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YOUTH IN THE RURAL ECONOMY

UNLEASHING THE POTENTIAL OF RURAL ECONOMIES
THROUGH INVESTMENT IN YOUNG PEOPLE

THEMATIC PRIORITY OF THE GLOBAL INITIATIVE ON DECENT JOBS FOR YOUTH



1 Decent Jobs for Youth – the global initiative for action

1.1 Objective

Decent Jobs for Youth is the global initiative to scale up action and impact on youth employment under the 2030 Agenda for Sustainable Development. Launched in 2016 with the endorsement of the executive heads of the United Nations, Decent Jobs for Youth is a unique platform for partners to address fragmentation and catalyse effective, innovative and evidence-based action at country and regional levels.

1.2 Partners

Decent Jobs for Youth brings together the resources and expertise of multiple partners to create linkages that maximize the effectiveness of youth employment investments. The initiative recognizes the important roles of governments, social partners, the UN System, youth and civil society, the private sector, regional institutions, parliamentarians, foundations, academia and the media in promoting decent jobs for youth. The partners of Decent Jobs for Youth subscribe to 15 guiding principles, which steer their actions and investments on youth employment.

1.3 Strategy



Building a strategic alliance to advocate, ensure policy convergence, stimulate innovative thinking and mobilize resources



Scaling up evidence-based action and impact across eight thematic priorities in line with the 2030 Agenda for Sustainable Development



Sharing and applying knowledge by capturing, analysing and sharing best practices, highlighting innovative approaches and facilitating learning



Mobilizing resources by securing high-level commitments from national, regional and international actors

1.4 Priorities for action

Eight thematic priorities to make a difference in the lives of young women and men – and in our world. Thematic plans identify areas for enhanced action and impact on decent jobs.



Green jobs for youth



Digital skills for youth



Quality apprenticeships



Youth in fragile situations



Youth transitioning to the formal economy



Youth in the rural economy



Youth entrepreneurship and self-employment



Young workers in hazardous occupations

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2 Why action is needed

Young women and men in rural economies are powerful catalysts for inclusive growth and sustainable development. Approximately 88 per cent of the world's 1.2 billion young people – those aged 15 to 24 – live in developing countries, many of which, despite rapid urbanization, remain largely rural.¹ Such a demographic dividend offers a unique opportunity to advance rural economies and shape the process of rural transformation.

Unleashing the potential of decent jobs in rural economies requires immediate and concerted action. The challenges are particularly daunting for young women and men. While youth unemployment rates are generally lower in rural areas than in urban ones,² poverty among young workers is a major global concern. In addition, this is further exacerbated by the deficits of decent work in most rural areas. Rural economies are often characterized by high rates of informality, irregular employment and poorly functioning labour market institutions. Young people in rural areas are typically employed on a casual or seasonal basis, under poor working conditions and with limited or no access to social protection.³ Particular attention needs to be paid to developing and emerging countries, where 39 per cent of young workers live in extreme or moderate poverty.⁴ More than 80 per cent of the extreme or moderate poor in developing and emerging countries live in rural areas.⁵

Despite their significant contribution to the agricultural sector, young rural women typically find themselves in disadvantaged positions compared with their male counterparts. On average, women make up 40 per cent of the agricultural labour force in developing countries. They generally work as subsistence farmers, paid or unpaid workers on family farms, or entrepreneurs running on- or off-farm enterprises. In addition, women carry out the bulk of unpaid care and domestic work in rural areas, thereby supporting current and future generations of rural workers within their households and communities.⁶

Limited opportunities to obtain quality education and training, to develop and enhance job-relevant skills and to access land, credit and markets hamper the transition of rural young people to decent work. Similarly, social, cultural and economic constraints limit chances for young women to enter and succeed in rural labour markets.⁷ The geographic remoteness of rural areas and the nature of employment relationships also impact the rights of young people at work, limiting their engagement with workers' and employers' organizations and weakening their position in social dialogue.^{8,9} Addressing young people's vulnerabilities and lifting these barriers is crucial to facilitate their access to decent work and their meaningful participation in rural economies.

Furthermore, decent jobs for youth are an essential transmission channel for moving from growth to poverty reduction in line with the Sustainable Development Goals. Young women and

¹ United Nations, Department of Economic and Social Affairs, Population Division (2014). *World Urbanization Prospects: The 2014 Revision, Highlights*.

² Elder et al. (2015). *Youth and rural development: Evidence from 25 school-to-work transition surveys* (Geneva, International Labour Office).

³ FAO (2014). *Youth and agriculture: Key challenges and concrete solutions*.

⁴ ILO (2017). *Trends Econometric Models*.

⁵ ILO (2016). *World Employment and Social Outlook 2016 – Transforming jobs to end poverty*.

⁶ FAO. *Women and decent work*, <http://www.fao.org/rural-employment/work-areas/women-and-decent-work/en/>.

⁷ FAO, IFAD and ILO (2010). *Gender dimensions of agricultural and rural employment: Differentiated pathways out of poverty*.

⁸ ILO (2016). *Draft policy guidelines for the promotion of sustainable rural livelihoods targeting the agro-food sectors* (Geneva).

⁹ ILO (2015). "Rights at Work in the Rural Economy", in *Portfolio of Policy Guidance Notes on the Promotion of Decent Work in the Rural Economy* (Geneva).

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men who live in poverty generally rely on income from their labour – the only asset they own. Decent jobs for youth contribute to Sustainable Development Goal (SDG) 8, which commits member States to “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. In turn, this is key to achieving all Sustainable Development Goals.

3 Evidence and innovations

3.1 What works to boost youth employment in the rural economy

3.1.1 Focus on economic diversification and agricultural development

Rural economic diversification and investments in agricultural development contribute to the overall process of structural transformation and translate into more and better jobs for young people. In most developing regions, agriculture is likely to maintain its sizable share in rural employment and livelihoods due to structural inertia; as such, it is important to invest in agricultural development by boosting farmers’ incomes and increasing agricultural outputs.¹⁰ Higher incomes build up local demand, which – along with greater agricultural outputs – will prompt new activities, consolidate value chains and expand agro-industries, which are important drivers of job creation and economic diversification.

Non-farm activities are a key source of income for rural households, including for the landless poor and subsistence farmers. In view of credit constraints, these activities yield cash that can be invested in productivity-enhancing inputs. There are opportunities for young people here: these should be promoted in both upstream enterprises, providing inputs and services to farmers, and in the downstream marketing and agro-processing segments.

3.1.2 Improve young people’s access to productive resources – within and beyond agriculture

Ensuring access to productive resources is key to attracting young people to rural activities, especially in agriculture.¹¹ Rural young people, particularly young women, lack ownership and management of productive assets such as land, financial capital, information and technology. Access to land is critical to enter farming, yet young people face severe disadvantages in comparison with adults. Evidence from Burkina Faso, China, Ethiopia, Mexico, the Philippines and Uganda shows success in facilitating young people’s access to land through a number of initiatives. These include: (i) advocacy in the application of laws and regulations granting young people land tenure and ownership; (ii) rehabilitation and subsequent distribution of land to young people; and (iii) loans and land leases for young people. Similarly, evidence from Bangladesh, Cambodia, Canada, France, Moldova, Senegal and Uganda suggests that (i) grouping in informal saving clubs; (ii) financial products expressly for young people; (iii) lowering the risk of lending; and (iv) mentoring programmes all hold promise in addressing financial capital barriers among young women and men in rural areas.¹²

¹⁰ Losch (2016). “Structural transformation to boost youth labour demand in sub-Saharan Africa: The role of agriculture, rural areas and territorial development”, Employment Policy Department Working Paper 204 (Geneva, International Labour Office).

¹¹ F.J. Proctor and V. Lucchesi (2012). *Small-scale farming and youth in an era of rapid rural change* (IIED/HIVOS).

¹² FAO (2016). *Youth and Agriculture: Key Challenges and Concrete Solutions*.

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3.1.3 Focus on empowering young women in the rural economy

Promoting gender equality and empowerment is key to rural diversification and transformation, as well as to the economic prosperity of rural populations. Empowerment means taking a holistic approach to promoting decent jobs for young women and implementing strategies that deal with their decision-making, their power relationships and their political voice. This requires policies that provide young women with more choices for their working lives, including gender-sensitive occupations, work–life balance, maternity protection, safe work environments and workplaces that are closer to home.¹³ The Taqueem Initiative, a partnership between the International Fund for Agricultural Development and the International Labour Organization, focuses on enhancing the evidence base about what works to support young women in rural areas in the Middle East and North Africa.¹⁴ Evidence from Egypt shows that the provision of technical, business and vocational training at young women’s clubs had a positive impact on business development in rural areas.¹⁵

3.1.4 An enabling business environment for young people

An enabling business environment that attracts investment and stimulates a competitive private sector is crucial for young people to succeed in both farm and non-farm activities. A series of interconnected elements come into play, from economic factors (e.g. macroeconomic, trade and fiscal policies; legal and regulatory frameworks) to social (e.g. the existence of adequate social protection and social inclusion), political (e.g. stability, good governance and respect for universal human rights and international labour standards) and environmental factors.¹⁶ The evidence points to the important effect of infrastructure development, connectivity and accessibility in enabling sustainable enterprises in rural areas. These bring young farmers and entrepreneurs closer to markets, reduce production costs, enhance productivity and competitiveness, and ultimately strengthen rural–urban linkages, attracting further (private) investment.¹⁷

Enhancing agricultural productivity and helping small-scale producers and small and medium-sized enterprises (SMEs) shift into higher value-added activities in the supply chain can generate decent jobs and increase coping mechanisms in the face of crop failure or price volatility. Such efforts recognize the role of agricultural growth in rural poverty reduction and are consistent with the projected need to increase global food production by 60 per cent by 2050.¹⁸

Social dialogue and tripartism are a means to promote better wages and working conditions as well as peace and social justice. They are key success factors to foster cooperation and economic performance, helping to create an enabling environment for the realization of the objective of decent work for young women and men.

¹³ See, for example, FAO, IFAD and ILO (2010). *Gender dimensions of agricultural and rural employment: Differentiated pathways out of poverty*.

¹⁴ See www.ilo.org/taqeem.

¹⁵ A. Elsayed and R. Roushdy (2017). *Empowering young women through business and vocational training: Evidence from a field intervention in rural Egypt*, Impact Report Series, Issue 8 (Geneva, International Labour Office).

¹⁶ For further information see the publications of the Enabling Environment for Sustainable Enterprises (ESEE) programme and ILO (2008). *Promotion of rural employment for poverty reduction*, Report IV, International Labour Conference.

¹⁷ ILO (2007). *The promotion of sustainable enterprises*, Report VI, International Labour Conference (Geneva).

¹⁸ FAO (2012). *World Agriculture Towards 2030/2050: The 2012 Revision*, ESA Working Paper No. 12-03.

3.1.5 Rising productivity and youth employability through education and skills development

Addressing skills shortages is crucial to facilitate productive and sustainable rural transformation.¹⁹ Skills training boosts the labour market outcomes of young women and men. Its effect is greater when training is demand driven, providing young people with both technical and non-technical (soft) skills and on-the-job learning.²⁰ Evidence from Zimbabwe shows that the combination of technical training, agricultural extension and coaching services and access to finance improved the incomes of rural young people and led to higher health expenditure and better child welfare.²¹

3.1.6 Greening the rural economy can also lead to productivity gains and improve labour market prospects for rural young people

The green economy has considerable potential for youth employment creation in rural areas, thereby helping to mitigate climate change. For instance, in agriculture nearly 12 million green jobs could be created in biomass for energy and related industries.²² Furthermore, three out of four jobs worldwide are currently water-dependent, pointing to numerous opportunities in the water sector – either in management or in other occupations in dependent industries (e.g. agriculture, fisheries, energy).²³ To tap into the potential of the green economy, young people in rural areas need to be equipped with adequate skills. Evidence from China, the Bahamas, Kenya, Rwanda, Uganda and Zanzibar stresses the value of formal and informal education, on-the-job training, agri-business promotion and online resources to improve information and enhance skills among rural young people.²⁴

3.2 Innovations in the promotion of rural youth employment

3.2.1 Increasing training efficiency through:

- embedding agriculture-related training and education in primary and secondary school curricula;
- modernizing existing agricultural curricula by introducing new technologies and increased consideration of sustainability and organic agriculture;
- showcasing the career paths of successful young farmers and “agripreneurs” as examples to encourage young people’s involvement in agriculture and reduce the stigma associated with agriculture;
- integrating information and communication technologies as appropriate;

¹⁹ Elder et al. (2015). *Youth and rural development: Evidence from 25 school-to-work transitions*, Work4Youth Publication Series No. 29 (ILO); World Bank and International Monetary Fund (2015). *Ending poverty and sharing prosperity*, Global Monitoring Report 2014/2015 (Washington, DC).

²⁰ Kluve et al. (2016). *Interventions to improve the labour market outcomes of youth: a systematic review of training, entrepreneurship promotion, employment services, and subsidized employment interventions* (ILO); and ILO (2017). *Towards evidence-based active labour market programmes in Egypt: Challenges and way forward*, Impact Report Series, Issue 4.

²¹ Lachaud et al. (2015). *The impact of agri-business skills training in Zimbabwe: an evaluation of the Training for Rural Economic Empowerment (TREE) program* (ILO).

²² UNEP (2008). *Green Jobs: Towards decent work in a sustainable, low-carbon world*.

²³ UN Water (2016). *The World Water Development Report: Water and Jobs*.

²⁴ FAO (2014). *Youth and agriculture: Key challenges and concrete solutions*.

- introducing gender-sensitive training approaches for young people, focusing not only on agriculture in the strictest sense, but on “sustainable socio-economic entrepreneurship” and empowerment;²⁵ and
- improving access to professional and entrepreneurial training, with an emphasis on environmental sectors.

3.2.2 Promoting efficient agri-business, value chains and entrepreneurship models through:

- one-stop shops where young people have access to training, employment services, credit advice, etc.;
- stimulating the creation of incubation centres combining different types of agricultural production (livestock, crop, aquaculture) and services (marketing, innovation, research), with the aim of fostering synergies;
- promoting and strengthening local initiatives to develop tourism and short supply chains through local knowledge transfers and new technologies;
- facilitating young people’s access to markets;
- where production is scattered, improving coordination between producers and larger buyers by establishing appropriate collection points and schedules where market information can also be exchanged (price, consumer preferences, best practices, etc.);
- promoting the integration of young women and men in producer groups and farmers’ organizations, particularly those active in specific value chains, and in sector-specific organizations of workers and employers, thereby promoting their participation in processes of social dialogue;
- promoting respect for the human and labour rights of migrant workers in agricultural sectors more broadly (e.g. fisheries, forestry, livestock and aquaculture);
- developing seasonal employment schemes in agricultural and infrastructure-related sectors. This requires informing and building the capacity of employers’ associations to implement these schemes and of migrant workers to participate in them; and
- promoting (the portability of) social protection entitlements for agricultural migrant workers.

3.2.3 Promoting young women’s empowerment in the rural economy by:

- promoting safe, flexible, female-friendly employment and workplaces for women;
- adopting labour law protections and social security systems that prioritize the amelioration of domestic and household working conditions; and
- improving data and analysis on young women’s work through measures of empowerment, gender parity, time use, work–life balance and decision-making abilities.

²⁵ This training would include the development of skills and the linking of agriculture with other industries and services. For this purpose, FAO has developed the Junior Farmers Field and Life Schools, an innovative approach that trains vulnerable rural young people in the agricultural, business and life skills needed to earn a decent living, and to become more productive and active members of their communities. The ILO’s Training for Rural Economic Empowerment methodology aims to systematically identify employment and income-generating opportunities at the community level; design and deliver appropriate training programmes with local public and private training providers; and offer the necessary post-training support, for example by facilitating access to markets and credit.

3.2.4 Facilitating access to productive resources by:

- advocating for agrarian reforms and/or the effective implementation of existing laws and regulations that grant young people access to land, e.g. through youth land-sharing schemes and land certification programmes; and
- stimulating group lending and collateral.

3.2.5 Tapping the potential of green jobs in rural areas by:

- introducing, strengthening and implementing labour-intensive green practices in agriculture in areas where youth labour supply is high, through practices such as “push-pull” farming, skilled labour pest management, agro-ecology and organic farming. Labour-saving practices such as no-till cultivation farm mechanization can be implemented in areas with fewer young workers;
- promoting and supporting the certification of green practices in agriculture for better price negotiation, but ensuring that young people are not inhibited by the costs entailed through support systems such as participatory guarantee systems; and
- providing a conducive policy environment and private and public investment in youth engagement in agriculture through the following: reviewing land reform policies; branding and marketing initiatives; investment in rural infrastructure; and increasing young people’s access to land, other resources and training opportunities.

4 Action on youth in the rural economy

At the **global level**, Decent Jobs for Youth promotes coherence in the efforts of global institutions to advocate for and promote rural youth employment creation. It strengthens the knowledge base through the documentation of interventions with demonstrated impact and the collection and dissemination of good practices. At the **country and regional levels**, Decent Jobs for Youth takes into account both rural labour supply and rural labour demand, exploring mechanisms to facilitate matching and achieve long-term rural employment creation. All country action projects include an evidence-generation component.

Action on the ground distinguishes between measures at the **institutional** and **direct support levels**. The former seeks to enhance the capacity of governments and other relevant stakeholders to promote an enabling business environment while fostering integrated and coherent rural and labour market policies. The latter focuses on the implementation of integrated strategies to enhance employability and facilitate access to productive resources and markets. To ensure sustainability and scalable impact, tailored systemic market analyses will be conducted to unveil the market constraints hindering rural youth employment. Based on such analyses, interventions could take several forms, some of which are detailed below. Promoting gender equality and empowering young women in rural areas will be prioritized across measures at the institutional and direct support levels. Close cooperation and involvement of workers’ and employers’ organizations based on social dialogue and tripartism is a key success factor in promoting decent jobs for youth in the rural economy.

4.1 Action at the institutional level

4.1.1 Supporting development and implementation of integrated policy approaches

Decent Jobs for Youth will stimulate and strengthen integrated policy approaches and strategic programmes at national and local levels to promote youth employment in rural areas. Institutional capacity development as well as more responsible public and private investments in agri-food systems and in rural development will be fostered. To harness the untapped employment potential of agriculture and other rural sectors, dialogue between agriculture and labour stakeholders will be actively encouraged and cross-sectoral policy coherence towards decent rural employment strengthened.

Gender-based violence, early motherhood and child marriage, as well as engagement in conflict, are cross-cutting elements that rural young people face and that policy-makers should include in the integrated strategy. National public and private institutions, including ministries responsible for agriculture, youth, gender and labour issues, producers' organizations, youth groups, national statistics offices and research centres will be engaged. Through employment-friendly macroeconomic and sectoral policies, effectively tailored employment services and programmes, and improved outreach through multidisciplinary partnerships, young people will have increased prospects of accessing decent and productive jobs.

4.1.2 Stimulating an enabling and inclusive business environment

In consultation with multiple stakeholders, governments will be supported in their efforts to attract investment in the rural economy. National-level reforms of the business environment should focus on policies, laws and regulations covering areas such as tax, customs, trade and competition, as well as the general conditions for private sector development. The development of rural SMEs, which tends to be labour intensive, will receive particular attention.²⁶ Since physical infrastructure is a key component of the investment climate, employment-intensive methods of infrastructure development will be promoted.²⁷

4.2 Action through direct support

4.2.1 Strengthening education and training

Young women and men will benefit from efficient and innovative training approaches to align their skills with the demand for rural labour. Agricultural and agri-preneurship modules will be introduced in educational curricula. Outside the formal education system, young people will be able to obtain knowledge on sustainable entrepreneurship, for example through exchanges with older farmers on practices and technologies that have proven effective in the management of natural resources.²⁸ Good practices and successful agri-preneurs will be showcased, with learning routes developed to allow upscaling of innovative approaches and to attract more young people to the agricultural sector. Through tailored education and training, young people will have improved agricultural and off-farm skills, strengthening their employment prospects.

²⁶ ILO. *Draft policy guidelines for the promotion of sustainable rural livelihoods*, pp. 7–8.

²⁷ See <http://www.ilo.org/employment/units/emp-invest/employment-intensive-investment/lang--en/index.htm>.

²⁸ See <http://www.fao.org/rural-employment/work-areas/youth-employment/skills-development/en/>.

4.2.2 Facilitating efficient agri-business, value chains and entrepreneurship models

Decent Jobs for Youth will develop an employment route for young people. First, the transition from school into rural labour markets will be facilitated through one-stop shops where young women and men have access to training, employment services, credit advice, etc. Second, rural young people will have enhanced access to decent work opportunities through targeted on-farm and off-farm interventions in selected agricultural value chains, facilitating links with private sector partners to stimulate hands-on experience and market access. The inclusion of youth groups in workers', employers' and farmers' organizations will be supported, as well as the creation by and inclusion of young people in cooperatives. This will enable young women and men to pool resources, share risks, acquire stronger bargaining power, and enhance access to markets.

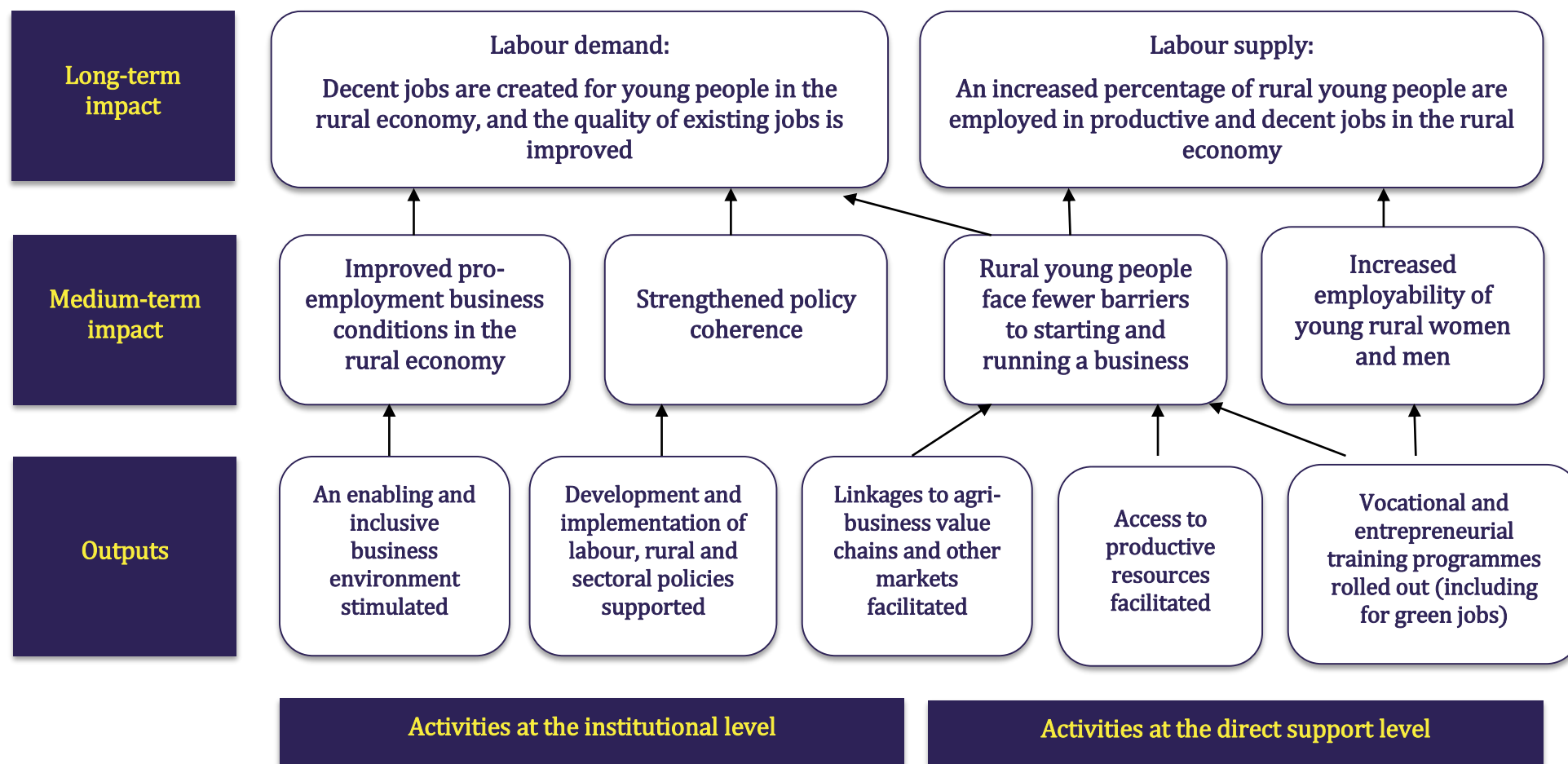
4.2.3 Ensuring access to productive resources

By ensuring that initiatives provide rural young people, especially women, with access to resources such as land, technology and financial services, farming will be promoted as an attractive business to take up. In addition, specially tailored credit facilities and loans for rural young people will be encouraged. Young people's access to land will be ensured through the provision of land grants and leases through youth agricultural associations or cooperatives. Moreover, young people will benefit from increased investment in social and economic infrastructure to offer them attractive job prospects and living conditions.

4.2.4 Promoting green jobs

The initiative will actively promote the adoption of environmentally friendly activities in agriculture and develop training for rural populations in the use of green agricultural technologies, through capacity-building activities (e.g. in organic farming and conservation agriculture). It will also strengthen awareness of employment prospects for rural workers in greener food systems. The collection of information on environmentally sustainable and socially acceptable agricultural practices to improve the management of natural resources, as well as rural workers' health and working conditions, will contribute to this.

How change happens – A simplified theory of change





SCALING UP ACTION & IMPACT ON YOUTH EMPLOYMENT

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