



Liberia and Mali

Youth Employment in Agriculture through Business Development and Education

Rudolf Willem van Soelen
Richard van Hoolwerff

Angie Howard, owner of agroprocessing firm Falama Inc. in Liberia. Photo by SPARK

Young people in rural Sub-Saharan Africa (SSA) are migrating to cities in unprecedented numbers. They migrate with high expectations: dreams of big city living, making money and achieving success. In urban areas, rural youth are exposed to successful business people, traders, government officials and people working in the development sector, all of whom contribute to their aspirational ideals. These new-age role models can seemingly afford houses and cars, and have the financial stability to get married and support their families. In rural areas there are fewer examples of these types of role models. By comparison, many rural people are characterised as low-income villagers, using outdated agriculture production techniques to sustain a subsistence farming lifestyle. However, agriculture in rural areas can be much more profitable if the right knowledge and skills are acquired.

In this article we discuss dynamics of SSA's agriculture sector, challenges faced by entrepreneurs and efforts made to improve opportunities for youth. By highlighting two case studies – a context-sensitive SME (small to medium-sized

enterprises) development programme in Liberia and an innovative approach that optimises education in agriculture for youth in Mali – we outline promising approaches for spurring job creation for youth in agriculture.

The context

In Mali and Liberia, as in many parts of SSA, agriculture (both rural and urban) is the primary sector for employment and income generation. (In Mali agriculture accounted for 33% of GDP and 79% of the active population in 2016, according to the Mali Ministry of Agriculture. In Liberia agriculture accounted for 34% of GDP and 43% of employment in 2017, according to World Bank data.) Consequently, because the jobs are often relatively low-skilled, there is significant potential for youth to participate in these value chains. However, due to extreme climate conditions, poor living conditions, low levels of mechanisation, seasonality in crop cultivation, and low wages and profit margins, many youth leave rural areas in search of employment and opportunities in the city.

The jobs youth find in urban areas are mostly in the informal sector (92% in 2016 in Mali and 78% in 2010 in Liberia, according to World Bank data) and characterised by low wages and high insecurity. Despite these vulnerable circumstances, these youth are unlikely to return to rural areas after settling in an urban centre. Rural youth thus remain in “waithood”¹: due to the low and insecure payoffs of

¹ “Waithood”: Youth Transitions and Social Change. Alcinda Honwana

working in rural areas, many are waiting until the moment they can “afford” to find a partner and begin a family. From that perspective, leaving an urban area to return to the countryside is an unattractive option for young people.

Central to disrupting this pattern is making agriculture – rural or urban – more attractive to youth so that they aspire to pursue a career in this sector. That will require an increase in the money to be made in agriculture and a makeover in the perception of the “village farmer”. This is a conundrum that many development organisations, governments and private sector actors are seeking to solve.

Development agencies have chosen to focus on increasing agricultural output by improving production methods and increasing efficiency. Increasing production results in higher turnover and can lead to higher revenues. Nonetheless, in a developing economy where the relation between supply and demand is volatile, an increase of production where demand is stagnant frequently does not lead to a significant increase in revenues. In many cases revenues remain the same because the unit price decreases in response to the increase in supply. In addition, seasonality of crops can lead to large amounts of produce entering the market in a short period of time, and the competition pushes down prices. Storing and saving products, in order to sell them when supply is low, is capital-intensive and not possible for most producers in rural areas. In response many development projects have invested in storage facilities, typically based on a shared-cost agreement. The strategy of creating an “enabling environment” includes not only storage facilities, but also better access to finance, development of value chains and markets, and more favourable regulations and policies for producers and processors. But unfortunately the time frame of donor-supported development projects is often too short to really tackle the underlying causes of market failures, so sustainable, longer-term impact is difficult to achieve. New solutions and initiatives are urgently needed.

Youth entrepreneurship support: Business-in-a-Box

Initiatives aiming to support youth employment through entrepreneurship are increasingly popular among donors and policy makers. Often, youth entrepreneurship programmes teach young people how to write a business plan. Then, if such business plans are deemed feasible, the young entrepreneurs may be eligible for loans or grants to start or grow their business. Too often, however, support is offered to start-up businesses that, in hindsight, did not have enough potential to flourish and become successful. At SPARK we quickly realised that writing a business plan should never be the goal, but merely a step towards a much greater end.

SPARK has been working with young entrepreneurs in conflict-affected countries for over 20 years. In the eight years we have been active in Liberia we have learned many lessons about the realities of what it takes to support young entrepreneurs to become successful in such a challenging context. Identifying high-potential ventures is critical.

Ora Barclay Keller

When Ora was introduced to the Business-in-a-Box/E-Plus programme, she chose to develop a packaging business with innovative ideas to improve both the design and quality of packages in the Liberian farming industry. Farmers in Liberia often lose a considerable amount of their harvest due to lack of access to proper sealed packaging that can preserve a harvest. Ora's products, Le Mirage International, preserve farmers' crops in vacuum-sealed plastic, which increases the shelf life of products. The attractive design of the packages also gives a competitive edge to farmers' goods, making them ideal candidates for export.

Martha Wuo

Martha set up “Samatta God's Favor Enterprise” in 2015. She transforms raw local products into healthy and tasty consumer goods. Her main products are ginger, garlic and garlic chips that can be used for medicinal purposes. Along the way, Martha was introduced to the Business-in-a-Box/E-Plus programme by Single Spark and SPARK, which gave her a great opportunity to polish her management skills and expand her business. During training Martha gained a set of valuable skills, like keeping business records, developing strategies and producing marketing and produce brochures. While Samatta God's Favor is a for-profit enterprise, its mission is not limited to keeping customers healthy and happy. It also aims to connect communities and producers to create jobs for Liberians.

Often, business concepts developed by young people, who typically lack experience, do not reflect a strong understanding of opportunities within the markets where they operate. For example, young entrepreneurs may come up with a business idea in a market that is already heavily saturated with that product or service and thus less likely to be profitable. Or they may design a product that demonstrates a weak understanding of the local customer base. Even with a business concept that is innovative and shows high potential, these entrepreneurs are operating in business environments that present significant barriers to success. They often encounter low levels of trust between market actors, low levels of contract enforcement, and a volatile market with constantly changing demand and supply. This leads to high transaction costs, which eat into profit potential. Additionally, entrepreneurs face crony capitalism, a lack of quality infrastructure, high financial costs due to high interest rates and fluctuating energy prices. This is the world of young Sub-Saharan entrepreneurs: trying to break out of poverty with ideas that are often good yet insufficiently adapted to the demands and realities of their respective economic situations.

In response to these challenges, SPARK has adapted its interventions to focus on market demand and context-appropriate business concepts. We encourage the entrepreneurs we work with to focus on high-potential businesses with solid value propositions. To accomplish this, SPARK has shifted its focus to analysing value chains in the programmes it implements and running start-up programmes.

Business-in-a-Box is a programme implemented in collaboration with the developers of the intervention: the Dutch social enterprise Single Spark. The programme begins by analysing the local market using context surveys and the knowledge of local experts. After that, proven business concepts from other programmes and contexts are emulated to fit the local requirements. This gives aspiring entrepreneurs a solid base to start from with a business concept that has the merits to be successful. Using this innovative methodology, we have supported the start-up of 18 context-appropriate youth-led businesses. SPARK's Business-in-a-Box programmes have resulted in a 60% increase in the business success rate, more profitable start-up companies and therefore higher levels of employment.

Entrepreneurial education

In a fast-changing world with ever-changing dynamics in both domestic and international markets, entrepreneurs need to respond quickly to new realities and challenges. On-going, market-relevant education is crucial to achieving this. Determining actual market demand for new products and services, and being able to quickly adapt business strategies to meet these demands, are critical skills for successful entrepreneurs. Educational programmes that are static over time with a one-size-fits-all approach often fail to address these aspects and thus fail young people. Youth who have not had sufficient support to develop these necessary entrepreneurial skills often encounter difficulties running their business successfully. As a result they cannot repay loans used to start their business, will not feel the pride of being a successful entrepreneur, and do not have a stable source of income – leaving them incapable of escaping “waithood”.

In the current era, with mobile phones and internet in daily use, development initiatives should better adapt their interventions to the opportunities this brings. An initiative in Mali, *AgroForma*, is currently using these tools to create access to quality education, attaining about 4,000 unique visitors each month and 15 new subscriptions a day. Subscribers can attend free online courses, with paid practical training at a regional training centre. The price for this practical training varies between 8 and 20 euros, depending on the number of attending students and tools needed for completing the practical training.

“The technical training for entrepreneurship in rice cultivation is practical training that is easy to implement afterwards. It addresses the most relevant topics in rice cultivation. The trainer is patient and attentive, and provides concrete exercises. For all beginners who want to learn about entrepreneurship, I recommend it. This training matched my expectations.”
(Vinabé Dembélé, Ségou, March 2018)

By offering continually updated training based on current market dynamics and demand, this platform provides quality training modules for open and distance learning. Because there is less need for youth to relocate to other regions to receive proper education, internal brain drain

decreases. And when demand changes, so do the training modules. Using the website or the application for their mobile phones, youth have constant access and can improve their skills and adapt their business strategy to current dynamics. Various actors are actively involved to guarantee the quality of the training modules and information on offer. Researchers from national research institutes, government officials, trainers from existing training centres, and national private sector experts all continually develop the module content. Additionally, regional training centres provide practical training and support to help users master the training modules. Thanks to this cost-effective distribution of knowledge, youth are better equipped to face the challenges that come with running a successful business in agriculture, without facing major financial barriers.

Conclusion

In this article we have presented innovative initiatives that can change the “youth in agriculture” dynamics. Making use of more context-sensitive and high-potential business concepts – as well as open and distance education – facilitates support of better, more profitable businesses in agriculture; over the long term this changes the mindset of youth regarding agriculture as a business and career. We hope we have inspired other development actors to take notice and adapt their own thinking and programmes.

We will continue our work in a five-year EU-funded project in Liberia called the PARTNERS project. The value chains for cassava, plantain, legumes, moringa and pineapple will be analysed and the missing links in the chains identified. Then Business-in-a-Box and accelerator programmes will be launched to fill the gaps in the chains and support the existing businesses to create better-aligned and functional value chains, generating more revenue for all actors involved and higher values for the crops and their derived products.

Rudolf Willem van Soelen

Expert youth employment, agriculture and ICT
ruudvansoelen@gmail.com

Richard van Hoolwerff

SPARK
r.hoolwerff@spark-online.org

More information

Business-in-a-Box: www.singlespark.nl

SPARK's work: www.spark-online.org

The educational platform: www.agroforma.org