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Food and Agriculture
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Продовольственная и
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Объединенных Наций

Organización de las
Naciones Unidas para la
Alimentación y la Agricultura

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COMMITTEE ON AGRICULTURE

Twenty-sixth Session

Rome, 1 - 5 October 2018

Revitalizing rural areas for youth

Executive Summary

One of the three Global Goals set by member countries for FAO is the elimination of poverty and the driving forward of economic and social progress for all.

Young people in many low- and middle - income countries face extreme challenges in finding their place in a globalizing economy. Integrating hundreds of millions of young people into the labour market is one of the biggest global development challenges for the decades to come. Rural populations are ageing across the world. The role of youth as agents of change in agriculture and food systems – and their position in rural labour markets – is gaining greater global attention, particularly as a result of increasing flows in global migration. How can we transform this challenge into a “youthful” driving force for the development of rural areas?

This paper makes a case for using the growing demand for agricultural products and recent developments in the agribusiness sector to bolster opportunities for youth employment and support the development of attractive, decent jobs - green jobs in particular - in rural areas. The paper provides recommendations for better integrating youth employment in FAO's programming and introduces territorial development, access to services and green jobs as avenues for investment.

Suggested action by the Committee:

The Committee is invited to:

- Endorse the five recommendations proposed in this paper
- Support a greater leadership for FAO in assisting countries in creating decent rural employment and green jobs

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I. Introduction

1. The very first target of Sustainable Development Goal One (SDG1) of the 2030 Agenda is to eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day by 2030. The second target of SDG1 is to reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions. One of the three Global Goals of FAO is the elimination of poverty and the driving forward of economic and social progress for all. Despite a reduction in global poverty over the last 30 years, nearly 2.1 billion people still live in poverty, with an estimated 767 million living in extreme poverty¹. High and rising inequality is stalling further poverty reduction. Even in countries where poverty has reduced, inequalities remain pervasive between rural and urban areas, between ethnic groups, between men and women and between generations.

2. Young people in many low- and middle-income countries face extreme challenges in finding their place in a globalizing economy. Integrating hundreds of millions of young people into the labour market is one of the biggest global development challenges for the decades to come. The question is how to transform this challenge into an opportunity and harness the energy of youth as a driving force for development. The role of youth as agents of change in agriculture and food systems – and their position in rural labour markets – is gaining greater global attention, particularly as a result of increasing flows in global migration.

3. Systematically associating decent rural employment for youth in programming and investments related to agriculture, value chains, agribusiness development, rural transformation as well as the development of sustainable food systems is an urgent priority if the SDGs and FAO's global goals are to be achieved. This paper makes a case for bolstering opportunities for youth employment by promoting decent jobs - green jobs in particular - in rural areas.

II. Youth employment in rural areas

A. Lack of decent work in agriculture obstructs investment, productivity and sustainable economic growth

4. There are currently 40 million new entrants to the labour market every year². Globally, the youth unemployment rate is on average three times that of adult unemployment; in Southern Asia, South-Eastern Asia, and the Arab States it is four to five times³. Youth (age bracket 15-24) account for only 15 percent of the global labour force while representing 35 percent of the global unemployed⁴. Even among those who work, the youth comprise 24 percent of the global working poor. In many low- and middle-income countries, population growth is outpacing job growth. Especially in rural areas, non-agricultural jobs opportunities are limited. Consequently, agriculture and related sectors are oftentimes the only option for a large share of young workers in their search for work.

5. Nevertheless, the rural youth is increasingly turning away from agriculture as it is largely viewed as a hazardous, underpaid sector with little opportunity for advancement, thereby ignoring the potential innovation it has to offer. Rural areas must be revitalized in order to create attractive job opportunities for young people, while bringing prosperity to their communities as a whole.

6. According to the International Labour Organization, jobs must enable people to work under conditions of freedom, equity, security and human dignity⁵. If jobs in rural areas do not generate

¹ Cited from World Bank Group. 2016. Poverty and Shared Prosperity: Taking on Inequality. Figures are from 2013, which is the most comprehensive data on global poverty available.

² UNDESA. 2015. World Youth Report: Youth Civic Engagement.

³ ILO. 2017. World Employment Social Outlook.

⁴ ILO 2016. World Employment Social Outlook.

⁵ ILO. 1999. Decent Work. Report of the Director-General. International Labour Conference, 87th

sufficient and stable incomes or if they disempower workers by violating fundamental human rights due to unfair or even hazardous working conditions, employment will not be sustainable.

7. Today, the agricultural sector in developing countries is often predominantly informal, rarely offering formal employment. While rural employment in general chronically neglects occupational safety and health, and shows little investment in human capital and productive capacity, agricultural workers suffer the highest prevalence of poverty and operate in a context of extremely low wages.

8. In the past 30 years, private and public investments in agriculture and rural areas have remained stagnant or have declined in most developing countries. Investments that meet the needs of local, regional and international markets, consider food security and the environment, and create decent jobs for youth, are increasingly required. In order to revitalize rural areas for youth, it is fundamental to secure investments in agriculture, post-harvest operations and agro-industries supporting human capital⁶ development.

B. A territorial approach to development will revitalize rural areas and create decent employment opportunities

9. Approximately half of the world's population resides in small cities and towns and in the surrounding rural areas⁷, something we call here "territories". The territory is a geographical space that includes the environmental, social, political, cultural and economic processes interacting within it. It is a space of governance for human activities and investments. The territory is governed and influenced by a community of actors, dealing with common challenges. They have to define appropriate policies and initiate actions. A territory is not limited to administrative boundaries as it focuses on functional spaces that respond to identified development challenges. Boundaries of a territory hence can be determined by natural, social, economic, cultural or administrative parameters.

10. Against this backdrop, development, including agricultural and rural development, is the combined result of the many drivers and challenges affecting both rural and agricultural economies, including urbanization, globalization, climate change, Information and communication technologies (ICTs) as well as the territorial capital endowment (human, social, economic, environmental and institutional). Hence, a systemic approach provides a more appropriate framework to understand the development potential and the diversity of the response capacity of the territories to the same development objective, policy and shock.

11. However, the potentials and needs of these territories are often overlooked by policy-makers and the private sector. Despite the fact, that it has been shown that the development of rural economies is usually faster and more inclusive when integrated with that of small urban areas⁸, public and private investments are mainly concentrated in larger cities.

12. A territorial approach strives to meet the needs, interests, and values of the people of all generations who live in these "territories", by developing effective and equitable governance mechanisms and development strategies that are local. A territorial approach recognizes spatial diversity as the foundation of any development effort, and adopts natural resource governance, development planning and employment policies to the specificities of different territories and landscapes.

13. A territorial approach also means strengthening bottom-up approaches within a territory. A rights-based approach, which actively promotes inclusive and participatory involvement of local

Session. Geneva: ILO.

⁶ Human capital is the productive wealth embodied in labour, skills and knowledge, created by better education or technical training. Building the human capital of smallholder farmers can raise productivity, increase livelihoods and improve food security when appropriately leveraged.

⁷ SOFA, 2017.

⁸ SOFA, 2017.

communities in governance processes and gives space to young people to express their views, is essential if we want youth to be drivers of change. The approach also takes into consideration the inter-relations and inter-dependencies between social-systems and eco-systems and the need for a multi-sectoral vision to rural development.

14. This systems-approach entails stronger multi-actor and multi-sector coordination at the various spatial levels: local, intermediate, national and global to critically analyse and overcome traditional dichotomies in agricultural development, such as the rural/urban, local/global and transgenerational ‘divides’, which are rapidly changing due to, for example, rural-urban migration, decentralization processes, climate change, or inter-connectedness via new technologies. Building territorial linkages is core to the approach, for example through inclusive value-chains that connect smallholders with the markets of smaller towns, development of territorial markets, expansion and linkages of consumer and producer cooperatives/organizations within territories, or facilitating cross-cultural exchange and skills building among producer organizations of different territories. The integration of youth and youths’ needs and concerns in these processes, and the building of skills for young people to engage in growing territorial economies, are pivotal to create attractive employment opportunities.

C. Young workers are vital partners in rural services

15. Rural services is another aspect that requires attention with regards to youth employment creation in rural areas. Limited access to information, technologies, finance; lack of access to both input and product markets; unfair pricing; difficulties in meeting quality standards; difficulties in adapting to climate change; discriminative access to natural resources are all challenges that those involved in small scale agriculture, forestry or fisheries face. Ensuring equitable access to efficient rural services, with attention to youth-specific needs, will help meet many of these challenges and create new opportunities for revitalizing rural areas. Both age and gender inequities are common and require disaggregated analysis and approaches.

16. Equally important is attention to service gaps, i.e. the difference between farmers' needs or demands, and the existing services offered by different service providers. Filling service gaps can constitute opportunities for youth as potential service providers in their own right, or as employees within the service arms of cooperatives and producer organizations. This is especially true for services requiring a certain degree of education, agility and aptitude for new technologies. Innovative approaches, such as the FAO’s pluralistic Market-Oriented Services approach⁹, help addressing this challenge, with an emphasis on advisory, financial, business and marketing support services and equal access for young women and men.

17. ICTs have a high potential to contribute to the revitalization of rural areas around the globe. The widespread adoption and integration of ICTs reduces information and transaction costs, improves service delivery, helps conserve resources, generates new revenue streams and eventually create new jobs. Youth are evidently ICT-prone and more connected. Globally, 71 percent of young people aged 15–24 use the internet, compared with 48 percent of the total population¹⁰.

D. Green Jobs serve as an effective framework to address both productivity and sustainability in agriculture

18. In the broader context of creating decent work, green jobs are by definition a certain type of work that contribute to preserve or restore the environment. Examples of green jobs in agriculture sector range anywhere from a researcher developing integrated pest management techniques to workers in an “all renewable policy” vegetable processing plant; aquaponics technician to artisanal fisher using culture and environmentally friendly techniques; intercropping push and pull farmer to a

⁹ <http://www.fao.org/3/a-i7249e.pdf>

¹⁰ ITU, 2017.

farmer using drones for precision farming. According to the ILO Green Jobs Initiative, millions of green jobs have already been created across different sectors of the economy and the transition to a greener economy is expected to generate 60 million additional jobs globally over the next two decades. This opens employment opportunities for youth¹¹. At least 45 million new and transformed jobs can be created in green forestry and fishery alone; green agriculture can also yield substantial increase in employment opportunities for youth by 2050¹².

19. There is a range of technologies, some labour-saving, some labour-intensive, that provide opportunities for remunerative green jobs in rural areas¹³. This is particularly relevant to rural youth in low to middle-income countries, as they show the biggest career aspiration gap in the world, and are the most underskilled¹⁴. This means that rural youth want jobs with better conditions, but not enough of such decent work are available, and that most youth do not have the skills for such jobs, because they lack access to training opportunities. Both low-skill and high-skill green jobs in agriculture and rural economic sectors can address this skills mismatch and career aspiration gap, if they are provided together with adequate skills development opportunities.

20. For example, certain agro-ecological practices, such as push-pull farming in Kenya, require approximately 30 percent additional labour power compared to more conventionally used local methods. Nevertheless, it remains profitable because of a reduction in agricultural inputs expenditures and, where available, price premiums¹⁵. Other labour-intensive techniques, such as integrated pest management through skilled labour have shown to increase net profit. As such, because these labour-intensive technologies require higher levels of training and constant monitoring, the opportunities would be particularly suitable for entry-level, low-skilled youth, hired through a public employment programme (PEP) or incentivized as a small-sized start up.

21. Productivity increase is also observed with green agricultural practices that rely on labour-saving technologies, such as no-till cultivation, draught animal use, and mechanised farming. Many green jobs in agriculture – as is the case with green jobs in other sectors such as energy, waste management, construction¹⁶ – rely on innovative, clean technologies. As the usage of recent advances in technology, including ICTs, is increasing in agricultural sectors, it is important that the opportunities for skills development are accessible to rural youth. Such efforts also help diversify work available in rural areas and provide high-skill jobs that are largely lacking in the rural economies. This will, in turn, attract highly-skilled youth back to agriculture related activities. Green jobs for youth are both an engine for, and a result of, revitalized rural areas. FAO is strategically positioned to foster the creation of decent green jobs, as the UN specialized organization of agriculture and rural economies. FAO provides technical and policy support that reflects the particularities of rural areas and agricultural sectors with concepts, tools and methods to maximize the developmental potential of green jobs. This includes concepts such as “Sustainable livestock”, “Save and Growth”,

¹¹ UNDESA. 2012. Green Growth and Jobs for Youth. Accessed through:

<https://www.un.org/development/desa/youth/green-growth-and-jobs-for-youth.html>

¹² FAO. 2012. Green Jobs for Revitalized Food and Agriculture Sector. pp.20. According to the estimations provided in this study, green agriculture is expected to increase employment by 52-59 percent when compared to today's level, while the primary sectors' contribution to the GDP is expected to increase by 20 percent.

¹³ UNEP, ILO, IOE, ITUC, 2008 Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World. According to the ILO definition, jobs are green when they help reduce negative environmental impact ultimately leading to environmentally, economically and socially sustainable enterprises and economies.

¹⁴ OECD. 2018. The Future of Rural Youth in Developing Countries: Tapping the Potential of Local Value Chains.

¹⁵ Khan, Z. R., Midega, C. A. O., Amudavi, D. M., Njuguna, E. M., Wanyama, J. W., and Pickett, J. A. (2008a). Economic Performance of the ‘Push-Pull’ Technology for Stemborer and Striga Control in Smallholder Farming Systems in Western Kenya. *Crop Protection* 27: 1084-1097. Cited from FAO 2012.

¹⁶ These particular sectors are mentioned because of their promising potential green jobs creation, according to the Green Jobs Programme of the ILO. At the same time, locally produced and consumed sustainable energy (green energy) and sustainable waste management (green waste management), and roads and buildings (green construction) also form the basic infrastructure which are lacking in many rural areas.

Integrated Pest Management strategies, Push-pull systems, “Agroforestry”, Fertilizer Tree systems, Evergreen agriculture, Conservation Agriculture, and “Agroecology”. FAO can also build on its Economics and Policy Innovations for Climate-Smart (EPIC) programme, on its Sustainable Food Value Chain development (SFVC) programme, as well as the Mitigation of Climate Change in Agriculture (MICCA) Programme.

III. Recommendations

1. Strengthen investments in human capital with emphasis on youth for the use of innovative practices and technologies in agriculture

Investments for rural development, inclusive of agriculture and related value chains, should include, if not prioritize, investments in human capital, with emphasis on youth as the new entrants to the labour market of the local/national economy. Without a trained labour force, innovative and efficient technologies will not be used to their full potential for increased productivity and value-addition, agriculture will not be an attractive destination for inward investment and the rural world will remain a place young men and women want to leave.

2. Promote the notion of “territorial development” to vitalize rural areas and create local employment opportunities for youth

Territorial approach to agricultural and rural development should be pursued to better tailor policies and investments to the diverse characteristics of territories. Some evidence suggests that territorial programmes can unlock the often hidden development potential of territories and generate long term self-sustaining development and employment, provided that local stakeholders are empowered to fully participate in decision making and planning and a conducive environment is established to encourage private investors to engage in disadvantaged areas. This requires a good combination of multi-level governance systems, infrastructure development, territorial information systems to monitor the impact of the programmes, and innovation development (both social and technological)

3. Innovate in the provision of and engagement in services for youth in rural areas

Youth employment creation in rural areas requires services adapted to the needs of young people, whether they are agripreneurs, self-employed workers or involved in wage labour. Innovation is needed for the engagement of youth in rural services both as users and as potential providers. FAO’s Market-Oriented Services approach integrates different services and proposes systemic interventions based on a thorough understanding of diversity, capacities, needs, constraints and challenges, the plurality of actors involved and the policy environment. The potential offered by the democratization of ICTs can also be better used by FAO to provide services to young people in rural areas.

4. Foster the development of a Green Economy in rural areas

FAO’s expertise as the specialized UN agency in agriculture, natural resource management, and rural development, with technical expertise in climate change related matters, should be fully utilized to support inclusive forms of rural transformation and, notably develop rural green economies. This will create attractive jobs for youth and contribute to a revitalization of rural areas. There is potential for closer collaboration with UNEP and ILO, and FAO can become a member of the UN consortium Partnership for Action on Green Economy (PAGE).

5. Renew the 2012 study on Green Jobs for a Revitalized Food and Agriculture Sector¹⁷

Recognized globally for its content, the study assessed (i) the expected increase in productivity through greener practices across agricultural sectors; (ii) expected contribution of Green Agriculture to the Green Economy and global GDP; and (iii) expected number of green jobs created per agriculture and farm economy subsectors that adopt green practices. As the first generation of analytic research on Green Economy (mostly conducted around mid- 2000's to early 2010's) is being replenished by various custodian agencies and institutions, FAO's evidence on the role of agriculture and rural economy in Green Economy should also be updated.

Suggested action by the Committee:

The Committee is invited to:

- Endorse the five recommendations proposed in this paper;
- Support a greater leadership for FAO in assisting countries in creating decent rural employment and green jobs.

¹⁷http://www.fao.org/fileadmin/user_upload/sustainability/pdf/FAO_green_jobs_paper_March_31.pdf