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KNOWLEDGE PLATFORM ON INCLUSIVE DEVELOPMENT POLICIES

Report of the INCLUDE/AfDB policy panel

'Jobs for women and young people: The transformative potential of agribusiness'

23 May 2016

Lusaka, Zambia



Highlights

- The challenges that hinder agribusiness development and agricultural transformation in Africa are widely acknowledged and include lack of access to appropriate technologies, lack of access to finance, and constraints on securing access to, ownership of and use of land, especially by women and youth.
- Gender inequality is one of the key challenges to exploiting the potential of agribusiness in Africa. This is evident in the unequal access to productive assets, such as land, especially by women. A gender responsiveness agenda is important to the attainment of human development goals, reduction of inequality and development of agribusiness.
- Because youth are heterogeneous and do not want to be merely described as 'youth', strategies targeting the diverse interests of youth may be useful to enable them to exploit their full potential in agribusiness and other economic activities.
- To make agribusiness a viable and attractive venture, especially for youth, interventions aimed at changing mind-sets through training and support have enhanced young people's participation in agribusiness and promoted productive employment.
- Collaboration between different actors in the agribusiness value chain at national, regional and local levels is important to address constraints in the sector and share ideas and successful experiences to create productive jobs.
- To influence policy, researchers should understand the policy context, generate rigorous evidence, establish a network of policy actors to engage with, and come up with appropriate avenues for dialogue with policy actors. Interest and willingness on the part of policymakers to address youth employment challenges through agribusiness is crucial to successful policy formulation and implementation.
- Interventions for food security and job creation through agribusiness should focus on agricultural value chains emerging from changes in staple foods and climate variability.
- Productive employment has been enhanced by agribusiness interventions on: value addition and linking farmers to markets; promoting and supporting the use of scientific research in solving challenges that farmers and other players experience along the entire agribusiness value chain; and developing innovative approaches to financing agribusiness activities to enable those who lack finances to participate in agribusiness value chains.

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Introduction

The INCLUDE/AfDB policy panel on [‘Jobs for women and young people: The transformative potential of agribusiness’](#) was held in Lusaka, Zambia on 23 May 2016. The AfDB is interested in [agricultural transformation and agribusiness as part of its ‘High 5s’](#) and [INCLUDE’s](#) work aims to contribute to inclusive development by focusing on social protection, productive employment and strategic actors through national research-policy networks and policy-focused research. The panel was moderated Ms Namakau Mukelabai, Zambian National Broadcasting Corporation (ZNBC). The panellists were [Ms Ada Osakwe](#), Agrolay Ventures; [Ms Yana Watson Kakar](#), Dalberg Global Development Advisors (DGDA); [Dr Wanjiru Kamau-Rutenberg](#), African Women in Agriculture and Research and Development (AWARD); [Dr Nteranya Sanginga](#), International Institute of Tropical Agriculture (IITA); and [Ms Jacqueline Novogratz](#), Acumen. The panellists are people who are passionate about agribusiness and with first-hand experiences of the challenges that the youth and women face. In addition to the panellists, the first row speakers were: Dr Sarah Ssewanyana, Economic Policy Research Centre (EPRC); Prof. Lemma Senbet, Africa Economic Research Consortium (AERC); Dr Nicholas Awortwi, Partnership for African Social and Governance Research (PASGR); Jean Bossuyt, European Centre for Development Policy Management (ECDPM); Dr William Baah-Boateng, African Centre for Economic Transformation (ACET); and Ms Marina Diboma, Netherlands-African Business Council (NABC). The issues for discussion were:

- What are the key strategic issues to be dealt with (and at what levels) in order to achieve inclusive agricultural transformation?
- Which hurdles and power structures hamper equal market opportunities, and women and youth’s access to essential resources (finance, transport, power, technology)?
- Which investments and policy interventions have the greatest potential to promote agricultural and agribusiness development in Sub-Saharan Africa?
- How can agriculture be made a more interesting business proposition for women and youth?
- How can African governments, the international community, private sector, and civil society organizations support inclusive agricultural transformation and agribusiness in Africa?

The Panel discussion was organized into four sections. The first section consisted of the opening and introductory remarks by Ms Geraldine Joslyn Fraser-Moleketi, the Special Envoy on Gender of the AfDB, and Prof. Isa Baud, Chair of the INCLUDE Steering Group. During the second section, the panellists explained their involvement in making agribusiness employment and remuneration more attractive for youth (men and women), as part of agricultural transformation in Africa. The third section involved the first row speakers commenting on the issues for discussion and the fourth section was for comments and questions by the delegates.

Key issues discussed

- *Inequality and poverty are key hindrances to the attainment of human development in Africa and their reduction through agribusiness will contribute to SDG 10 on reducing inequalities.*
- *Challenges that hinder agribusiness development and agricultural transformation are widely acknowledged.* They include lack of access to appropriate technologies, lack of supportive policies by governments, and poor infrastructure, as well as lack of secure access to, ownership of and use of land and constraints on access to finance by women and youth.
- *Gender inequality is one of the key challenges in exploiting the potential of agribusiness in Africa.* For example, women’s discrimination in terms of land ownership and unequal access to productive assets limits the benefits that they derive from agricultural development. The panellists clarified that gender responsiveness is not ‘a women versus men’ debate, but an approach that responds to the needs of both women and men. Therefore, a gender-responsive agricultural agenda that builds on the agriculture

ecosystem to support emerging agribusinesses is desirable. This is important because closing the gender gap would increase household income by 13-20% and because it will not be possible to achieve agricultural transformation without addressing gender inequality.

- *Youth are diverse and not one large group.* Studies and experiences by the DGDA and IITA have revealed that youth do not want to be collectively categorised as 'youth'. Whereas some youth are interested in agriculture as an entrepreneurial endeavour, others have a bad impression of agriculture. Regrettably, the average age of an African farmer is about 60 years, and many young people are not keen on agriculture. Further, some youth are engaged in vulnerable employment, some in wage jobs and others are not engaged in productive activities at all. The employment situation among youth is exacerbated because, out of the 10-12 million youths who enter the workforce each year, only 3 million obtain formal jobs. It was pointed out that women and youth issues should not be discussed together as if they are the same. Even among youth, there should be affirmative action for young women. To focus on youth, in April this year, AfDB held a ['Youth Program Design Workshop'](#) on youth and agriculture, which addressed skills development, mentorship and investment in youth enterprises.
- *Adding value to agricultural products and linking farmers to markets are important in enhancing investment in agribusiness.* Agrolay Ventures invests and incubates early-stage agribusinesses and food-related businesses. One of the four Agrolay ventures is [Nuli Juice Company](#), which buys fruit and vegetables, processes them, and sells them to customers. Nuli has successfully started selling their products in major retail chains in Nigeria. The company employs 11 workers and sources all its fruit and vegetables from local farmers, 65% of whom are female farmers.
- *Research evidence drives agribusiness by addressing the challenges that farmers face.* AWARD convenes and supports agricultural researchers to come up with innovative solutions to problems that farmers experience. In recognition that there are few women scientists, AWARD has funded many women scientists to solve agribusiness challenges through research. One of the funded scientists is Mavis Owureku-Asare, who is working with women farmers in Ghana to convert tomatoes into tomato paste and ensure that the tomatoes are shelf stable. At present, [farmers lose about 50% of their tomato produce and the country is the second largest global importer of tomato paste](#). In Mozambique, [Filomena Dos Anjos](#), also funded by AWARD, is working with women and young farmers to improve the productivity of their indigenous chickens through the adoption of thermotolerant vaccines, brooding and feeding technologies. To make research 'cool', young people should be shown how ongoing research is addressing agribusiness challenges.
- *Innovative forms of agribusiness financing are crucial for inclusion.* To address access to capital, [Acumen](#) established an innovative model of long-term financing known as 'Patient Capital'. Patient capital is [a form of financing that has a high tolerance for risk, long-term horizons and is flexible enough to meet the needs of entrepreneurs, yet unwilling to sacrifice the needs of end customers for the sake of shareholders](#). In Kenya, [Juhudi Kilimo](#), a venture by Acumen, finances women (even those who do not have any assets) to buy a premium cow, which they repay over one year. The loan repayment is structured in such a way that it allows farmers to pay for other immediate expenditure needs, such as school fees, which means that the way the credit is structured matters. Further, to make it easier for farmers to repay their loans, Juhudi Kilimo has embraced ICTs and farmers can make payments through mobile phone platforms. Moreover, in agricultural financing, due to the vulnerability of farmers to shocks, inputs alone cannot succeed; therefore, a comprehensive intervention along the agribusiness value chain is the most appropriate. In line with a comprehensive approach, Acumen has been working with other companies to invest in agriculture. For example, in Kenya, Acumen worked with Unilever to invest in the production of [Jikokoa](#), a low-cost, energy-efficient, wood-burning cooking stove that uses 50% less charcoal, thus saving women time in fetching firewood. A comprehensive approach will go a long way to ensuring that the livelihoods of marginalized people are included in agribusiness development.

- Mind-set change through training in agribusiness and support has enhanced young people's involvement in agribusiness and promoted productive employment.* To change the bad image that young people have of agriculture by making it rewarding and by empowering them, IITA initiated a programme to support young people in agribusiness. To transform youths from job seekers to job creators within a period of 18 months, IITA recruited 30 youth, supported them through training on agribusiness skills and linked them to relevant networks. Within 18 months, youth who were in the fish value chain constructed 18 fishponds, invested in fish hatching and feed production, expanded to fish smoking, and attracted customers from as far as 600 km away. The uniqueness of the IITA approach is that their interventions are based on research evidence. Due to their success, AfDB sought to have these experiences extended to Kenya Congo, Tanzania and Uganda. More recently, AfDB and IITA are working together on the ENABLE ([Empowering Novel Agri-Business-Led Employment](#)) Youth Programme. ENABLE seeks to invest in 25 countries to create 1.5 million jobs.
- Partnerships and coalitions of key stakeholders, including government, non-government and the private sectors, are important in agribusiness development.* To address agribusiness challenges and enhance agricultural transformation, different actors should work together with the private sector to create jobs. The [NABC](#) has collaboratively worked with different actors for synergy and to improve knowledge sharing, which has allowed different actors to share and learn from successful experiences as a source of inspiration and to avoid the duplication of efforts. Partnerships and collaborative work is important because research by [ECDPM](#) on the [political economy of regional integration](#) has shown that regional integration policies and bodies cannot address employment challenges on their own. Regional policies and bodies can only be successful if policy actors deliberately formulate appropriate policies and support the implementation those policies. The effectiveness of regional partnerships and policies also depends on the extent to which they are aligned with national policies. In another collaborative approach, early this year, ACET hosted the [Africa Transformation Forum](#) in Rwanda, culminating in the launch of the Pan-African Coalition for Transformation (PACT), a broad network of experts across different sectors to drive policy and institutional reforms to support transformation. This coalition will focus on eight areas including agriculture, extractives, resource mobilisation and skills development.
- Interest and willingness by policymakers to address youth employment challenges through agribusiness is crucial to successful policy formulation and implementation.* PASGR's study found that although the Nigerian government sought to create jobs along the cotton value chain and 24,000 jobs were in fact created, the prioritisation of revenue generation policies through the importation of cotton products limited the extent to which jobs could be created through the development of local cotton value chains. AERC's approach is to bring senior policy actors together, share rigorous evidence with them and point out alternative policies, and then leave them to decide on what policies to implement. For example, last year [AERC](#) co-hosted a senior policy seminar in Maputo, Mozambique on '[Agriculture in Africa's transformation: The role of smallholder farmers](#)', at which, after intense engagement, policymakers came up with a [Declaration](#) that acknowledged the central role that smallholder farmers play and included strategies for increasing their productivity and inclusion. Moreover, because successful job creation depends on the capacity to formulate and implement appropriate policies, PASGR has initiated [Utafiti Sera](#), a research policy community in which policy actors deliberate on research evidence and policies to promote [social protection in Kenya](#) and [create productive jobs in Kenya](#) and Nigeria.
- To attain food security and job creation through agribusiness, there is need to focus on agricultural value chains emerging from changes in the staple foods that people consume.* Due to climate variability, the output of some food crops previously considered staple foods has declined. For example, in Zambia, maize output reduces about every two years due to drought. In such countries, it is advisable to promote agribusiness value chains that focus on drought-resistant crops, such as cassava. Further, the types of staple foods that people consume has changed over time. In 1981, the staple food in Nigeria was largely yams, but this has changed to rice. In such countries, focusing on developing agribusiness value chains for emerging staple food consumed is important.

- *Diverse strategies should be employed to enhance research policy influence.* The experience of EPRC's policy engagement processes in Uganda has shown that researchers who aim to influence policy should understand what the long-term policy priorities are, the political context they seek to influence through stakeholder mapping, present research evidence in a language that policymakers understand, and employ realistic strategies to interest policy actors. In addition, researchers should also base their recommendations or alternative policy options on rigorous research evidence. Policy engagement by EPRC, PASGR and AERC has demonstrated the importance of employing appropriate policy delivery mechanisms or channels and building strong policy networks for constructive engagement.



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