

One pager agricultural transformation & inclusive development
May 2016

Agricultural transformation and agribusiness in Africa: how can jobs for women and youth be created?

On 23 May 2016, INCLUDE will co-host the panel '[Jobs for women and young people – the transformative potential of agribusiness](#)' at the African Development Bank (ADB) [annual meetings](#). In preparation for this event INCLUDE will launch a series of one pagers on Africa's agricultural transformation and how it can be made inclusive for women and youth. This one pager introduces the concepts of *agricultural transformation* and *agribusiness* and identifies the key challenges in making both inclusive.

The role of agribusiness in agricultural transformation

Transforming Africa's agricultural systems is seen as key to development in Africa, although for many different reasons. At the 2015 ADB conference 'Feeding Africa' several issues such as poverty, malnutrition, unemployment, lack of exports, lack of agricultural productivity and lack of involvement in international value chains [were mentioned](#) as reasons why agricultural transformation is needed. Despite this consensus on its importance, agricultural transformation is an ambiguous concept. Some documents that provide insight into how agricultural transformation is framed are:

- The ADB's [concept note](#) on 'Feeding Africa' emphasizes the importance of increased agricultural productivity and linkages to domestic and foreign markets, the self-sufficiency of African nations in food production, tackling the massive unemployment of youth and women, poverty eradication and strong private sector participation.
- The African Centre for Economic Transformation's '[Growth with depth](#)' calls for the growth of African economies by combining economy diversification, export competitiveness, increased productivity, technology upgrading and human economic wellbeing.
- Dalberg's '[Transforming Africa](#)' identifies three pillars of transformation: inclusive and sustainable industrialization, modernized agriculture, and investment in infrastructure and energy.

Discrepancies among the definitions, goals and outputs of agricultural transformation are not surprising given the range of issues the concept is related to. Furthermore, most policy documents lack a clear understanding of what transformation means in practice. A structural transformation can [combine](#) three aspects: a reallocation of resources to sectors that offer the most benefits, a process of technological innovation, and an accumulation of knowledge and capabilities. *Agricultural transformation*, therefore, involves restructuring the sector, a focus on activities and interventions that raise productivity, and the modernization of agriculture. Important [preconditions](#) for this transformation are the stability of the political economy, the long-term consistency of policies and an acknowledgement of the importance of public investment.

The proposals for transformation resemble the [liberalization policies](#) in East Asia in the 1980s, particularly in the focus on [agribusiness](#). *Agribusiness* entails a shift to demand-driven agricultural development, in which the entire value chain plays a critical role. Agribusiness value chains involve value addition in the entire value chain system, from providing inputs to farmers to connecting them to consumers through general handling, processing, transporting, marketing and distribution of agricultural products. To assess the development of agribusiness, the World Bank Group has developed a [framework](#) containing progress indicators to assess: quality and trade of seeds, fertilizer, machinery, financial capital, markets and transport in agriculture.

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The INCLUDE one pager series builds on employment as a prerequisite for personal and societal development. Yet employment is about more than just having a job. Being well paid, participating in a healthy working environment and experiencing job security are some of the issues that are important for decent employment. The one pagers focus on the idea of '[decent employment](#)', which encompasses full and productive employment, rights at work, social protection and social dialogue.

The challenge of inclusive agribusiness

Africa is [already](#) experiencing increased production in agriculture. Several programmes, such as Purchase for Africa, show [promising results](#) in terms of high yields, productivity and market access. Yet the results are mixed, particularly across regions. For instance, reduced poverty in [Ghana](#) has partly been ascribed to increased investment in agriculture. On the other hand, many farmers in [Rwanda](#) have not benefited from modernization. One-size-fits-all approaches for Africa are not working because individual countries have different circumstances and needs. For instance, the [World Bank Group report](#) shows that Kenya performs better than Mozambique in providing finance for agribusiness, while Mozambique provides better market access. Therefore, to make agribusiness inclusive means being context specific in designing policies.

It remains to be seen if agribusiness will be the [panacea](#) for Africa's agricultural transformation. More importantly, can agribusiness lead to inclusive transformation, as structural transformation and inclusive development [do not always go hand-in-hand](#), particularly if a lens of inclusiveness is not applied. Inclusive development and wellbeing need to be incorporated into goals for agricultural transformation, particularly as agricultural transformation is [more likely to be successful](#) when focused on inclusiveness.

This series of one pagers will assess how an inclusiveness lens can best be applied. It does so in the form of four briefs on the most pressing issues of inclusive agribusiness:

- [Job opportunities for youth in Africa's agricultural transformation](#): Employing the bulk of youth in Africa is frequently mentioned as one of the objectives of agricultural transformation and there are many policy suggestions for how to promote youth employment. This one pager looks at several alternatives to promote youth employment.
- [What works to empower women in agriculture](#): Although a large number of African women work in agriculture, they do not always earn equal wages as men, nor do they have equal access to resources. Therefore, the (entrepreneurial) potential of women is not fully realized. This one pager explores how agricultural transformation can improve employment opportunities for women by making better use of their potential.
- [The role of inclusive value chains in Africa's agricultural transformation](#): To create and improve jobs for women and youth in agriculture we need to revise their positions in value chains, particularly by looking at the role of smallholder farmers within these chains. How these value chains can become more inclusive is the topic of this one pager.
- [The importance of social protection for Africa's agricultural transformation](#): A favourable investment climate for agriculture requires protection from the negative results of risks taken and external shocks. This one pager outlines how to create an equitable and financially sustainable protective environment.

The series concludes with the one pager '[A policy agenda for inclusive agricultural transformation in Africa](#)', containing INCLUDE's recommendations for an inclusive policy agenda on Africa's agricultural transformation.

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Weblink: <http://includeplatform.net/downloads/agricultural-transformation-agribusiness-africa-can-jobs-women-youth-created/>