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One pager agricultural transformation May 2016

A policy agenda for inclusive agricultural transformation in Africa

The INCLUDE one pager series on Africa's agricultural transformation discussed how employment for youth and women could be promoted through agribusiness. By relating <u>women's empowerment</u>, <u>youth employment</u>, <u>inclusive value chains</u> and <u>social protection</u> to agriculture and its transformation in Africa, sets of policy recommendations have been developed. While some issues stand alone, there are several cross-cutting issues that require a broader focus. The recommendations on these issues are clustered into a set of nine focus areas for policymakers interested in promoting employment for African youth and women through agricultural transformation, followed by a policy agenda of interventions, strategies and options to mainstream a focus on women and youth employment into related agricultural policies.

The nine focus areas for policymakers are as follows:

- 1. Improve partnerships to engage the private sector. Although private-sector activity in Africa is increasing, its role in promoting employment remains limited. To overcome the lack of trust between players, cooperation among firms and between firms and governments needs to be increased. Moreover, employment interventions need to be demand driven (e.g. training programmes need to provide on-the-job training to allow participants to gain skills that are relevant for firms).
- 2. Macro-level policies aimed at inclusiveness. Economic reforms at national, pan-African and international levels are required to promote a favourable investment climate for agribusiness. This includes strategies to diversify economies, remove export constraints such as high transportation costs and inadequate infrastructure, and eliminate trade barriers at all political levels to provide youth and women with access to markets.
- **3. Mainstream social protection mechanisms.** Social protection schemes stimulate private investment in agricultural inputs (e.g. fertilizer) and technologies and are, therefore, beneficial to agricultural productivity. Safety nets are essential for agribusiness as particularly entrepreneurs rely on social protection safety nets. Apart from national arrangements, micro-insurance schemes are required.
- 4. Support the social and political dialogue with youth and women. Organization into cooperatives increases the bargaining position of youth and women and provides them with better access to land and financial services (through a more credible image). Yet, youth and women in Africa are underrepresented in unions, employer organizations and political decision-making in general. Improved horizontal (between institutions) and vertical cooperation (between different political levels) can ensure that policies better meet the needs of youth and women.
- **5. Support innovations in technology.** Two types of technology are important: First, investments in agricultural technology such as machinery increases the opportunities for youth and women to start their own businesses and can close the gender gap in agricultural productivity. These investments need to be demand driven and tailored to the needs of smallholders to overcome their reluctance to make large and risky investments. Second, investments in ICTs can provide market information to smallholders, which can improve their access to markets and improve training services.
- 6. Provide learning opportunities. Youth and women need learning opportunities through both education systems and training programmes. Training programmes need to be demand driven and of high quality to meet the needs of firms and agricultural markets. Particularly skills in green jobs are required, as engaging youth and women in agribusiness and greening agriculture are parallel developments. Women require additional legal and financial training for their empowerment. Furthermore, investments in education systems in rural areas require attention to ensure that rural women and youth are included.

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- 7. Improve security through land entitlements. Providing youth and women with access to land can yield a double dividend: land is an essential asset for setting up agribusinesses, but also improves the credibility of agricultural entrepreneurs in the eyes of financial service providers (FSPs). Therefore, law reforms and land transfer programmes are essential.
- 8. Increase provision of financial services and financial assistance. Increasing agribusinesses requires the provision of more loans to small-scale entrepreneurs. Therefore, the provision of micro-credit and large loans needs to be stimulated. Financial assistance for entrepreneurs is equally important to increase the success rate of start-up businesses and, hence, increase the trust between FSPs and (potential) customers.
- **9.** Acknowledge the influence of cultural and psychosocial factors. Several constraints on the inclusion of youth and women in agricultural activities are rooted within culture or psychosocial conditions of individuals. Gender inequality within households, lack of self-confidence and determination (which can prevent potential entrepreneurs from setting up businesses), and the unfavourable image of agriculture are some of the most persistent constraints. Although there is no simple one-size-fits-all solution to address these issues, they should be taken into account in decision-making about agricultural development at all levels.

An action agenda

The focus areas for policymakers outlined above are diverse in their meaning to different policymakers. Yet, together, they form a policy agenda based on three sets of action:

- Action on investment: Some focus areas require specific financial investments to be implemented. These investments can be paid by political bodies at different levels or private sector and civil society actors.
- Action on policy strategies: Some focus areas do not require new or increased investment, but a shift in focus by political institutions and cooperation between actors in the political arena.
- **Action on mainstreaming:** Some focus areas imply that a specific focus needs to be brought into existing or new policies, with a specific lens for a topic or issue.

The proposed sets of investments, policy strategies and mainstreaming are outlined in the table below.

| Investments | Policy strategies | Mainstreaming |
|---|--|--|
| Promote innovations in technology/ICT projects | Address economic reforms at national, pan-African and international levels | Mainstream social protection in agricultural policies |
| Encourage investment in financial service provision/loans to farmers | Engage international donors in market-driven employment interventions | Ensure a gender and youth lens in agricultural policies |
| Increase investment in social protection programmes | Encourage private sector participation through partnerships with and between firms | Ensure a focus on vulnerable groups and psychosocial factors |
| Increase investment in education programmes (particularly in rural areas) | Revise land tenure rights and customary laws preventing women and youth from accessing land | |
| Increase investment in infrastructure and reduce transportation costs | | |

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