stimulate broad based economic growth and absorb the millions of young people entering the job market.

In this regard, public and private sector investments need to go beyond improvements in on-

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farm productivity to also cover agricultural enterprises related to marketing/trade, agribusiness and agro-industrial development. This regional vision fits well with the aspirations of Africa's youth, for whom traditional farming is not an attractive option. Hence there is the need to create decent employment opportunities within a more modern agricultural sector, focusing on the enterprises that provide inputs and services to farmers and in the downstream marketing and agro-processing segments of agri-food chains.

In order to create this modern and dynamic agricultural sector, governments will need to improve the business environment to stimulate private sector investment. They will also need to foster public-private partnerships (PPPs) that bring together large and small actors in joint ventures that capture synergies with family farms and create opportunities for broad based growth and youth employment. In order for family farms to fully participate and benefit from the transformation of the agricultural sector, public policy needs to focus on strengthening their capacity and improving their performance through systematic access to information, technical advice, inputs, credit and mitigating risk. Finally, evidence from a number of African countries has demonstrated that investments in education and vocational training tailored to rural youth needs are key to increase their levels of employment and income and improve their future. Youth capacity building strategies include Junior Farmer Field and Life Schools, entrepreneurship training, fostering engagement in producer and marketing organizations and developing skills in the post-production segments of agri-food chains such as processing and value adding technologies.

Matters to be brought to the attention of the Regional Conference

1. Boosting agricultural transformation and rural development is critical in order to provide employment to the millions of young Africans joining the labour market each year.
2. Enhancing youth participation and leadership in producer organizations and other rural institutions will empower them to engage in policy dialogue and integrate their concerns into agricultural development.
3. Governments must devote efforts to dedicated agricultural investments for decent employment creation for youth. Investments in education and vocational training must be tailored to rural youth needs to increase young people's access to employment and income opportunities.
4. Improving the business environment to stimulate private sector investment is of critical importance to create a modern and dynamic agricultural sector that will provide employment opportunities for both smallholder farmers and youth.
5. The fostering of public-private partnerships (PPPs) provides opportunities for bringing together large and small actors in joint ventures that capture synergies with family farms and create opportunities for youth as employees and entrepreneurs in the agriculture value chain. It can also foster linkages between youth and large agri-firms through contract farming and out-grower schemes and facilitate capacity development through apprenticeships and mentoring.
6. Certain value chains have greater youth appeal than others, particularly those with short production cycles, high value and regular income. It is important that government policies and programmes identify and support those value chains that are of particular interest to the youth, in order to harness their full engagement and commitment.
7. Innovative application of ICT is a key element of the strategy to attract youth into the agricultural sector. ICT has great youth appeal but also has excellent potential to

improve agricultural and agribusiness efficiency.

8. In order for family farms (where most rural youth work) to fully participate and benefit from the transformation of the agricultural sector, public policy needs to focus on strengthening their capacity and improving their performance through systematic access to information, technical advice, inputs, credit and mitigating risk.

African Youth in Agribusiness and Rural Development

I. Introduction

1. Youth employment is firmly on the international agenda. In 1995, the United Nations (UN) adopted the *World Programme of Action for Youth to the Year 2000 and Beyond*, and the importance of youth employment was recognized in 2000 when it was included within the first *Millennium Development Goal* (MDG 1) “Eradicate extreme poverty and hunger”, which comprises the target of achieving “full and productive employment and decent work for all, including women and young people” (target 1.B). As clearly stressed by the *High-level Panel on the Post-2015 Development Agenda*, youth employment is probably today’s major global issue together with sustainable development in the context of climate change (UN 2013). Further to a UN Secretary-General request, members of the Inter-Agency Network on Youth Development (IANYD) also developed a specific UN System Wide Action Plan (SWAP) on youth as a framework to guide youth programming for the UN.
2. Although the 15-24 year old age bracket is commonly used, notably by the UN agencies, there is no agreed definition of youth. Although with childhood and school age children represent one discernible group, definitions of youth vary depending on social and cultural contexts; it is possible to be “old” but to be categorized as “youth”. This situation is particularly true in rural Africa where access to land and to full economic independence can occur late in life¹. The African Union, for example, classifies youth as individuals between the ages of 15 and 35 years.
3. The continent, which was for long under-populated, is catching up quickly. It will grow by 1.2 billion people by 2050, reaching over 2.1 billion inhabitants to represent 25% of the world population (UN 2012). Sub-Saharan Africa (SSA) is the last region of the world to engage in its demographic transition (i.e., the successive reduction in both mortality and birth rates). The continued high birth rates, attaining 4% per year in some countries, have translated into a doubling of the population in less than 20 years.
4. With appropriate policies and catalytic investments, SSA has the potential to unleash a powerful and broad-based engine of growth enabling the continent to at last reap its “demographic dividend”². In this situation, the labour force and productive capacity of the economy will increase while the costs related to the inactive population will fall. As this unique window of opportunity occurs only once in a countries’ history, it is critical for countries to establish a conducive economic, institutional and political environment and undertake adequate investments that are critical for employment and wealth creation

¹ The AU (2006) defines youth as the 15-35 year age group.

² As consequence of the evolving age structure of the population due to the transition, the ratio between the inactive people and the 15-64 year working population declines. The SSA’s ratio, which was a burden in the 1980s (compare to other developing regions), will improve progressively until after 2050 when other regions will be pulled in the downward path by an ageing population.

II. The Demographic and Economic transformations and the youth employment challenge

5. African institutions and governments are strongly committed to addressing the on-going demographic transition and the resulting youth employment challenge. The African Union (AU) launched the *African Youth Decade* in 2009 as a roadmap for the implementation of the *African Youth Charter* adopted by the Heads of State in 2006. More recently, in 2011, the AU, the UN Economic Commission for Africa, the African Development Bank and the International Labour Organization (ILO) created the *Joint Initiative on Job Creation for Youth in Africa*.

a. The on-going demographic transition

6. In relative terms, the youth employment challenge affects every region - developed as well as developing countries - a feature stressed by the World Development Report 2013 on “Jobs” (World Bank 2012).
7. However, due to the characteristics of its demographic trends, Africa is the region of the world where this challenge is - and will increasingly be - a deep concern. The share of youth in the labour force in Africa is the highest in the world: approximately 35 % in SSA and 40 % in North Africa, versus 30 % in India, 25 % in China and 20 % in Europe. Projections indicate that 60 % of the world’s labour force growth between 2010 and 2050 will be in Africa
8. Today more than half of the African population are under 25 and approximately 11 million Africans, most of whom are new entrants seeking their first job will join the labour market every year for the next decade (World Bank 2014). If the employment situation is to improve in the long run, the next two decades appear to be absolutely critical
9. The measurement of unemployment is very difficult in economies where the informal sector is predominant, such as in Africa. Because the definition of employment is broad³, unemployment figures for youth are very low and conservative, often under 10 % in SSA and approximately 25 % in North Africa, with greater prevalence of unemployment in urban areas (World Bank 2009a). In fact, due to widespread poverty and lack of social safety nets, youth are frequently engaged in activities to sustain their livelihood: family labour, odd jobs and short-term, seasonal migration between rural and urban settings which provide diversified sources of incomes. Low levels of remuneration and underemployment are common features of youth livelihoods, particularly in rural areas where the seasonality of agricultural production strongly influences youth activities and the poor employment opportunities are a major cause of rural-urban migration.

b. A very slow economic transformation

10. The African economic landscape has faced a dramatic change since the 1960s largely due to rapid urbanization. Sub-Saharan Africa has the highest urban population growth rate of any region in the world and the urban population is expected to triple in the next forty years.

³ According to ILO, “the employed comprise all persons above a specific age who during a specified brief period, either one week or one day, were in the following categories: paid employment (... or) self-employment (...). Unpaid family workers at work should be considered as in self-employment irrespective of the number of hours worked during the reference period.”

Today, the urban population stands at 39.6% but this masks large differences between sub-regions, ranging from 23.7% in East Africa to 58.9% in Southern Africa. By 2030, more than 50% of Africa's population will be urban (UN 2011).

11. Contrary to other regions of the world, urbanization has occurred without industrialization. Urban economies have been primarily based on informal activities and agriculture remains the single biggest source of employment (50-60% of the labour force on average and up to 75% in some regions). The formal sector of "registered" activities in manufacturing and services (government, trade, and banking) employs between 5 to 10% of the active population, with very few exceptions.
12. After four decades of fairly volatile economic performance and political stability, the continent in the 2000s engaged in a decade of economic growth with a sharp increase in GDP per capita, marked by strong growth and diversification in a number of countries.⁴ Despite this strong upward trend, Africa remains a continent that mainly exports raw products and imports manufactured goods. More importantly, this growth process is limited to particular sectors such as oil, gas and mineral extraction and excludes large segments of the population. This situation is not favourable to creating jobs or reaping the demographic dividend. Instead, it heightens the amplitude of youth unemployment, widens income inequalities and fuels social tensions.

c. Growing youth disinterest in the agricultural sector

13. If agriculture and agri-food systems represent a strategic and growing sector for African development, they nonetheless hold a negative perception with most young people. The situation stems from a growing divide between the aspirations of young people and the economic, social and lifestyle opportunities, or lack thereof, available to young people in rural Africa. New information systems, better transportation infrastructures, and the possibility of travel and migration offer a window on other ways of life in which big cities and rich countries represent access to the reality of the images displayed by the media. For rural youth, the realization of their dream of a "good life" often lies far away from the countryside. Furthermore, the disconnection of formal schooling from rural realities, needs and opportunities contributes to the downgrading of rural culture.
14. Consequently, it is not surprising that rural youth rarely mention farming as a "best job" or even a "good job", particularly when one takes into account the sparse opportunities, very low remuneration and harsh working conditions (e.g., hand tools) in the agriculture sector. As such, agriculture is probably one of the most difficult ways to make a living for young people and it does not conform to the aspirations and social status they desire.
15. Recognizing agriculture as an option for young people is even more challenging when economic and social restrictions related to access to productive resources are taken into account. The difficulty of achieving economic and social emancipation from traditional society and village elders, combined with the weight of obligations to and control from the community often represent major constraints to young people even if these obligations may also provide some security related to family or village solidarity. Access to land is a core issue related to rules of inheritance. This difficulty is exacerbated by new pressures on land

⁴ But the 47 SSA countries only account for 45% of the continental GDP when Northern Africa and South Africa generate respectively 35% and 20%.

arising from large scale land acquisitions and growing interest of city dwellers, and tensions arising from rising population density that limits farm sizes and reduces the economic viability of farms. Access to wage employment is another deep concern due to the prevalence of unpaid labour in family farm operations. These limitations are even worse for young women who often have no prospect of land access due to rules of inheritance and who will mainly have to work for their husbands (Tacoli 2012).

16. In this context, the only way to make a living and reduce risk is to engage in diversification strategies, combining farm work with many small off-farm activities (occasional wage labour with other farmers, petty trade and handicraft) and temporary jobs in cities through short-term migration. Longer-term migration often means emancipation and a change of status. When opportunities for migration are limited and local options are non-existent, the feeling of exclusion and hopelessness have been shown to contribute to social unrest. Analyses of recent social conflict and civil wars have pointed to this rural dynamic and associated problems as contributing factors (Chaveau and Richards 2008).

III. Rural transformation as a necessary and realistic option for youth involvement in the agricultural sector

17. Agriculture has absorbed the majority of the labour force over the last decades and is the only sector of the economy capable of doing so. Rural areas will be home to the majority of the population over the next 20 years, with agriculture as the backbone of rural livelihoods. In this regard, approximately 90% of rural households are engaged in farming activities, even in the context of growing off-farm diversification. Furthermore, the prospects for growth of agricultural markets - urban, regional, global - are huge due to growing population, urbanization and rising household income. In this context, the challenge consists of developing the production and the many upstream and downstream activities (transformation, trade and services) in a dynamic agri-food system. Rising incomes both at farm level and throughout the value chain generate strong inter-sectoral effects leading to a new rural demand which strengthens and amplifies the dynamics of diversification.
18. There is consensus among African leaders and development partners that the transformation of the agricultural sector is of critical importance, since it will continue to be the main sector to stimulate economic growth. In this regard, public and private sector investments need to go beyond improvements in on-farm productivity to also cover agricultural enterprises related to marketing/trade, agribusiness and agro-industrial development. The importance of trade, agribusiness and agro-industrial development to economic growth and food security is reflected in many national development policies. At regional level, it is reflected in CAADP Pillar 2 and the recommendations by the Joint Meeting of AU Ministers of Trade and Agriculture (CAMAT, November 2012) to i) strengthen domestic and regional markets and ii) support agricultural value chains, enhanced employment and income generation through agro-industry and agribusiness development.
19. This regional vision fits well with the aspirations of Africa's burgeoning youth, for whom traditional farming is not an attractive option. Certain value chains have greater youth appeal than others, particularly those with short production cycles and high value. Examples of 'attractive' value chains include fresh vegetables and aquaculture that meet the demand for a healthier and diverse diet from the growing urban middle class and which, if properly planned and managed, can provide a year-round income. Hence there is the need to create decent opportunities within a more modern agricultural sector, in the enterprises that provide

inputs and services to farmers, and in the downstream marketing and agro-processing segments of agri-food chains. Value adding activities can take many shapes and forms depending on the product and may include sorting and grading, packaging and labelling, chilling and cool chain operation.

20. The development of public-private partnerships (PPPs) provides opportunities for bringing together diverse groups of public and private actors in the agricultural sector. When well formulated and managed, PPPs which bring together large and small actors in joint ventures can offer synergies with family farms and opportunities for growth and youth employment. Larger farms, processing units, supermarkets and other market actors can help smallholders access key productive resources and technologies, facilitate value addition and provide access to remunerative markets. They can also facilitate capacity development through apprenticeships and mentoring for the youth. Actions to increase employment or improve local infrastructure and local services should be explicitly planned and implemented to achieve the desired impact.
21. Governments will need to improve the business environment to stimulate private sector investment and themselves make strategic investments in public goods and services. They will also need to pay particular attention that private sector investments include segments of the value chain where capital is missing (e.g. input supply, marketing, transformation) and where there is potential for creating new jobs and supporting the potential of family farms for production.
22. In order for family farms to fully participate and benefit from the transformation of the agricultural sector, public policy needs to focus on strengthening their capacity and improving their performance through systematic access to information, technical advice, inputs, credit and mitigating risk. Access to secure land right and land access and reduce market instability are important interventions for many smallholders. Supporting collective action by strengthening producer organizations can improve economies of scale in marketing and supply, contribute to investment in storage or processing facilities and increase bargaining power in contract negotiations.

IV. Towards youth focused policies and investments in agriculture and rural development

23. Facing the growing challenge of youth employment, African governments will need to reengage in the formulation and systematic implementation of sound rural development policies and programmes that maximize opportunities for young people, strengthen their capacities, and facilitate access to productive resources needed to drive broad-based growth in the agricultural sector and rural economy.

d. Building a new generation of agricultural entrepreneurs (Afri-agripreneurs)

24. Changing the vision of youth towards agriculture and their perception of the limitations of a rural way of life are, however, clear prerequisites to achieving this impact. A modern, a productive and profitable agricultural sector in Africa is the basis not only for national food security and improved nutrition but also for creating decent income and employment opportunities for young people. This becomes even more paramount in the current era of food price volatility, global economic instability and rising costs for natural resources and energy.

25. The need to improve rural livelihoods in Africa and to facilitate the inclusion of youth in the rural economy represents an immense challenge. Policy recommendations often provide a well-known shopping list of measures which include, among others, the appropriate provision of public goods, the reduction of transaction costs, incentives for and investment in functional markets and mitigation mechanisms, to which more specific requirements for youth in terms of access to land and other productive assets could be added. To avoid becoming mired in a long list of interventions which may be difficult to implement in a context of limited resources, youth-related policies and programmes should seek to identify specific, priority interventions that add value.
26. Youth focused policies and programmes cannot stand alone. They need to become part of an overall development strategy which must recognize the tremendous diversity or heterogeneity of African youth in terms of the economic, social and institutional environment in which they live, their asset endowments and the particularities of the agri-food system in which they work or could work in the future.
27. Creation of more and better jobs, in particular for the growing young rural labour force, should be an explicit objective in agriculture and rural development programmes. Moreover, strategies should not only focus on improving the working conditions for self-employed small-holder farmers but should also take into account the large number of poor land-less youth who survive on casual low-wage incomes.
28. In this respect, evidence from a number of African countries has demonstrated that investments in young people's education, vocational skills and entrepreneurial training increase their levels of employment and income and create a high demand for their labour and skills. Youth capacity building strategies include Junior Farmer Field and Life Schools, fostering engagement in producer and marketing organizations and developing skills in post-production activities such as processing and value adding technologies.
29. Innovative application of ICT is a key element of the strategy to attract youth into the agricultural sector. ICT has great youth appeal but also has excellent potential to improve agricultural and agribusiness efficiency, such as: a) real-time market information and price transmission; b) provision of up-to-date technical knowledge; c) networking (including use of social media) and creation of new marketing channels; and d) design of attractive packaging and labelling.
30. The African Union Summit noted in its declaration that 'the African private sector is an under-utilized resource that needs to be mobilized to fully participate in Africa's agricultural transformation.' Improving the business environment to stimulate private sector investment is thus of critical importance to create a modern and dynamic agricultural sector that will provide employment opportunities for both smallholder farmers and youth.

a. Rural-urban linkages and youth employment opportunities

31. The pattern of urbanization is not limited to the growth of large metropolitan areas. With the exception of limited remote areas, a proliferation of small towns is springing up, whose urban status is not always politically or statistically recognized. New urban settlements are emerging in rural areas, in proximity to large cities and along major highways and transport corridors. These small towns are the main interface with the rural economy.

32. Public policies generally lag behind these developments, due to the statistical segmentation of rural and urban areas (and their shifting definition), the lack of accurate information, as well as to the fragmented manner in which policies are formulated and implemented. Public actions may thus miss many possible synergies to link rural and newly urbanized areas.
33. A better understanding of evolving urbanization patterns is essential to strengthen linkages and capture synergies between rural and newly emerging urban settlements. This will foster local development strategies that are based on a shared vision between rural and small town dwellers and youth. In this way, investments made in rural towns will have a spill-over effect into the agricultural sector and facilitate agro-processing and value addition, develop new employment opportunities in agribusiness and retailing, and provide youth with new perspectives and business opportunities. Improving educational opportunities, infrastructure and services in rural towns are critical complementary actions to address the interests and aspirations of youth. NEPAD's Rural Futures programme is supporting and developing this new vision.

b. Youth participation in policy and programme planning

34. A development strategy is more than the articulation of sectoral policies. It needs to be underpinned by a consultation process amongst stakeholders and constituents – including the youth - that leads to a shared understanding and vision of challenges and opportunities. The consultation process is critical and has to be carefully planned as its quality and participatory nature will strongly affect ownership and of commitment.
35. Rural youth are part of a rapidly evolving environment, one which may differ significantly from the one which governments or donors think they know. As youth are often marginalized in these processes, platforms and mechanisms for their engagement need to be put into place to enable them to fully participate in the policy dialogue, make their voice heard and give recognition to their status. This will strengthen their position in negotiating for specific support or policy instruments.

V. Key messages

36. Youth employment is at the crossroads of the economic and demographic challenges of Africa. Boosting agricultural transformation and rural development is critical in order to provide decent employment to the millions of young Africans joining the labour market each year.
37. Enhancing youth participation and leadership in producer organizations and other rural institutions will empower them to engage the public policy dialogue and integrate their concerns into agricultural development. This is part of the restoration of their status and will require support in terms of information and training.
38. Investments in education and vocational training tailored to rural youth needs are key to increasing young people's levels of employment and income and improve their future. Youth capacity building strategies include Junior Farmer Field and Life Schools, fostering engagement in producer and marketing organizations and developing skills in the post-production segments of agricultural value chains such as processing and value adding technologies.

39. Improving the business environment to stimulate private sector investment is of critical importance to create a modern and dynamic agricultural sector that will provide decent employment opportunities for both smallholder farmers and landless youth. This strategy fits well with the aspirations of Africa's burgeoning youth, for whom traditional farming is not an attractive option.
40. The development of public-private partnerships (PPPs) provides opportunities for bringing together large and small actors together in joint ventures that capture synergies with family farms and provide opportunities for broad based growth and youth employment. It can also foster linkages between youth and large agri-firms through contract farming and out-grower schemes and facilitate capacity development through apprenticeships and mentoring.
41. Certain value chains have greater youth appeal than others, particularly those with short production cycles and high value. It is important that government policies and programmes identify and support those value chains that are of particular interest to the youth, in order to harness their full engagement and commitment.
42. Innovative application of ICT is a key element of the strategy to attract youth into the agricultural sector. ICT has great youth appeal but also excellent potential to improve agricultural and agribusiness efficiency.
43. In order for family farms to fully participate and benefit from the transformation of the agricultural sector, public policy needs to focus on strengthening their capacity and improving their performance through systematic access to information, technical advice, inputs, credit and mitigating risk.
44. Finally, a better understanding of evolving urbanization patterns is essential in order to strengthen linkages and capture synergies between rural and newly emerging urban settlements. This will foster local development strategies that are based on a shared vision between rural and small town dwellers and youth.