

FAO assessment of proposal 2.1.4. Promoting youth employment in food systems, sustainable rural transformation and territorial approaches (SDG2 <-> SDG 8)

Background:

- FAO welcomes the proposal referring to the engagement of CFS on the theme of youth employment and sustainable rural transformation.
- The theme is of critical importance because current and future employment challenges globally are staggering. Frequently quoted numbers indicate that globally there are about 10 million people entering the labor force each year, most of them in developing countries. In addition there are today about 200 million people unemployed while 45 percent of total employment is in low paid informal or seasonal jobs.
- CFS has a crucial role to play in addressing such a challenge in view of the fact that underemployment or lack of any employment opportunities is pervasive in agriculture and rural areas compromising the capacities of people to access food, increases poverty and most importantly undermines rural and agricultural development.
- CFS need to be engaged in the topic by identifying bottlenecks and providing policy guidance that will address challenges in agriculture and rural labor markets. In these way decent employment opportunities, in agriculture, rural areas or elsewhere can be generated for youth entering the labor force in the years to come.

Recommendation:

- For effective engagement in this topic, a number of adjustments need to be made in the proposal. In this way the Committee will be able to address issues based on solid evidence, which reflects real challenges and the Committee will contribute to the challenge by providing effective guidance to all stakeholders.
- The Committee needs to inform stakeholders about the particular characteristics of employment in agriculture and the challenges resulting from missing or non-well-functioning labor markets in order to be able to engage effectively.
- Specifically, there is a widespread perception that refers to the low labor productivity in agriculture. This perception is based on assumptions and extrapolations regarding the daily, weekly or monthly information reported by farmers on their working patterns on farms.
- Newly published evidence that uses detailed information on hours worked indicates that this is not the case. Labor productivity in agriculture by accounting actual hours worked is close and in some cases higher than productivity in industry or manufacturing.
- Productivity per person per year low in Agriculture vs non-agriculture (1/3.5). Productivity per person per hour worked in Agriculture vs non-agriculture not so different (1/1.5), so very similar as shown in (Figure 1) given number of hours worked per year in Ag/nong Ag= (1/2.6).
- Typically, farmers supply much less time yearly in agriculture relative to other sectors every year (figure 2). The seasonal character of agricultural activities is responsible for the widespread misconception on the low productivity in agriculture. This misconception evidently over the years has influenced policies and programs in many countries quite likely in the wrong direction.

Summary:

- FAO supports the proposal on youth employment and sustainable rural transformation as long as it is adjusted to reflect challenges in agriculture and rural labor markets. FAO considers that if such challenges are properly addressed in the context of CFS, all stakeholders will be able to effectively design and implement policies and programs that will promote youth employment in agriculture and food systems and advance sustainable rural transformation.
- FAO suggests that the proposal should be adjusted to reflect on the following set of critical issues:
 - o The Committee needs to assess and inform stakeholders about employment challenges in agriculture and food systems based on solid evidence. This includes improved understanding of characteristics of labor markets and the implications resulting from their absence or failures;
 - o Two important challenges: (a) allocation of labor across sectors, and (b) seasonality of agriculture require more flexible labor regulations (example of Peru)
 - o The Committee will need to work on shaping solutions, suggest tools, and propose frameworks or guidelines that will be able address challenges emerging from labor market failures or missing labor markets in order to provide guidance to its stakeholders on how agriculture, food systems and rural labor markets can provide more and better jobs for youth.

Figure 1. Productivity by sector¹

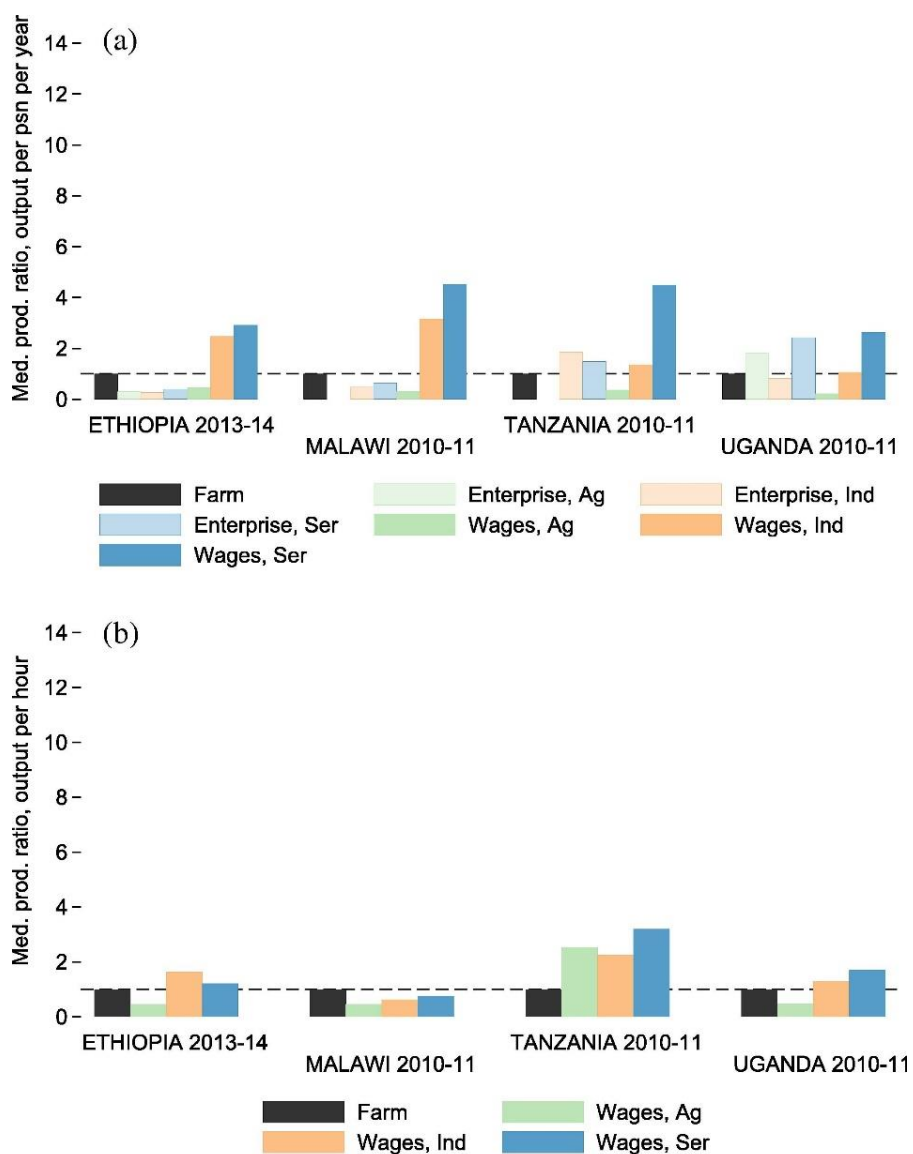
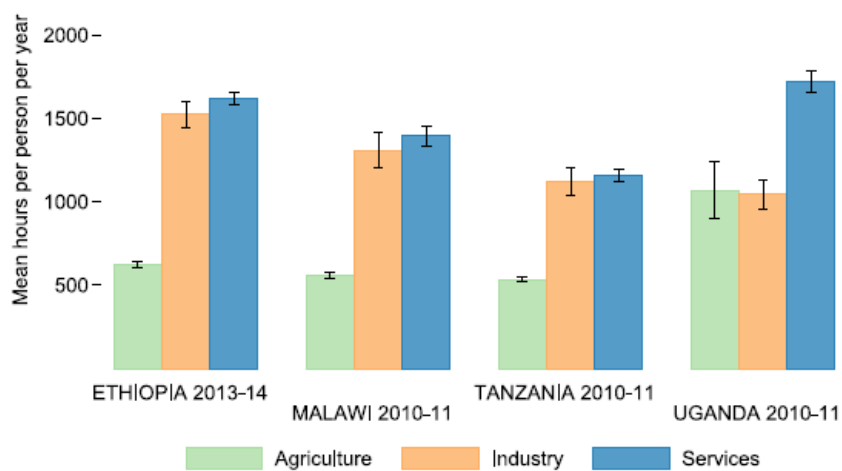


Figure 2. Average hours worked per year by sector participants²



¹ McCullough, E., Labor productivity and employment gaps in Sub-Saharan Africa, *Food Policy*, 67 (2017), pp. 133-152

² McCullough, E., Labor productivity and employment gaps in Sub-Saharan Africa, *Food Policy*, 67 (2017), pp. 133-152