The role of the private sector in the promotion of rural youth employment

*FAO, Private & Public Sector (Regional Authorities) Cooperation*

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Introduction

- For a number of different reasons, *it is incumbent upon today’s private sector to form close partnerships with youth around the world*

- The private sector conceive *young people* not only as programme beneficiaries and corporate social responsibility targets, but also as *partners in economic development efforts and fellow leaders in the pursuit of the MDGs and beyond*

- Today’s *large youth working-age population* presents challenges for many countries, but with appropriate policies and initiatives in place, Governments jointly with private sector’ actors can turn this challenge into a *powerful force*
Who is a youth

- The UN, for statistical consistency across regions, defines ‘youth’, as those persons between the ages of 15 and 24 years, without prejudice to other definitions by Member States.

- The National Youth Development Policy of Tanzania defines a youth as ‘a boy or girl who is in transition from childhood to adulthood’. The policy adopts the definition of youth as declared by the United Nations, which defines a youth as a person aged between 15 to 24 years.
Youth Status in the world and Tanzania

- The rate of unemployment among the youth in the world is gradually increasing

- Very few countries in the world are investing on youth and *private companies are massively increasing their businesses, with little absorption of youth in the sector*

- Public and private companies in the world need to come together in the creations of youth employments by establishing programmes / initiatives that would attract more youth in the agro sector

- In Tanzania youth covers 17 percent of unemployment as compared to 12.9 percent of the general unemployment rate. In Zanzibar, the youth unemployment rate is estimated at 20 percent (HBS 2004/2005)
In rural Tanzania most of youth are employed in subsistence agriculture and family based livelihood activities such as:

- Handcraft, shops, fishing, seaweed farming and tailoring. Agriculture being the biggest employer of the rural population.

Its performance is suboptimal due to several factors, which include:

- Weather conditions, low use of improved agricultural technologies, poor extension and marketing systems, infrastructures etc.
The emerging importance of youth to the private sector

- Because human capital is something that must be acquired steadily and cumulatively, its development must begin at an early age, before the window of opportunity closes, this should not imply, however, that engaging young people is the responsibility of Governments alone.

- The private sector has an important role to play in this process, but it also stands to gain amply through it.

- In spite of the high increase of youth underemployment and unemployment, many countries still under-invest in young people.

- Although agriculture investment yield higher returns when it is implemented among younger populations, many countries still focus most of their spending on other programmes/initiatives.

- Underinvestment in young people’s human capital development leads directly to the replication of socio-economic inequalities, which almost always extend into adulthood.
Challenges that youth face in employment market in Tanzania

- Youth participation in the agricultural sector in Tanzania is declining

- The sector is perceived as unattractive, due to risks, costs, low-profitability and its labour-intensive nature

- Rural youth often have limited access to educational programmes that respond to skill needs in agriculture

- Despite their big population size, rural youth have limited social and political power. Adults, and especially adult males, tend to dominate decision-making at all levels in traditional societies

- Difficult access to land, lack of financial services tailored to their needs

- Lack of incentives and poor infrastructure and utilities render agriculture and the rural setting as a whole unattractive to youth
It costs not investing in youth

- The magnitude of unemployment and poverty in Tanzania is still a fundamental problem.

- The economic growth that is currently taking place in the country (about 6% – 7% per year) has not been able to generate adequate employment and income generating opportunities to absorb net increases to the labour force and reduce the proportion of the labour force.

- Under investment in young people’s human capital development leads directly to the replication of socio-economic inequalities, which almost always extend into adulthood.

- Moreover, when youth potential goes underutilized, it can become quite costly, not only for the individual, but also for the society at large.
Efforts made by Tanzania Government to create youth employment opportunities in the agriculture sector

- Creating favorable policy and legislative environment for attracting domestic as well as foreign investments to increase employment opportunities

- The current process of the Ministry of Labour to develop a National Youth Employment Creation Program
The emerging importance of youth to the growth of the private sector

- Rural youth are the future of the agricultural sector, as assessed in different reports, they have greater capacity for innovation and entrepreneurship than adults.

- *Currently, the private sector has absorbed much of the responsibility for the production and processing functions.*

- The agricultural sector is linked to the non-farming sector through its associations with agro-processing, and consumption and export as well as through the provision of raw materials to various industries and by acting as a market for manufactured goods.

- *The private sector’s approach to engaging with youth also extend beyond conventional corporate social responsibility.*

- *It has become very useful that private organizations now start incorporate young people into their core business strategies.*

- Doing so will yield high agricultural and economic returns, both for individual companies and the society at large.
Cooperatives in Tanzania have a big role in the agriculture sector.

- Cash crops growers use cooperative societies as the only marketing gateway.

- Cereal crops growers are struggling to form primary and unions cooperative societies for the same purpose.

- More SACCOS are formed and turn to view and support its member on agriculture.

- Madibira SACCOS in Mbarali district is cited as the best example, also UCORPRCOS in Mvomero district.
Why using the cooperative model in rural youth employment creation?

- The seven cooperative principles play a pivotal role in organizing youth and put them together.

- Cooperatives and their members are commended in making discoveries on new agricultural products.

- Human resource development is one of the key factors guiding cooperative development. The cooperative Act No 20. of 2003 keeps it clear.

- Member empowerment programs aspect is insisted by cooperative model; that transform cooperatives become genuinely member-driven.

- Internal finance and institutionalization of the cooperative system through the SACCOs, cooperative Banking and insurance (TFC plans to establish Cooperative banking and insurance) are critical instruments for member economic development.
Why using the cooperative model in rural youth employment creation? (cont.)

- Cooperatives are critically recognized by the *Cooperative Development Policy of 2002*, as important institutions for the mobilizations of population into associative economy as a strategy for the reduction of income poverty.

- Cooperative business is not only associative and inclusive, but it is also based on human values of self help, promotion, equality, equity and democracy.
Efforts made by TFC to generate rural youth employment

- With little resources TFC and its members have made some efforts to help the government in creations of rural youth employment, for example, the Wazalendo SACCOS is managing a secondary school where cooperative subjects are being tested in the curricula.

- Kilimanjaro Cooperative Bank is promoting sports among youth to solicit customers and engage youth in the agriculture sector.

- Karansi Primary Cooperative Society is promoting diary and coffee development projects where youth have been involved as ordinary farmers. Tanga Diaries Cooperative Union implement a Pingoni Youth Project where a lot of young people got employment and drastically improved their livelihood.

- TFC in collaboration with FAO implements a rural youth employment creation initiative in various regions where a number of young people aged between 15-25 years who finished their primary and/or secondary education (but without appropriate “employable” skills) are trained in agriculture & life-business skills using the Junior Farmer Field and Life Schools (JFFLS) methodology. In 2011 TFC in collaboration with FAO trained about 30 youth coming from various regions from Tanzania Mainland and Zanzibar, in 2012 TFC and FAO trained 18 young people from Tanzania Mainland. These young people are trained to become trainers.
Adam Athman from Kipunda AMCOS in Singida (a product of this kind of training) has been very successful and has managed to organize his fellow young people to create a farming group which they intend to register a cooperative society.

Success story

Giving youth an opportunity to sit together can make them foster their creativity and innovativeness that could bring great change in agriculture.
Success story (cont.)

- After the training Adam went back to his region and sensitized / mobilized and trained 150 youth in his area
- He taught them agriculture and life-business skills
- Later they formed a youth group under the umbrella of the existing Primary cooperative society which is affiliated to the Tanzania Federation of Cooperatives (TFC)
Conclusion

- Youth transitions require working across many sectors, yet Tanzania take a coherent approach to establish clear lines of responsibility and accountability for youth outcomes.

- As the Tanzania Government creates a sound environment for more private investment in agriculture (for example with the SAGCOT) private institutions stands at a very important angle in promoting youth employment.

- Youth development programmes need to be expanded and it is recommended that a multi-sector approach is adopted. This requires close coordination and partnerships between a wide array of public and private organisations.

- Encouraging constructive youth participation across different segments of the society is a necessary step towards ensuring the growth and sustainability of a country’s agricultural activities and general agribusiness environment.
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Youth employment in agriculture

Asante sana
Thank you
http://www.ushirika.coop/index.php

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