

RURAL YOUTH EMPLOYMENT: CHALLENGES AND OPPORTUNITIES

[Based on Synthesis paper by World Bank and IFAD for G20 DWG]

Presented by

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CFS Side Event: Rural Youth Employment and Entrepreneurship for Food
and Nutrition Security

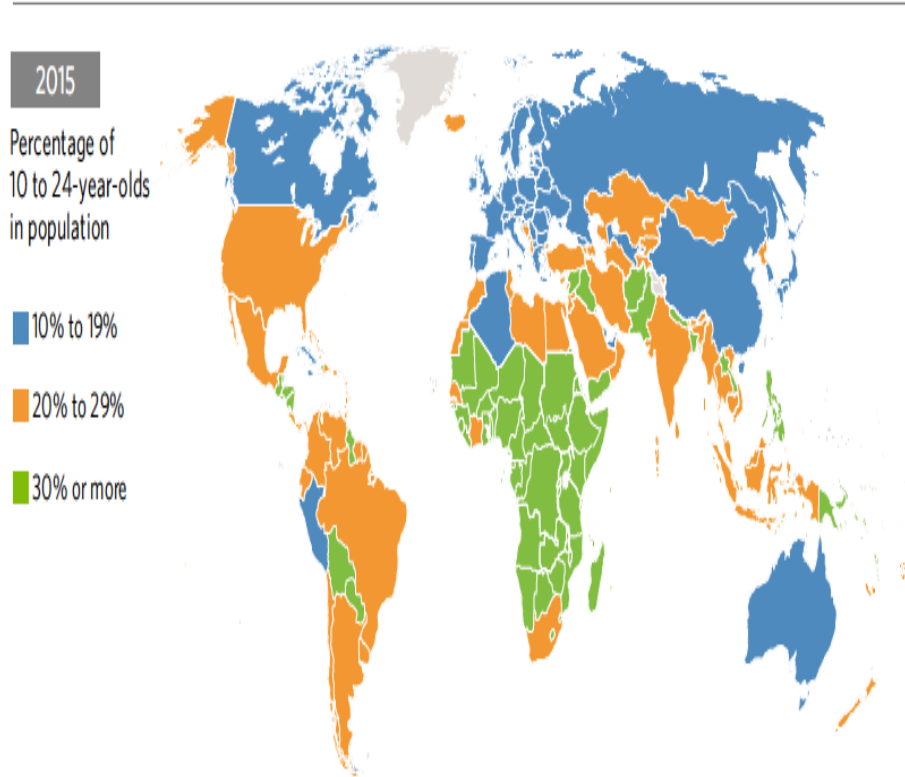
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OUTLINE

- **Why** focus on rural youth employment?
- **Where** are youth employment opportunities?
- **What** can be done to increase rural youth employment?
 - ✓ How can the food system provide ***more jobs***?
 - ✓ What can be done to increase the ***quality of jobs***?
- **What** matters for prioritization?

WHY FOCUS ON RURAL YOUTH EMPLOYMENT?



1.2 billion youth

- Large share of population in many countries, growing in SSA

10-30% youth unemployment rate

- Youth 2-3 times more likely than adults to be unemployed

Most youth live in rural areas...

- ... in low and middle income countries

- An unprecedented number of young people will enter the labor market, 440 million in Africa Alone!
- Can this be turned into a demographic dividend?

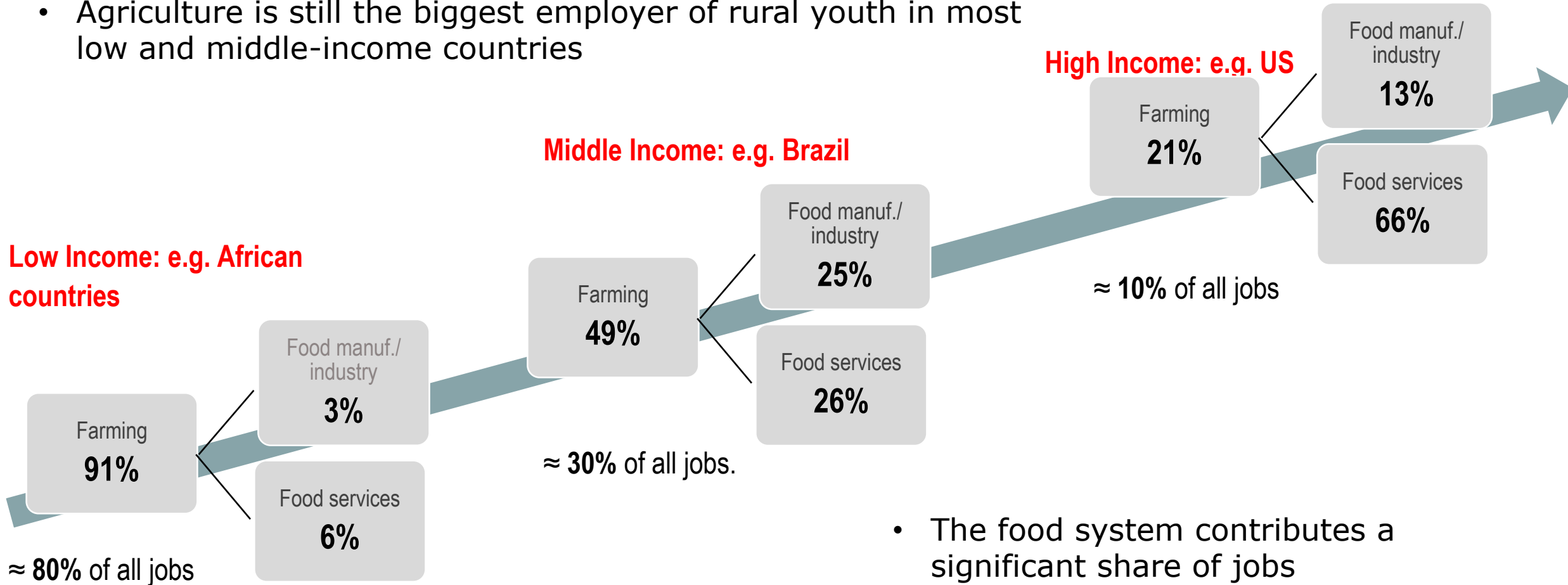
WHERE ARE EMPLOYMENT OPPORTUNITIES?

- Countries are experiencing processes of Structural Transformation (ST)
- Traditional pathways of ST through labor intensive manufacturing not available for LDCs
- In developing countries, employment opportunities for youth are, and will be, in the rapidly transforming agriculture-food systems (AFS)
- Since young people have higher propensity to embrace innovative technologies, the trends in new innovations in AFS – in particular in ICTs - offer new opportunities for youth.

OPPORTUNITIES IN THE AGRICULTURE-FOOD SYSTEM

Share of Jobs in the Food System

- Agriculture is still the biggest employer of rural youth in most low and middle-income countries

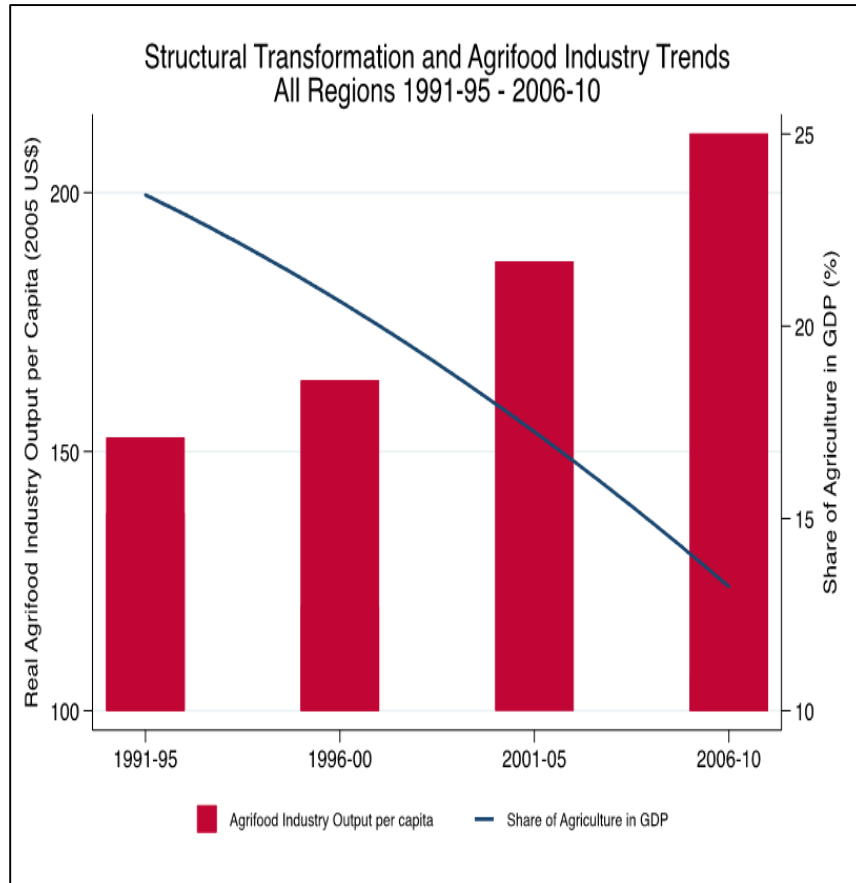


- The food system contributes a significant share of jobs

Source: Derived from Tschirley et al (2015); Moreira et al (2016); and USDA

OPPORTUNITIES IN THE AGRICULTURE-FOOD SYSTEM

Why Food Systems Jobs matter?



- Food Systems transformation accompany ST and offer more job opportunities beyond farm production
- New technologies are shaping how value chains are organized, offering new opportunities, specially for youth

Source: IFAD Rural Development Report (2016)

HOW CAN THE FOOD SYSTEM PROVIDE MORE JOBS?

FRAMEWORK AND CONTEXT FOR JOB CREATION

Key Factors

Initial size of food value chains

Projected growth in food demand

Relative degree of employment intensity

Degree of inclusion of youth and women in the food system



Jobs created in the
Agriculture-Food
System (AFS)

WHAT CAN BE DONE TO INCREASE AFS JOBS?

Spectrum of **Action Areas** in the Food System to **Deliver more jobs**

1. Promote **growth** in Food Value Chains
2. Ensure that Policies don't undermine **employment intensity**
3. Facilitate the **inclusion** of women and youth

1. Actions to promote **growth** in value chains

1.1. Infrastructure



1.2. Agricultural productivity



1.5. Upgrade skills to facilitate food systems transformation



1.3. Improve the rural business climate



1.4. Competition & private sector





1.1. Invest in complementary infrastructure

- Current lack of infra-structure constrains farm and non-farm employment growth in food systems
- Different types of infrastructure **benefit women and men in different ways** (water and energy are particularly important to increase women's time savings)

- 1** Integrate youth and women for local prioritization, planning and design of rural infrastructure investments (Malawi Forum; Peru Rural Infrastructure Program)
- 2** Include skills development and support to microenterprises in public infrastructure programs (Rehabilitation & Community-Based Poverty Reduction Project in Sierra Leone, the Peru Rural Roads Project);
- 3** Support the expansion of alternative energy (e.g. solar and biogas) in areas with no electricity connectivity;
- 4** Encourage entrepreneurship in ICT related activities (including considerations for start-up, or roll-out grants)



1.2. Raise agricultural productivity and climate resilience

- The fortunes of rural economic activity depend on agriculture performance.
- For long term sustainability of food systems a more Climate-Smart Agriculture will be needed

- 1** Scale-up climate smart-agriculture and promote sustainable management of water and land
- 2** Invest in appropriate agricultural research and technology adoption, and skills development for youth to engage in green jobs;
- 3** Promote irrigation investments and facilitate farm diversification, depending on context
- 4** Ensure that young women and men have equal access to productive resources and services (e.g. working with governments on laws and regulations, educating community leaders).



1.3. Improve the rural business climate

- Local fees, licenses, registration procedures, and taxes can be disincentive for local enterprise development and trade
- Political **stability and peace** matter

- 1** Promote local, cross-border and international trade (reduce local taxes, including payments at road blocks, ease procedures)
- 2** Reduce entry barriers to the formalization of local enterprises;
- 3** Work to improve connectivity with markets, improve access the services, and strengthen business skills;
- 4** Facilitate decentralization with adequate national budget transfers and fiscal decentralization policies that attract rural enterprise to invest and participate in markets



1.4. Promote competition and private sector participation

- **Need to Reduce transaction costs and risks** in agricultural markets
- Government programs that consider opportunities for private sector inclusion and service provision (inputs, credit, etc.) **need to ensure smallholder benefit** from those programs

1 Balance investments in public goods and services to attract the private sector into agricultural value chains; and direct government participation in the absence of private sector activity

2 Use of E-vouchers programs to improve targeting and reduce costs. The Nigerian and Rwandan governments have partnered with mobile operators to digitize voucher distribution of subsidized seeds and fertilizers in remote areas



1.5. Upgrade skills to facilitate food system transformation

- Curriculum of agriculture universities are geared towards agricultural production technology.
- ... Not in line with the new technology landscape that is part of the evolving food systems.

1 Incorporate more entrepreneurial and technology content in Training Curriculum and strengthen staff capabilities.

3 Improved accessibility through distance learning via digital technology

2 Encourage education institutions to develop food hubs and incubate development of business ideas;

4 Supplement investments in higher education with more attention to TVET training to build the skills in the broad food system beyond food production

2. Ensure Policies don't undermine **employment intensity**

2.1. Promote high-value agriculture in response to shifting demand



2.2. Policy Considerations on Mechanization





2.1. Promote high-value agriculture in response to shifting demand

- Change in diets to higher value and processed products is leading to **growth**
- Percentage of people employed in downstream stages of African food systems projected **to rise as a share** of total employment.

- 1** Remove price policies that are biased against production of high-value non-cereal crops with high employment intensity.
- 2** Remove or reduce restrictions on land use for greater crop diversification that expand rural youth employment prospects
- 3** Promote infrastructure and investments in technologies to support high value crops (higher yield varieties, cold storage e.g. Specialty Fruits, etc.)
- 4** Adopt market based approaches to support smallholders, e.g. out-grower schemes or other forms of vertical coordination.



2.2. Policy considerations on mechanizations

- Low levels of mechanization create **negative perceptions among youth** for a career in agriculture.
- In some environments with excess labor supply, there may be a “dilemma” to balance machinery and labor.

1 Removal of import restriction to reduced the cost of imported machinery (Bangladesh).

2 Use ICT to better match supply of tractor services with demand from farmers (e.g. ‘Hello Tractor’, Nigeria)

3 Do not promote machinery in environments with no/limited access to markets and low returns to machinery use;

4 Combine access to machinery with training, and finance

3. Facilitate the inclusion of women and youth

3.1. Develop Skills and facilitate job matching



3.2. Facilitate access to land



3.3. Increase access to affordable finance



3.4. Improve inclusion in policy dialogue and program design





3.1. Matching skills development to market needs

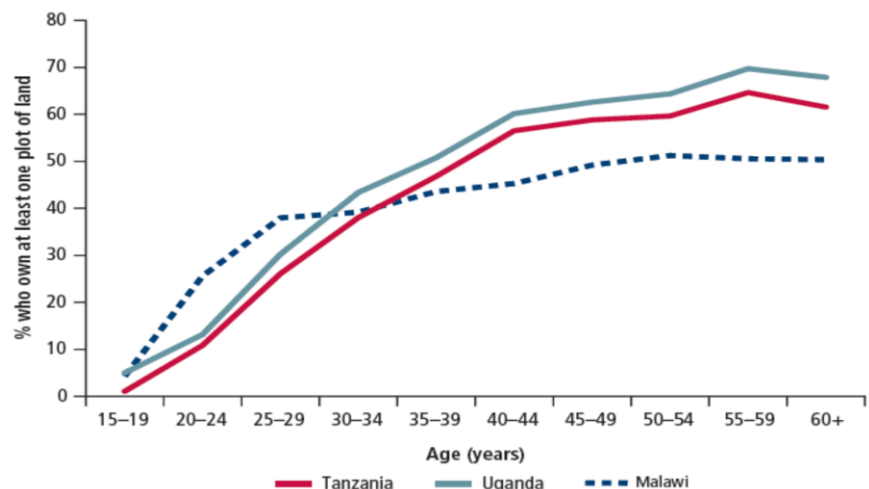
- **Mismatch** between education / training and labor market demand
- Programs strictly focused on training do NOT work

- 1 Scale up programs designed to provide adolescents the skills needed for agricultural entrepreneurship (FAO's Junior Farmer Field and Life School)
- 2 Combine technical and business training with mentorship and counseling
- 3 Use ICT to link young farmers with agricultural extension specialists
- 4 Package TVET programs with geographically targeted transport subsidies to enhance the ability of rural youth to take up jobs in secondary towns
- 5 Establish a comprehensive approach to skills for rural youth to enable transition from school to work
- 6 Leverage pre-existing school feeding programs to reduce school drop outs and raise educational attainment.



3.2. Facilitate access to land

Land Ownership by Age Group



Source: Filmer and Fox (2014)

Youth do not typically own land; and it is even more difficult to acquire for young women

- 1 Use ICTs to establish digital land registries
- 2 Remove constraints on land rental markets and facilitate redistribution of unused and underutilized land (Liberia)
- 3 Strengthen land rights for women (land inheritance rights, individual titling and joint titling).
- 4 Facilitate intergenerational land transfers coupled with social protection for elderly landowners controlling community land.



3.3. Facilitate access to affordable finance

- Informal financial activity dominates in rural areas
- Commercial banks find it financially unviable to operate rural offices
- Mobile money platforms are transforming rural finance

1 Encourage the creation of mobile money platforms (collaborations between governments, central banks and telecom partners)

2 Implement and utilize biometric identification for opening bank accounts for rural youth

3 Replicate and scale programs that combine access to financial services with advice or mentoring, targeted at rural youth;

4 Build on existing youth savings groups that could also offer credit.



3.4. Facilitate inclusion of rural youth in policy and program design

- Rural youth, in particular **are often excluded** from policy-making processes
- Policies often fail to reflect **the diversity of youth**
- Youth **need skills, resources and space** to participate, contribute and influence

1 Build individual and organizational skills and capacity of youth making use of ICTs and interactive tools.

2 Support youth participation in decision making processes of **producer organizations** (Togo/Nepal)

3 Facilitate systematic engagement of Rural youth in **policy dialogue and program design** (Brazil)

4 Support governments efforts to design and implement **national youth policies**, including:

- In consultation with Rural Youth
- Coordination across ministries for policy coherence

WHAT CAN BE DONE TO INCREASE THE QUALITY OF JOBS?

Spectrum of **Action Areas** in the Food System to Deliver **Better Quality Jobs**

1. Raise **Incomes**

- Increase returns to labor

2. Improve **Stability** of Jobs

- Promote farm diversification to reduce seasonality in jobs/incomes
- Support social protection and safety net programs, and access to services

3. Improve **Working Conditions**

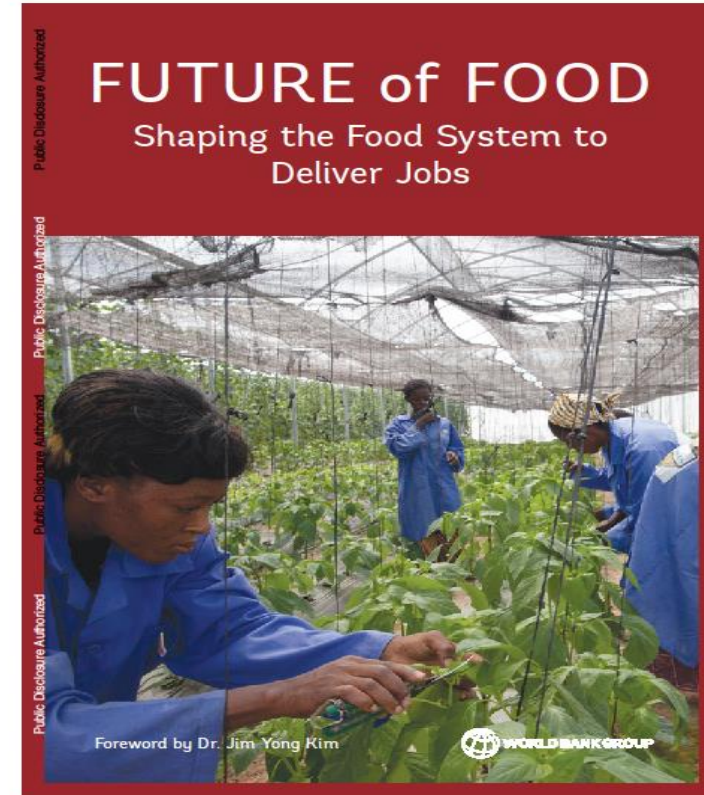
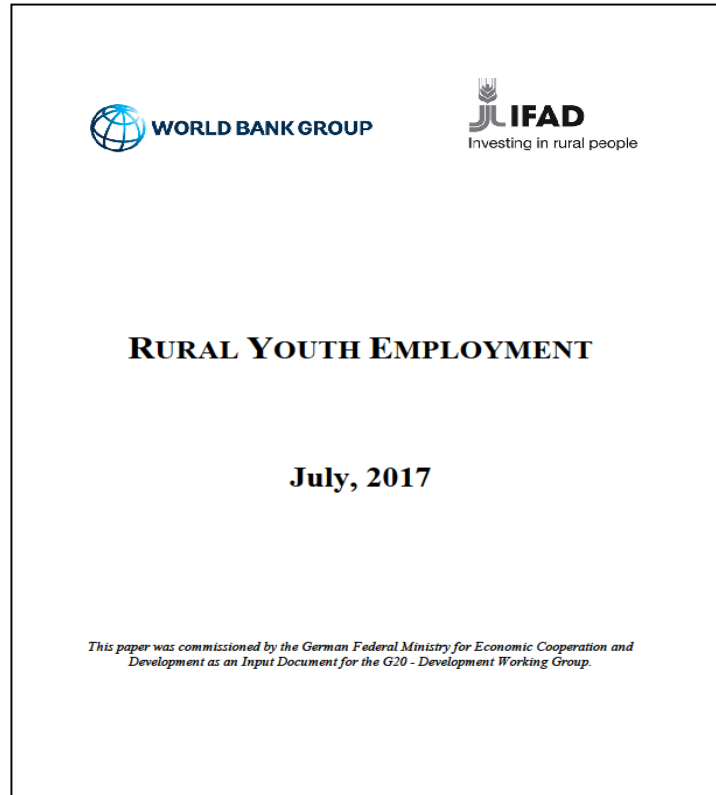
- Strengthen labor policies and institutions to protect rural workers
- Reduce misuse of chemical inputs, and improve working conditions in AFS
- End Child and forced labor

WHAT MATTERS FOR PRIORITIZATION?

Priorities **vary by context**, dependent on whether...

- ...the county or area is **agriculturally dependent or transforming**
- ...youth are being **pulled or pushed** out of farming
- ...the region is **lagging or leading**
- ...land is **abundant or scarce**
- ... **basic education** has reached rural youth

PUBLICATIONS FROM WORLD BANK AND IFAD



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