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# FAO REGIONAL CONFERENCE FOR AFRICA

## Thirtieth Session

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### **Leveraging Youth Employment Opportunities in Agriculture in Rural Sectors in Africa**

#### **Executive Summary**

Two-thirds of Africa's population is aged 35 and below. African Heads of State and Government have devoted the year 2017 to "Harnessing the Demographic Dividend through Investments in Youth", in the context of Agenda 2063 of the African Union (AU) and the 2030 Agenda for Sustainable Development. The determination to address youth employment is also evidenced by the Declaration at the 29th ordinary Summit of the AU held in July 2017 of 2018 – 2027 as the "African Decade for Technical, Professional and Entrepreneurial Training and Youth Employment".

The demographic dividend remains central to accomplishing Africa's aspiration for economic transformation. Some 10-12 million new jobs will have to be created every year for the new labour market entrants over the next 20 years. With well targeted investments, the large youth population can make a significant contribution to high and inclusive growth and poverty reduction.

There has been increasing recognition of the strategic importance of agri-food systems for job creation and inclusive, broad-based growth. Due to lagging structural transformation, a large percentage (62 percent) of the population in sub-Saharan Africa (SSA) is still heavily reliant on agriculture for income and employment, primarily in family farms. Agriculture remains the most important source of employment for women in SSA (50 percent). Rapidly growing demand for food and value addition is creating new market opportunities for producers and processors as well as scope for substantial job creation.

This paper discusses interventions for promoting youth employment and engagement in agri-food systems through: a) improving the enabling business environment; b) providing young women and

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men with the right skills and education; c) increasing the active participation of youth in policy processes; and d) enhancing rural-urban linkages.

### **Matters to be brought to the attention of the Regional Conference**

1) Increase responsible and youth-inclusive investments to modernize the agricultural sector: the agri-food sector has a huge potential to offer attractive employment opportunities for Africa's burgeoning youth. It is crucial to support youth to become agripreneurs along agri-food value chains, from production and aggregation to processing and marketing; while facilitating their access to land, finance, and other productive resources and services. It is also paramount to invest in developing the skills and education of youth to bridge the gap between labour supply and demand, while at the same time reducing gender disparities in educational enrolment and attainment. Youth need access to quality training to develop relevant skills for the labour market (supply) and decent farm and off-farm employment opportunities within agrifood value chains (demand). Successful holistic approaches should be scaled up together with specialized training in agriculture and green practices including: training in business and soft skills, information and communications technology (ICT), incubation and mentoring, akin to good practices such as the Junior Farmer Field and Life Schools (JFFLS) or the Songhai Centre methodology. A key dimension is to improve the enabling business environment, in particular by facilitating the private sector to become the engine of job creation and strengthening apex agribusiness bodies.

2) Promote policy coherence between migration and sectoral policies such as agriculture and rural development, food security and nutrition, natural resource management, gender equality and youth policies. Youth account for a significant part of migration flows and usually move in search of better employment opportunities. Promoting viable and gainful employment and entrepreneurship opportunities for young women and men in farm and non-farm rural activities is key to addressing the root causes of distress rural outmigration and reducing the risk of rural areas losing a vital and potentially most dynamic share of their workforce. In devising youth employment initiatives, it is important to recognize the heterogeneity of rural youth: young women/mothers; younger youth aged 15-17; poor, but market-oriented youth producers; very poor, vulnerable and unskilled rural youth; well educated, entrepreneurial youth, who are engaged in the agricultural sector as business owners and managers. With the right support and investment, these young entrepreneurs can catalyse the agricultural sector and grow their small businesses into large enterprises, with potential for large-scale employment. Young returnees and diaspora communities can share their knowledge with communities of origin and invest in sustainable agriculture, thus creating new gainful and attractive employment opportunities for youth. It is also crucial to strengthen rural-urban linkages through investments in hard and soft infrastructure in small and medium-sized towns, transforming them into dynamic interfaces with rural areas and hubs for employment, entrepreneurship and training for rural youth.

3) Beyond increasing the number of jobs, address their quality by integrating decent work aspects. Policies and programmes should improve working conditions of young men and women employed in agri-food value chains by reducing their drudgery through the use of modern technologies, promoting occupational safety and health, reducing gender inequalities, extending social protection, and fostering youth organization and collective action. Policies should also cater for the specific needs of youth aged 15-17 years who may be legally eligible to work (according to the national legislation) but face additional challenges as the under-18-years old. Policy coherence (especially with regard to employment and education), investment in skills development and apprenticeships, promotion of safe agricultural practices, inclusion into policy dialogue are all means to facilitate school-to-work transition and promote decent employment opportunities for youth in this age group, while protecting them from child labour.

## I. Introduction

1. Given that two-thirds of Africa's population is aged 35 and below, at the dawn of implementation of both Agenda 2063 of the African Union (AU) and the 2030 Agenda for Sustainable Development, African Heads of State and Government have devoted the year 2017 to "Harnessing the Demographic Dividend through Investments in Youth". This is particularly relevant for the implementation of Sustainable Development Goal (SDG) 1 on "ending poverty in all its forms everywhere", SDG8 on "promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" and SDG5 on "achieving gender equality and empowering all women and girls."

2. At the 29th ordinary Summit of the AU held in July 2017, the commitment was emphasized by declaring 2018–2027 as "the African Decade for Technical, Professional and Entrepreneurial Training and Youth Employment". The Summit also endorsed the African Youth Fund and institutionalized the Pan-African Youth Forum.

3. A large percentage (62 percent) of the population in Sub-Saharan Africa (SSA) is still heavily reliant on agri-food systems for income and employment, primarily in family farms. Agriculture is the most important source of employment for women in SSA (50 percent). Particularly in rural areas with limited education opportunities, agriculture employs about 60 percent of young people aged 15-34 years. There is a large untapped reservoir of employment opportunities in the agri-food sector. Demand for food and value addition is increasing due to a growing population, urbanization and rising household income, creating new market opportunities for producers and processors and job creation.

4. Transforming education and skills development and providing employment and entrepreneurship for young women and men will be central to progress towards sustainable peace and development.

## II. The demographic transition and youth employment challenge

5. Africa has the youngest population in the world. Over 60 percent of its total population of 960 million is under the age of 24 years and 75 percent is under the age of 35 years. In 2015, the continent's 226 million youth aged 15-24 years accounted for nearly 20 percent of the world's youth population, and by 2050 those aged 15-35 years are expected to number 840 million. The share of youth in the labour force is also the highest in Africa: approximately 35 percent in sub-Saharan Africa and 40 percent in North Africa, versus 30 percent in India and 25 percent in China.

6. Over 70 percent of Africa's youth population also subsist on USD 2 per day or less. Rural youth who constitute over half of the world's youth are especially vulnerable and affected by poverty. The majority of them are employed in the informal economy as contributing family workers, subsistence farmers, home-based micro-entrepreneurs or unskilled workers. They typically earn low wages, are employed under casual or seasonal work arrangements and often face unsafe, exploitive working conditions with very limited opportunities for skills development. These precarious economic and working conditions coupled with environmental vulnerabilities and social exclusion, drive rural youth to increasingly migrate to urban areas and abroad, depriving rural areas of a vital and potentially most dynamic share of their workforce.

7. Further, underlying these aggregate labour market and social trends are disparities, often wide, across a number of demographic groups. Unemployment levels among youth are generally higher for women than men and gender wage gaps are important. Research by the UN shows that African women hold two-thirds of all jobs in the non-agricultural informal sector, and on average only make 70 cents for each dollar made by men (World Economic Forum, May 2017).

8. The challenges and vulnerabilities rural youth face are even greater for those under the age of 18 who have reached the minimum age for employment, often set at 15 or even 14 years of age. This

stage in life is typically decisive for youth's school-to-work transition, and the transition out of poverty. While these young people are eligible to work, they are still considered children and therefore cannot perform hazardous tasks (considered in this case as child labour). Given their low bargaining power and lack of skills (oftentimes they cannot continue education), they are more vulnerable to exploitation, more likely to engage in unsafe working conditions, and often work in the informal economy without social protection.

9. Managing household chores has traditionally been viewed as a female occupation and as hampering young women's employment. In settings where there are pressures to conform to societal expectations by entering early marriages, early pregnancy is one of the pitfalls restricting access to decent jobs, particularly for poor women with little education.

10. The burgeoning youth numbers have striking implications for job creation and maximizing the demographic dividend: 10-12 million new jobs will have to be created annually until 2035 to absorb the new labour market entrants (World Bank 2014). The next two decades therefore appear to be absolutely critical if the employment situation is to improve in the long run.

11. Creating jobs and reaping the demographic dividend is going to be particularly important for political, social and economic stability. Poverty and unemployment have been major factors of youth dissatisfaction and, in some cases, extremism. Violent extremist groups often exploit perceptions of economic exclusion due to religious or ethnic identity (UNDP 2017).

12. One-third of all international migrants from developing countries are youth between 15 and 34 years of age (UNDESA, 2015). Lack of decent jobs in rural areas and the unattractiveness of agriculture push young people to seek more productive and better remunerated employment opportunities elsewhere. Youth are also likely to move from one rural area to another to take advantage of different seasonal calendars of farm production, or to move to urban areas and abroad to find non-farm jobs.

13. With the right policies and well-targeted investments, population dynamics in Africa can play an important role in facilitating high and inclusive growth and poverty reduction in the coming decades.

### **III. Agriculture as a sector of opportunity for youth**

14. The agricultural sector can and needs to contribute to solving the youth employment challenge. Due to lagging structural transformation, agriculture remains the largest employer in Africa, even in the context of off-farm diversification. Despite the highest urban population growth rate in sub-Saharan Africa and the comparatively low level of urbanization, rural areas will still be home to large numbers of the population over the next 20 years. Urbanization has occurred in the context of limited industrialization, thus increases in the economically active population in urban areas have mainly occurred in the informal non-industrial sector.

15. On the other hand, local, regional and global demand for food is increasing due to a growing population, urbanization and rising household income. The agri-food sector offers a multitude of opportunities for entrepreneurship along agri-food value chains and food systems. The development of post-production segments of food value chains, including processing and retailing, could have a big impact on job creation, given the number of households involved in farming (FAO 2014).

16. The application of occupational safety and health measures, as well as the introduction and promotion of safer agricultural practices may also have a huge impact on the employment situation of young people in rural areas, who are often given the most dangerous and physically taxing jobs without adequate training or security measures. Young men in particular are at high risk of being assigned the most dangerous and undesirable jobs, yet when unemployment looms these may be the only ones available. By upgrading conditions of existing jobs and eliminating hazardous tasks,

millions of young people legally eligible for work can transit from the situation of child labour into decent rural youth employment.

17. Furthermore, investing in young people is key for rejuvenating and improving the performance of the agri-food sector. Young people are by nature dynamic, inquisitive and innovative. They are particularly responsive to new economic opportunities and trends and are keen to find employment in high growth sectors. Young entrepreneurs are also more likely to hire fellow youths, thus pulling more young people out of unemployment and poverty.

18. When rural women are empowered to have equal access as men to key resources, services and opportunities, they become a key driving force against hunger and rural poverty. Enabling young women to participate more effectively in agriculture also translates into improved well-being of their families, thereby building the human capital of future generations and contributing to long-term economic growth.

19. A negative perception of agriculture persists among many young people. This stems from a growing divide between their economic, social and lifestyle aspirations and the opportunities that agriculture offers. Particularly for rural youth, their dream of a “good life” often lies far away from the countryside. Taking into account the sparse job opportunities, very low and unpredictable remuneration and harsh working conditions, it is not surprising that rural youth rarely mention farming as a “good job”.

20. Recognizing agriculture as an attractive option 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 often represent major constraints to young people, and even more to young women. Their access to land is frequently limited by land scarcity, inheritance laws and customs. This often discourages youth from considering agriculture as a livelihood option. Youth also face: inadequate access to financial services due to lack of collateral, inappropriate and inaccessible products and services; low financial capability; major challenges in accessing markets due to their lack of structural organization, limited participation in producers’ groups, etc.

21. Increasing the levels and quality of public investment is paramount to concretize policy commitments to make agriculture more dynamic and appealing to young people (WB 2014). Governments and their financial and technical partners, in cooperation with the private sector, should establish programmes to support the development of viable and inclusive agri-food enterprises in rural and urban areas. Innovations in farming technologies, especially in the information and communications technology (ICT) sector, value addition, marketing, retailing and logistics can offer attractive careers to young people.

22. Efforts to improve young people’s access to land, capital, and skills need acceleration and tailoring to the specific needs of young rural women and men. Value chains such as horticulture or aquaculture might have greater youth appeal than others, particularly those with short production cycles and high value addition.

23. Improved working conditions in the sector, through the use of modern technologies, adoption of occupational health and safety measures, social protection and reduction of gender inequalities will be crucial to making agriculture attractive to young people, and enhancing their long-term productive potential. In particular, workplaces need to be safe for young women and offer the kinds of facilities they need (toilets, child-care facilities, etc.).

24. The recognition of agriculture as a sector of opportunity for young people has resulted in multiple promising initiatives. At the international level, the German Presidency of the G20 has launched the G20 Africa Partnership to support private investment, sustainable infrastructure and employment in Africa and contribute to the AU Agenda 2063. The ILO-led Global Initiative on Decent Jobs for Youth, with a strong focus on Africa, aims to scale up action on youth employment

across the UN system and in all sectors of the global economy. FAO leads, jointly with ILO, within the global initiative, the thematic area of youth in the rural economy.

25. At regional level, the AfDB-IITA-AGRA programme Empowering Novel Agribusiness-Led Employment for Youth (ENABLE Youth), is a loan facility to support youth to: (i) develop their skills and capacities; (ii) plan, launch and manage successful agribusinesses; and (iii) network, organize and mentor one another. The programme's strategy to target youth with and without tertiary education aims to help address the heterogeneity of young African job seekers. FAO has recently launched its regional Special Programme on Youth Employment which aims at supporting the region in harnessing its demographic dividend while contributing to the rejuvenation of the ageing farming population. FAO works to strengthen the capacities and involvement of women and youth in agri-food value chains to promote their economic empowerment; build institutional capacity at different levels for promoting gender-sensitive value chains, and develop tools and knowledge products for policy formulation and advocacy.

#### **IV. Towards youth-focused policies and investments in agri-food systems**

26. African governments should formulate and implement sound rural development policies and programmes that maximize opportunities for young people, strengthen their capacities, and facilitate their access to productive resources needed to drive broad-based growth in the agricultural sector and rural economy.

27. Youth-focused policies and programmes should not be standalone, but integrated into countries' overall development strategies, national investment plans, agricultural and rural development plans, migration policies, gender equality and other development frameworks. Interventions need to recognize the tremendous diversity of young women and men, in terms of sex and age composition, the economic, social and institutional environment in which they live, their asset endowments, power and agency to take autonomous decisions and choices and the particularities of agri-food systems.

28. Policies, programmes and institutions have different impacts on young women and men. It is crucial to analyse gender disparities in rural employment and economically empower rural women through access to decent jobs in agri-food and related sectors.

##### **A. . The importance of improving the enabling business environment**

29. Governments need to improve the business environment to stimulate private sector investments, and make strategic investments in public goods and services. Particular attention needs to be paid to ensure 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 apprenticeships, and supporting the productive potential of family farms.

30. Strengthening the African private sector to invest in agriculture would also require agribusiness enterprises to become more formally organized. The creation and strengthening of apex agribusiness bodies at national, regional and continental levels is an important component of improving the enabling environment. These organizations can provide key services to their members, including a platform for advocacy and policy dialogue, market research, support to enterprise and value chain development, business development services and facilitation of international business linkages. National agribusiness platforms that facilitate the interaction between youth, the private sector and government can be effective mechanisms for addressing the specific needs of youth, as exemplified by the Rwandan Youth Agribusiness Forum (RYAF).

31. The capacities of financial institutions to engage with youth agricultural actors need to be strengthened. This is particularly relevant for young women who face gender-specific barriers in gaining access to formal financial services, such as legal barriers and cultural norms that prevent

women from holding bank accounts or entering financial contracts in their own right. Innovative financing mechanisms should be explored to bridge the investment gap in agriculture. Reducing risk and re-aligning incentives for commercial banks to encourage lending are key. Nigeria has developed the Incentive-based Risk Sharing Agricultural Lending Programme (NIRSAL) to reduce risks associated with lending to the agricultural sector. Other countries are developing similar programmes. Use of matching grants can also lower risk. Offshore financing may be an attractive option as it typically offers lower interest rates, longer facility tenure and less onerous covenants.

32. Diaspora, returnees, and households receiving remittances are also an important source of investment and innovation in agriculture. They should all be provided with a combination of financial incentives (such as access to innovative financial products, tax credits, capital to start-up a micro-business, salary subsidies) and skills development opportunities, including financial literacy, technical refresher trainings and business management and entrepreneurial skills.

## **B. Investing in education and skills development**

33. The inadequate level of education and lack of skills among young workers is a significant concern. While great strides have been made in primary school enrolment, access to secondary and tertiary education remains low with important gender gaps. The quality and relevance of education remains a major issue with high dropout rates particularly for rural girls. Current educational systems do not equip youths to meet the demands of the labour market, nor do they provide them with the skills and knowledge required for Africa's growth. Nearly 80 percent of youth aged 25-34 years working in agriculture have primary schooling or less, including 40 percent with no education at all (World Bank, 2014). Only 2 percent of African university graduates specialize in agriculture (African Economic Outlook 2012). Lack of opportunities to continue education, or a perceived irrelevance of school curricula, may draw children into child labour. The situation is critical particularly in Africa where child labour in agriculture represents 85 per cent of all child labour. The focus of most institutions is on preparing students to become employees in existing companies, rather than giving them the skills to start their own agri-enterprise. Specific training in business skills development and entrepreneurial mind-set and attitude is essential.

34. School and training centres tend to be scarce, which pose at risk those, especially girls, who need to commute for long distances. Agriculture-related matters are rarely taught and school organization itself is usually incompatible with agricultural works' calendar and traditional lifestyle (e.g. in the case of nomadic communities). The resulting low enrolment and completion rates have contributed to the difficult transition into decent employment.

35. Young rural women are especially disadvantaged as cultural norms and lack of appropriate toilet and sanitation facilities in schools impede their ability to access education and acquire employable skills. Good quality education remains a key pathway to increasing women's opportunities in agriculture. When families have limited resources they may give priority to educating their sons rather than their daughters. Yet female education is closely associated with smaller family size, more decision-making power, better employment prospects and higher income. Measures to overcome cultural resistance to girls' education may require incentive schemes, such as stipends to families who enrol daughters in school, ensuring that schools are "safe" for girls, preventing gender-based violence, etc.

36. Numerous approaches have been developed to address the need for relevant skills and knowledge of youth. FAO's Junior Farmer Field and Life Schools (JFFLS) methodology is designed to support vocational training, based on a combination of topics specifically tailored to youth and to agriculture and rural settings. The scheme has been applied in over 20 countries, benefitting over 35,000 young men and women. 'Making Markets Matter' is an annual executive agribusiness and entrepreneurship programme designed by Market Matters Inc. for capacity development of Africa's small and medium agri-enterprise sector. Focusing on business strategy, marketing, finance, human

resources and leadership, it has trained over 2,000 agri-enterprises to date, many of them owned and managed by youth.

37. Incubation and mentorship have also proven to effectively provide youth with the knowledge and skills needed to succeed in agribusiness and agriculture. The Songhai Centre carries out training, production and research by combining traditional and modern learning methods. The model has been promoted as a Centre of Excellence of Africa and is being replicated in over 14 countries across Africa.

38. Large corporations are also starting to partner with local business and non-governmental organizations to develop training and entrepreneurship initiatives to improve the employability of youth.

### **C. Engaging youth in policy processes**

39. Youth participation has an important role in decision-making and policy dialogue, however, active participation of youth in policy processes is limited. Too often, youth participation remains token or passive. Seniority is frequently associated with authority, and youth, especially female youth are not expected or allowed to speak out or voice their concerns. Although legal documents and policies such as the African Youth Charter explicitly state youth's rights to participate in policy design, many remain unaware of their rights.

40. Platforms and mechanisms for youth engagement on policies and employment opportunities along various value chains need to be enhanced, and adapted to suit the heterogeneity of youth. Dialogue is often held in urban areas, thus favouring the involvement of urban, often better-educated youth. Efforts should be strengthened to improve consultative processes in rural areas in order to better reflect the interests and needs of uneducated, rural and poor youth. The use of modern ICTs, such as mobile phones and SMS, social media and online TV, videos and radios, can be especially powerful in this regard.

41. Strengthening the youth voice in policy dialogue also requires youth to be united and effectively organized. Youth organizations often lack financial resources, are limited in reach, informal in nature and have little bargaining power in policy processes. The capacities of youth organizations should be enhanced to strengthen their position in negotiating for specific support or policy instruments. In order to enhance young women's participation, discriminatory laws and by-laws that may prevent women's membership should be targeted.

## **V. Dynamic rural-urban linkages and opportunities for youth employment**

42. It is estimated that 56 percent of the African population will be urban by 2050. 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 long major highways and transport corridors. These small and medium-sized towns are the main interface with the rural economy, turning into hubs for employment, entrepreneurship and training for rural youth.

43. The increasing demand for high-value primary and processed products in urban areas can offer multiple employment opportunities for youth. Additional jobs can be created in aggregation, processing, distribution, trade and rural services. Depending on their capacity and interest, youth can engage in agri-food value chains as producers, wage workers, or business owners and managers.

44. Realizing the potential for youth employment will depend on effectively addressing the sizeable connectivity gaps between rural and urban areas, and improving access to human capital, local productive assets, transport infrastructure, social protection and financial services. It is also

necessary to generate evidence on the impact of remittances and diaspora funds on farm and non-farm activities and rural employment dynamics in emigration-prone areas.

## **VI. Key Messages**

45. The agri-food sector has a huge potential to offer attractive employment opportunities for Africa's burgeoning youth. Increasing responsible and youth-inclusive investments to modernize the sector, while addressing gender inequalities is critical to unleash this potential.
46. Support to young women and men to become agripreneurs along agri-food value chains, should be all-encompassing from production and aggregation to processing and marketing. This involves ensuring their access to key productive resources such as land, finance, and services to enable them to invest in profitable agricultural and agribusiness activities, particularly in value chains with a higher appeal.
47. The private sector plays an important role in youth employment. It is therefore urgent to improve the enabling business environment, as well as leverage the potential of diaspora and returnees to become the engine of job creation. Key components include the strengthening of apex agribusiness bodies, enhancing the participation of organized youth in the governance mechanisms of modern value chains, and enhancing opportunities for innovative financing mechanisms for agriculture.
48. Policies and programmes should not just focus on increasing the number of jobs, but also their quality by integrating decent work aspects. Policies should improve working conditions of young men and women employed in agri-food value chains and use of modern technologies and innovations, while ensuring social safety nets. It is also important to tailor the interventions to the various categories and specific needs of youth, and provide specific incentives.
49. Investing in developing the skills and education of youth starting from an early age will yield great dividends in bridging the gap between labour supply and demand. Youth need access to quality training, decent farm and off-farm employment opportunities within agri-food value chains and market linkages.
50. Strengthening rural-urban linkages through investments in hard and soft infrastructure in small and medium-sized towns will transform them into dynamic interfaces with rural areas and hubs for employment, entrepreneurship and training for rural youth.