

## **Youth employment and entrepreneurship: a framework for interventions**

### **Background**

In many continents, young people represent a promising, yet untapped, source of opportunities for disruptive innovation for transforming food systems. Africa's youth population is expected to double to over 830 million by 2050. Youth, defined as between the ages of 18 - 35, particularly in low and middle-income countries, struggle to make the transition from education to work, find decent jobs or earn a living, and become financially independent. A growing aspiration gap lays bare the friction between economic realities and what it means for them to be gainfully employed or a successful entrepreneur.

By 2025, Africa's food import bill is expected to increase to over US\$ 110 billion and the share of Africans living in urban areas is estimated to grow by 70% by 2050. The agri-food sector holds a great deal of potential in a continent where over 60% of the rural communities rely on agriculture. The African Union has set a target 'to double the total productivity and to increase youth employment in the agricultural sector by 30%'.

These developments create new business opportunities and can motivate youth to seek or create better opportunities for jobs or to earn incomes. But the answer cannot be in the informal sector of the agri-food systems in developing countries. These are not sustainable. Hence, the need for transformative change for youth employment and entrepreneurship in agri-food systems must be linked to achieving SDG 2 (zero hunger), SDG 1 (poverty alleviation), SDG 8 (economic growth, industry/innovation and infrastructure) and SDG 17 (Partnership).

### **Why focus on youth employment and entrepreneurship**

Increasingly, national and global organisations are recognising the urgency of addressing the matter of youth employment and entrepreneurship. Various influential institutions have defined their commitment to this cause. To name a few:

- The G20 has pledged to support the African Union to double the total productivity and increase youth employment by 30% in the agricultural sector by 2030.
- The European Commission is proposing a new ['Africa – Europe Alliance for Sustainable Investment and Jobs'](#) to substantially boost investment in Africa, strengthen trade, create jobs, and invest in education and skills. Investment through the Alliance will create up to 10 million jobs in Africa in the next 5 years and 750,000 people will receive vocational training for skills development.
- The Jobs for Youth in Africa strategy of the African Development Bank aims to create 25 million jobs and equip 50 million youth by 2025.

Several approaches have yielded varying results. Yet the ambitions to comprehensively address youth employment and entrepreneurship are not trivial. Therefore, we asked ourselves whether present interventions will lead us to achieve the ambitious goals.

The purpose of this brief is to propose a systems approach, clarify what it means to serve as a guide for those who are deciding where to best intervene for their investments to have greatest impact on youth employment and entrepreneurship.

### **The framework analysis**

Many interventions are based on the assumption that young people are either insufficiently equipped or not sufficiently motivated to support the agricultural transformation agenda. A number of education, skills training, behavioural change for activation, mentorship, incubator and entrepreneurship programs are being developed and implemented. These programs suggest that markets do (or would) hold sufficient opportunities and empowering young people would suffice to enable them to enter these

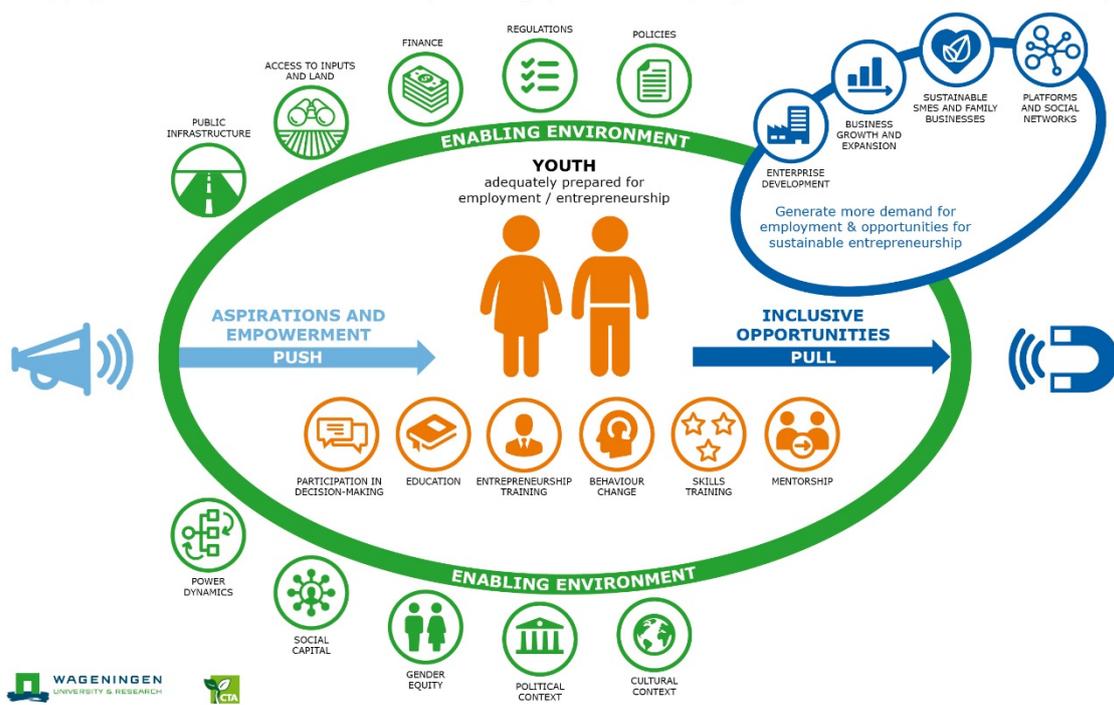
markets. These interventions are part of the PUSH strategy in the figure (orange): agencies pro-actively offer these 'solutions'.

The 21st century agri-food system is continuously evolving (productivity enhancements, resource-use efficiency, complex networks/ logistics, research, technological change, ICT/ digitalisation, finance and investments); and we have tried to capture all these elements in the diagram. We tried to depict this fluidity in the enabling environment that swirls around the young people.

Agriculture and the agri-food industry, especially in developing countries must therefore transform if young people are to actively participate and contribute to achieving SDG2. Programs to improve youth employability must accommodate the reality that markets reflect the pace of economic and structural transformation, including the number and size of modern enterprises in response to consumer demand. From this perspective, the challenge of youth employment is part of the wider challenge of demand and supply in the labour market. In environments where market conditions do not offer opportunities, entrepreneurialism does not resolve either the un- or the under-employment problem and instead merely makes young people (what we may call) 'entrepreneurially underemployed'. Moreover, there are many examples that have shown that skills development in itself may not be sufficient.

Skilled people with capacities in an environment that is not enabling viable employment and/or entrepreneurship opportunities will most likely not solve the problem. On the contrary, it may cause more frustration among the youth who are well prepared but unable to reach their ambitions through their own efforts. Facilitating the transformation of the agri-food sector in such a way that decent employment and entrepreneurial opportunities are generated thereby creating demand and attracting the youth who are themselves responsive and receptive, is what we call the PULL strategy in the figure (blue).

### Supply & demand factors impacting youth employment & entrepreneurship



The development of inclusive systems for stimulating growth and expanding access, means transforming the market systems around them. The 'Making Markets Work for the Poor approach (MM4WP)' recognises this reality and provides a coherent, rigorous approach to understanding and intervening in markets so that they function more efficiently and sustainably for the poor. The market system is a multi-function, multi-player arrangement comprising the core function of exchange by which goods and services are delivered and the supporting functions and rules which are performed and shaped by a variety of players.

The green part in the figure is based on the MM4WP approach. Market systems development requires that agencies play a facilitating role: they seek to catalyse others within the system, while not becoming part of it themselves, and are providing the additional pull that is required to generate more demand for employment and opportunities for entrepreneurship (blue). Facilitation is inherently a temporary role. Because political economy and power is a central consideration in market systems analysis and intervention, effective facilitation requires detailed understanding of political economy factors at both macro (sector) and micro (market player) levels. It is essential to understand the formal and informal operations of market systems, why market players act as they do and the incentives they have to change or resist change.

Moreover, it is a requirement that facilitators (organisations) engage youth in the conceptualisation and evaluation of their proposed interventions. Beyond questioning individualistic, demand and supply oriented approaches from an economic viewpoint, it is also important to look at how young people are embedded in social relationships and societal norms. They are in the best position to inform strategies on how to achieve youth employment and youth entrepreneurship. This is the reason why the youth are centrally positioned in the figure and why the pull side includes communication channels such as 'platforms and social networks' that are often used by youth. We also have to factor in encompassing issues such as youth aspirations, empowerment and opportunities.

## **Discussion**

We see youth as well as governments, development partners, financial institutions, private investors and academic and training institutions as essential partners. This partnership (SDG 17) is needed in order to follow the holistic approach that will be required to achieve the targets. Focussing on only one or a few elements of the diagram will not sufficiently address the matter of youth employment and entrepreneurship.

While the framework shows a complex interplay of interacting subsystems, we are still coming to grips with the mechanisms that play a key role in the interaction and on their interdependencies. A systematic analysis of the relationships between the different parts of the framework, and the outcomes of various types of interventions is still needed for us to develop comprehensive guidelines for facilitators and policy makers.

In the framework we have tried to capture the friction between youths being adequately prepared and able to aspire to as well as obtain decent employment or become successful entrepreneur and the limited opportunities and other constraints that currently exist and need to be tackled in many countries to effectively transform the agri-food sector. The framework also shows that these processes take place within an environment that can enable or hinder job creation or entrepreneurship.

We would love to hear from you whether the framework captures the multiple issues and addresses the most effective ways to overcome the challenge of youth under- and unemployment, and expand youth entrepreneurial opportunities. Can it help guide meaningful interventions? Which suggestions do you have for improvements? We are looking forward to a journey of continued learning and improved capacities.

### **Additional notes to the diagram**

Public Infrastructure – not only roads and telecom network but labs, incubation centres, technology parks (n.b. also provided by the private sector).

Access to inputs such as land, finances including (disruptive) technologies

Finance –access to finance for young people who may not yet have collateral and a long track record, would require new types of finance.

Rules and regulations either limit or expand possibilities of youth? What are specific policies/regulations that can make it attractive/enabling to youth?

Gender inequality is one of the most inhibitive barriers. Understanding how and why systems serve young women and men differently is a part of rigorous systems analysis, informing the ability of partners to design programme and work towards a sustainable vision of systems that benefits both.

Cultural context influences both youth aspirations for the future and their actual agency when pursuing work and entrepreneurial opportunities and navigating uncertainty. Agencies must be careful in designing interventions as the 'Western concept of entrepreneurship' may not be appropriate for all local context.

### **Definitions:**

**Definition youth:** International organisations such as the UN, the OECD and others, as well as national governments, use varying definitions of 'youth' or 'young people'. Most UN bodies (including the ILO and the United Nations Educational, Scientific and Cultural Organization – UNESCO) define youth and young people as anyone between the ages of 15 and 24; this is also the definition used for official UN statistics. Sometimes a 'life cycle approach' is used, focussing on the school-to-work transition to define youth. For the purpose of this brief, youth is defined as between ages 18 and 35.

**Unemployment / underemployment** –. The AfDB suggests to use the NEET rate of youth, which is the rate of youth 'not in employment, education or training'. In poorer regions of the world, however, the problem is not so much youth unemployment as it is underemployment. AfDB describes underemployment with reference to the term 'vulnerable employment', which fundamentally denotes 'workers in unprotected forms of employment, with low productivity and high risk of poverty'.

**informal sector / entrepreneurship:** **This** is an important type of employment for many young people. It involves to a large extent agriculture and is often considered as 'entrepreneurship'. According to the AfDB, many people in developing countries undertake self-employment because they have no other choice. Sometimes this is referred to as 'necessity or survival' entrepreneurship.

**Decent work:** According to the International Labour Organization (ILO), this involves opportunities for work that are productive and deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

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