



PATHWAYS to PROSPERITY

Understanding youth's rural transitions and service needs

November 2019

As part of the 2019 Rural and Agricultural Finance State of the Sector series, this outcome area deep dive provides a new way of thinking about the global youth livelihood challenge – through a pathways lens.

Anchored in the research and models presented in the [Pathways to Prosperity report](#), this deep dive explores the specific considerations that service providers, governments and donors need to take into account when looking to support different pathway transitions for youth. The research draws from the latest global literature and the perspectives of a range of leading practitioners and seeks to spark a new conversation around viable youth pathways to prosperity.

THE GLOBAL YOUTH CHALLENGE

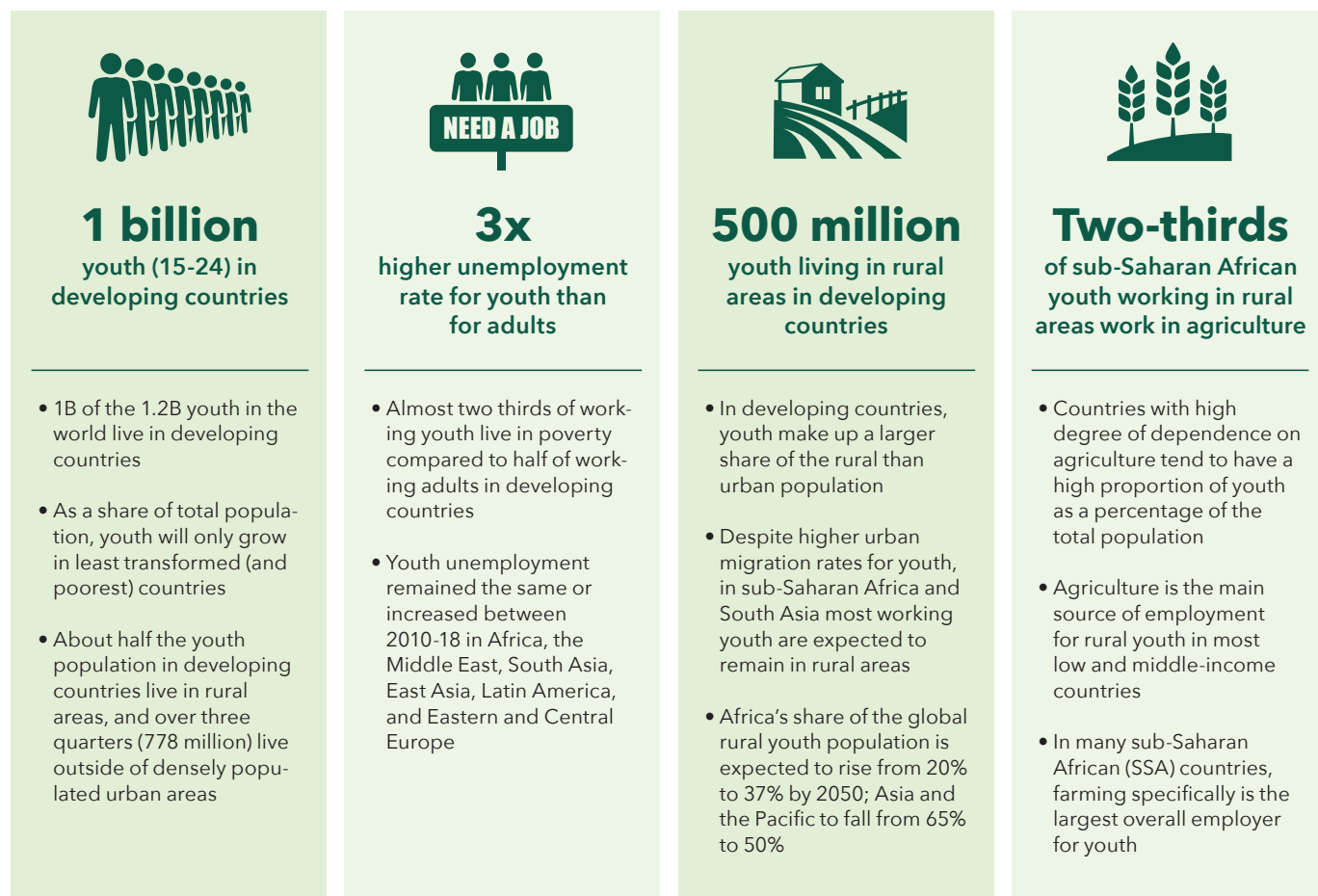
For years, changing demographics have created unprecedented numbers of under-employed youth in rural areas. Engaging these youth in agriculture and other livelihoods strategies is of critical importance.

Of the 1.2 billion young people (aged 15-24 years) in the world, 1 billion live in developing countries. The youth population in these countries is growing faster than in higher income countries. In many parts of the world, despite decreasing overall population growth rates, the number of youth entering (or seeking to enter) the workforce is growing rapidly in absolute terms.¹ About half of this youth population resides in rural areas—where they make up a larger share of the overall populace than in urban areas.² Both within and outside of agriculture, youth face challenges.

Globally, youth unemployment is three times higher than for older adults, and youth are more likely to be underemployed or employed in part-time, seasonal, low-paying, and/or precarious jobs than older adults.³ Youth unemployment in sub-Saharan Africa, North Africa, the Middle East, South Asia, East Asia, Latin America, and Eastern and Central Europe remained the same or increased between 2010 and 2018; in OECD member countries, youth unemployment decreased by 5% during this same period.⁴ As the share of the youth population in developing countries continues to increase, the challenge of finding gainful employment is expected to continue.⁵

FIGURE 1

The youth challenge in four numbers



Sources:

IFAD (International Fund for Agricultural Development). 2019. *Creating opportunities for rural youth: 2019 Rural Development Report*. Available at: <https://www.ifad.org/en/web/knowledge/publication/asset/41173272>; World Bank, World Development Indicators, "Indicator: Unemployment, youth total (% of total labor force ages 15-24) (modeled ILO estimate). Change between 2010-2018." Available at <https://data.worldbank.org/>; Benfica, Rui. 2017. *Rural Youth Employment*. World Bank and IFAD (International Fund for Agricultural Development). Available at: https://www.researchgate.net/publication/322578496_Rural_Youth_Employment; FAO (Food and Agriculture Organization of the United Nations). 2016. *Addressing rural youth migration at its root causes: A conceptual framework*. Available at: <http://www.fao.org/3/a-i5718e.pdf>; Anderson, Jamie, Danielle Hopkins and Myra Valenzuela. 2019. *The role of financial services in youth education and employment*. CGAP. Available at: https://www.cgap.org/sites/default/files/publications/2019_06_30_Working-Paper_Youth_Education_Employment.pdf

Agriculture remains an important sector in many developing countries, including for youth. Across the world, rural poverty rates are higher than urban poverty.⁶ In sub-Saharan Africa, youth account for 60% of the population and 45% of the labor force,⁷ and agriculture employs a higher proportion of youth than adults. A recent review of nine major countries in sub-Saharan Africa shows that farming is the largest employer of youth overall.⁸ More than two-thirds of young people in rural areas in sub-Saharan Africa work in agriculture.⁹ In the next five years, it is expected that most youth in sub-Saharan Africa will continue to work on family farms and in household businesses; only one in four youth will find waged employment, and a fraction of those jobs will be in the formal economy.¹⁰

DEFINITION OF "YOUTH"

In this analysis, we define youth as individuals between the ages of 15 and 24. This definition is in line with those used by IFAD, the World Bank, and the ILO, allowing for comparability across global datasets and literature. We recognize that it differs with definitions used by others, particularly that used in much of sub-Saharan Africa and by the African Union (15-35 years of age).

**15
to
24**

LINKS TO EDUCATION

To truly understand the youth experience in rural areas, it is important to consider not just their livelihood options, but also the national (and often sub-national) experience of education. Rural youth face disadvantages when it comes to education, including fewer educational institutions, fewer employment opportunities post-education, and less ability to finance education. For the purposes of this brief perspective, we have focused primarily on youth livelihood options, with only limited consideration of the role played by formal education. We recognize, however, at least four important linkages between the broader topic of education and the youth discussion in this deep dive: (i) for at least some of the years considered in the definition

of youth (15-24), individuals are likely to be attending school rather than employed; (ii) interventions targeted at improving livelihoods and opportunities for youth often depend on the availability and quality of education systems that prepare youth for employment and entrepreneurship; (iii) as educational enrollment increases, youth may enter the workforce later and/or with higher levels of education; and (iv) especially for youth in subsistence households, temporary labor arrangements on and off the farm can compete with attending secondary education. These dependencies, while critically important, are beyond the scope of this deep dive.



I. SEEING RURAL YOUTH THROUGH A PATHWAYS LENS

In the recently released Rural and Agricultural Finance State of the Sector Report: [Pathways to Prosperity](#) a new approach to customer segmentation—based on smallholder rural transition pathways—was proposed.

The rural pathways model moves us from a static understanding of rural households based on their characteristics at a particular moment, toward a dynamic view of how households and their needs might evolve over time. This model lays out the different transition pathways rural households may take as they pursue increased resilience and agency through various livelihoods strategies. These pathways coalesce around four centers of gravity: 1) farming as a business; 2) rural services; 3) rural labor; and 4) urban migration. Over the course of a lifetime, a single household may move forward or backward along a pathway, change pathways entirely, or simultaneously pursue multiple pathways. By mapping out the likely transition points for rural households, financial service providers will be able to create a strategy for engagement that delivers the right services at the right time.



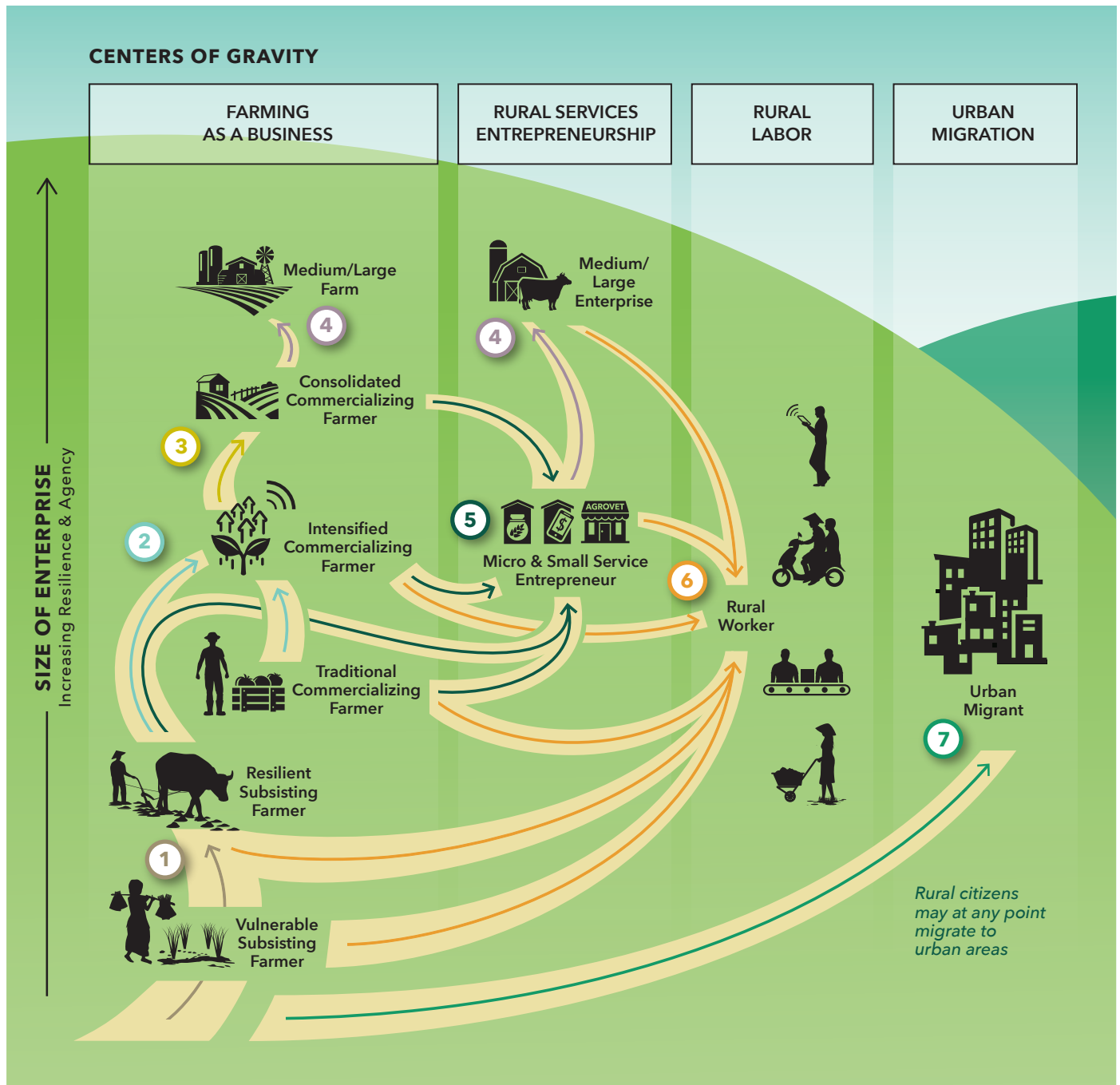
Photo taken by Jennifer Huxta of Mastercard Foundation.

At a foundational level, youth have the same set of rural transition pathway options as non-youth. They can stay in farming (pathways 1-4), move into rural entrepreneurship services (pathway 4-5), become rural workers (pathway 6), or migrate to urban areas (pathway 7). However, based on their unique life stage, skills, networks, and assets, youth have different needs, opportunities, and challenges than non-youth—leading them to transition differently through the rural pathways model.

With this in mind, in this deep dive, we treat youth as a particular client segment and consider how they may need to be served differently within different pathways.

FIGURE 2

The Rural Pathways Model



PATHWAYS

1 Developing a Resilience Buffer

Smallholder farmer continues to farm primarily for subsistence—has little or no surplus—but is able to improve farming practices and build assets to strengthen its resilience to external shocks.

2 Farm Intensification

Smallholder farmer takes a business-oriented approach to farming, and is able to generate a surplus and increase production value through improved inputs, better farming practices, and regular sales to buyers and traders.

3 Land Consolidation

Farmer takes a business-oriented approach to farming and is able to consolidate multiple plots of land for more efficient, cost-effective, and competitive commercial production.

4 Transition to Formal Enterprise

Farmer or service entrepreneur consolidates its activities into a formal enterprise that is fully integrated into the value chain and relies primarily on hired labor and mechanization.

5 Transition to Service Provision

Smallholder farmer shifts away from agricultural production and instead pursues an entrepreneurship livelihood strategy in rural services, either related to agriculture (e.g., agro-vet) or not (e.g., mobile money agent).

6 Conversion to Rural Employment

Smallholder farmer remains in rural areas but shifts away from self-production or entrepreneurship to become labor for on-farm or off-farm activities.

7 Migration to Urban Areas

Smallholder farmer migrates to urban centers, transitioning to non-agricultural activities.

II. UNIQUE CHALLENGES AND SEGMENT CHARACTERISTICS

Viewing youth through a rural pathways lens, we can see the range of unique opportunities, service considerations, and challenges they face in building viable livelihoods.

Within the Rural Pathways Model, many of the same challenges faced by the broader rural population are also faced by youth: challenging economics of smallholder farming and agricultural value chains; relatively underdeveloped rural markets and services economies; limited financial resources available for entrepreneurship and investment; limited market access opportunities; and an often weak enabling environment. Similarly, like the broader rural population, inclusive rural development is key, bringing together economic opportunities; access to services, capital, and land; and educational reforms. However, given their life stage, skills, networks, and assets, youth face a number of additional challenges and service requirements that providers must address.

The cultural, economic, and political context of a country has a very significant impact on the education and livelihood opportunities of rural youth. Global evidence suggests a number of general dynamics that apply to rural youth in developing countries, including:

- **Mobility:** Youth tend to be more mobile than older adults, moving between urban and rural areas, between various kinds of formal and informal employment, and inside or outside of agriculture. This movement is driven by opportunities in urban areas but more often by necessity due to the lack of opportunities within rural areas.¹¹ For service providers to design appropriate interventions, they must screen the needs of youth simultaneously across multiple pathways.
- **Urban migration:** Youths' higher level of mobility is associated with higher levels of urban migration, driven at least in part by perceived and actual limited opportunities for employment in rural areas. A study in 29 countries found that rural youth are 40% more likely than older adults to migrate to urban areas.¹²

- **Assets:** Relative to older adults, youth are significantly less likely to own, or exercise management control over, agricultural holdings.¹³ A study in four African countries found that youth 20-24 years old are between one-sixth and half as likely to own land as adults aged 45+; when they do own land, youth own smaller plot sizes.¹⁴ Similarly, youth are unlikely to own or manage medium or large enterprises. This is often due to a variety of interlinked factors, including lack of access to financial resources (often due to lack of collateral), as well as legal and communal land ownership restrictions.

- **Family of origin:** The familial starting point of youth has a very strong impact on their livelihood trajectory. Recent research finds that youth born into farming households are most likely to end up being employed in farming, either on individual/family farms or as hired farm labor. The opposite holds true for youth born into non-farming households.¹⁵

- **Gender:** Female youth face unique challenges due to the more limited options available to them. The result is that rural young women often lag behind men in educational attainment, asset ownership, economic participation, and productivity.¹⁶ In addition, expectations around marriage and childbearing can further disrupt young women's trajectories during the crucial transition point between school and the labor force. This can have a lifelong impact on women's ability to build resilient livelihoods. *For a more detailed gender analysis, please see [Pathways to Prosperity: Understanding women's rural transitions and service needs](#).*

With this broader context in mind, it is possible to consider how these youth-specific dynamics play out in different rural transition pathways.

III. SERVING YOUTH THROUGH A PATHWAYS LENS

For youth in subsistence farming households (pathway 1) the main barriers are land access and the challenging economics of farming in general. Youth service needs reflect the broader needs of subsistence farming households (e.g., non-agricultural finance products, agronomic training, and input financing and subsidies). Opportunities for youth in pathway 1 include contributing labor and taking a leadership role in adopting practices that help progress the family farm to a more resilient and diversified state. Youths' typically higher adoption rates of new and innovative practices and technologies present an opportunity to help drive farm professionalization. In the long term, improving the family farm can create opportunities for youth to own assets, including land.

For youth playing, or seeking to play, a role in more resilient and consolidated farms (pathways 2 and 3), their higher adoption rates of new technologies and practices can help them drive progress either on family farms or in self-owned/managed farms (potentially in group ownership models). Key dynamics to be considered include challenging land ownership customs and laws in many contexts. Youth service needs include tailored financial products to allow youth to purchase or lease land, as well as access to more complex farming inputs and assets, such as farming technologies and equipment (e.g., harvesting, irrigation). Success stories for youth in pathways 2 and 3 can serve to improve the attractiveness of agriculture for youth more broadly.

Many youth seek entrepreneurial opportunities in the rural services provision space (pathway 5), either formally or informally. Formal opportunities include becoming agents within established value chains; informal opportunities include involvement in agricultural (e.g., transport) and non-agricultural (e.g., local retail) ventures. Youth-run micro-enterprises can play a key role in driving progress in pathways 1-4; conversely, progress in pathways 1-4 can stimulate demand for micro-enterprises from which youth can benefit. Entrepreneurial opportunities for youth can be a valuable channel to build experience, capabilities, and capital. Numerous service providers exist in this space, meeting service needs around start-up capital, capacity building (especially around business skills), and identification of the right opportunities.

For youth working in rural areas (pathway 6), consistent employment can be challenging. It often requires

youth to move between rural, peri-urban, and urban areas; between agriculture and non-agricultural employment; and between formal and informal sectors, in order to generate income. Youth typically face challenges in access to information on needs for rural services, understanding of off-farm opportunities, and a general lack of rural non-farm employment opportunities. Service needs include directly building the capacity and employability of youth, and indirectly supporting the growth of farming and service enterprises to create more demand for youth employment.

It should be noted that Pathways 4 and 7 are excluded from the analysis in this deep dive. Youth are highly unlikely to have access to the opportunities and resources to own medium and large farms or rural enterprises (pathway 4). However, efforts to support other farmers and business owners in pathway 4 can have significant impact for youth by spurring broader economic development—and thus employment opportunities for youth—in rural areas. While pathway 7 provides opportunities to youth, such as education and employment opportunities that might not be available in rural areas, these service needs and delivery examples for youth are outside the scope of this deep dive. However, service providers should consider specific dynamics related to youth urban migration—such as the balance between opportunities and prospects for youth employment in rural versus urban areas.

In order to create opportunities for youth, services need to match the demographic changes and challenges faced by youth based on the pathway transitions they are pursuing.

Broadly speaking, services provided to youth fall into either supply-side or demand-side interventions—focused, respectively, on improving the employability of and expanding employment opportunities for youth. Interventions can also focus on matchmaking, which facilitates information exchange and connections between labor supply and demand. Policymaking and regulatory interventions can contribute to an enabling environment.¹⁷

Most of the focus—especially from NGOs, which are traditionally the most active stakeholders in this space alongside the public sector—has been on supply-side interventions.¹⁸ These include basic education,

Technical and Vocational Education and Training (TVET), entrepreneurship training, and social services support.

As the issue of rural youth employment becomes more pressing, service providers have started to implement a range of approaches, including:

- **Employment priming approaches**, which build the capabilities of youth for employment and entrepreneurship opportunities. Examples include Technical and Vocational Education and Training (TVET) and entrepreneurship models.
- **Service adaptation approaches**, which tailor existing interventions to better suit the specific needs and circumstances of youth. This includes tailoring financial products to make them more feasible for youth (e.g., by decreasing collateral requirements).
- **Value chain-specific approaches**, whereby youth gain employment opportunities within broader value chain models. Examples include internship and traineeship opportunities offered by service providers and offtakers.
- **Multi-stakeholder approaches**, which bring together multiple stakeholders—often from the public and private sectors—to integrate a combination of the above-listed interventions. Crucially, multi-stakeholder approaches can link supply-focused interventions with demand-focused efforts to ensure that youth, once their capabilities have been boosted, have real employment opportunities.
- **Broader policy and enabling environment initiatives**, which focus on strengthening the enabling environment and spurring broad economic development to create employment opportunities for youth.

For many of the approaches described above, several different types of models need to come together to have the full impact. There is also a close link with financing: finance is often an important enabler of other models, and success in the other models can reduce the risk of financing. The higher risk profile of youth, lower asset ownership, and lack of a track record makes it much more difficult for youth to access finance. Some impact-oriented actors, such as the Syngenta Foundation and FarmDrive, are attempting to more systematically address financing opportunities for youth through credit scoring and the use of digital technologies to more easily and efficiently reach this demographic.

In general, we find that the most successful financial service providers integrate their services offering with other interventions, often provided by others.

For a more detailed breakdown of youth-specific opportunities and service considerations in each pathway please refer to Annex 1.

A NOTE ON THE TECHNOLOGICAL AND DIGITAL OPPORTUNITY:

In the context of the rural transition pathways framework, the intersection between innovative digital technology and youth is a compelling one. By enabling access to better—often customized—advisory services, markets, and finance, technology can help drive greater farmer productivity, translate productivity gains into income gains, build resilience, and improve nutrition.¹⁹ Combined with evidence that suggests a higher uptake of new technologies by youth compared to the broader population,²⁰ it is clear that youth can be one of the key segments driving adoption of digital solutions in the agricultural sector.

The digital opportunity for youth is typically framed in two ways: 1) digital solutions can make farming more attractive to youth through more innovative and dynamic approaches; and 2) enabling digital services can offer alternative livelihood opportunities. A number of programs have sought to test these hypotheses. However, in part because youth are a more difficult segment to serve for many traditional service providers (due to limited networks, assets, and experience), the evidence for this thesis, while growing, is not yet conclusive. While the challenges in serving youth may be one reason, another reason is that most of the digital innovations are still in very early-stage development, with findings on what works still being explored.

IV. DEEPENING THE SOPHISTICATION OF YOUTH-SENSITIVE SERVICE DESIGN & DELIVERY

The issue of youth livelihoods in rural areas will become an increasingly important one in the years to come. In this deep dive, we have attempted to illustrate how youth can be considered as a specific client segment within the rural pathways model. Building on the broader impact investment theses and concepts in the Pathways to Prosperity report, we believe there is an opportunity:

1. **For practitioners and thought leaders** to deepen research into the unique needs and challenges of youth as they pursue different livelihood pathways;
2. **For existing service providers** to put a youth lens on their service provision that takes into account these challenges and dynamics;
3. **For governments, donors, and NGOs** to further innovate multi-stakeholder or multi-dimensional programs that deal with youth-specific challenges in a way that is closely linked to more structured employment and livelihood opportunities.

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ABOUT THE LEARNING LAB

The Rural and Agricultural Finance Learning Lab, is a seven year initiative of the Mastercard Foundation, and is the Learning Partner of the Foundation's rural and agricultural finance portfolio. As a Learning Partner, the Lab is committed to (1) publishing its own original research, (2) sharing knowledge and learnings from the Foundation's partners to the broader rural and agricultural finance space, and (3) advising partners on their learning and communication strategies. Learn more at www.rafllearning.org.

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Pathways with a youth overlay

Youth Livelihood Opportunities	Youth-Specific Client Dynamics	Service Needs	Service Delivery Examples
PATHWAY 1 (Developing a resilience buffer)			
<ul style="list-style-type: none"> • Contribute labor on family farm in non-lead role. • Take leadership role on family farm to progress toward more resilient and diversified farming (may include participation in training, input subsidy scheme, or driving diversification activities on farm). • Take over farm in intergenerational transfer of land and assets. 	<ul style="list-style-type: none"> • Youth growing up in subsistence farming households tend to work on their families' farms or in waged work on other farms. They may see limited future opportunities for themselves in subsistence farming. Often, parents encourage youth to seek opportunities elsewhere—through education, non-farm employment, and migration. This drives youth to pathways 6 and 7 for at least part of their employment. • Youth growing up in non-farming households are unlikely to enter farming. This is at least partially driven by lack of attractiveness of subsistence farming. • Youth, including those in subsistence households, have been shown to have higher willingness to take risks and innovate than older adults. Young people with higher education levels can be a major driver of professionalization on family farms. Involvement in farm professionalization (as family members, owners, or laborers) can eventually lead youth to own assets, including land. 	<ul style="list-style-type: none"> • Financial products to cover non-agricultural needs (e.g., school loan fees). • Agronomic training. • Input subsidies (may be partially on credit). 	<ul style="list-style-type: none"> • Employment priming approaches that focus on youth farming and basic agriculture exist in most countries, and are typically delivered through school, Technical and Vocational Education and Training (TVET), and NGO providers. For example, the 4-H movement, which originated in the US, now has independently- and often youth-run programs in 15 African countries. The 4-H Enterprise Gardens model—which has been implemented in Ghana, Kenya, Tanzania, Liberia, and Ethiopia—enables youth to plan and manage a food-producing garden at their school or in their community. The aim is to transfer knowledge of new farming techniques to the broader community while building youth interest and capabilities in agriculture.²¹ • Service adaptation approaches by NGOs and government extension programs, whereby youth are enlisted as promoters and early adopters of interventions aimed at increasing the resilience of subsistence farmers. SNV in Uganda trains 'young model farmers' to demonstrate potential of farming as a business and provide lessons to their peers.
PATHWAYS 2 (Farm intensification) AND 3 (Land consolidation)			
<ul style="list-style-type: none"> • Contribute labor on family farm in non-lead role. • Take leadership role on family farm to grow commercial production and diversification of farming activities. • Take over farm in intergenerational transfer of land and assets. • Purchase or lease of land to own and/or operate intensified commercial farm. 	<ul style="list-style-type: none"> • Youth show higher mobility between different types of on- and off-farm labor arrangements than older adults. This creates opportunities for youth to gain educational and work experience while employed part-time on farms. • Youth often show a higher willingness and ability to adopt the new technologies and practices needed to progress through pathways 2, 3, and 4. This includes use of digital technologies (e.g., for market access, pricing information, digital goods, and services marketplaces) and innovative farming technologies, including small-scale mechanization technologies. • However, for youth to have the incentives to play an active role in farm professionalization, barriers such as land <p>...continued</p>	<ul style="list-style-type: none"> • Tailored agronomic and "farming as a business" training. • Input and asset financing. • Land leasing, potentially through formation of youth groups. • Land financing. • Inclusion of youth in policy dialogues, particularly on land use and ownership legal frameworks. 	<ul style="list-style-type: none"> • A number of service adaptation approaches exist for emerging youth farmers that are actively seeking out growth opportunities to improve their family farms. This may take the form of microfinance institutions or fintech players, such as FarmDrive, targeting youth with adapted financial products. Another example is bundled training programs, such as Junior Farmer Field Schools, a model developed by the FAO that helps youth manage farms and make business decisions. As another example, the Cargill Agri-Fellow program in India trains rural youth in developing and running agri-businesses and transforming their families' farms.²² • Value chain specific approaches also exist—largely in cash crops where <p>...continued</p>

Youth Livelihood Opportunities	Youth-Specific Client Dynamics	Service Needs	Service Delivery Examples
	<p>ownership and challenging economics also need to be overcome.</p> <ul style="list-style-type: none"> • As with pathway 1, youth involvement in farm professionalization (as family members, owners, or laborers) can eventually lead to building own assets, including land. • To have more of a systems impact, service providers should also consider macro factors, including broader policy changes and macroeconomic development. Real economic growth in key value chains can change the economics of farming and the case for investing in pathways 2 and 3, improving the attractiveness of agriculture for youth. 		<p>perceptions of aging farmers create a strategic imperative to secure future supply through engaging younger farmers (e.g., cocoa, cashews, coffee).</p> <ul style="list-style-type: none"> • A range of broader multi-stakeholder approaches and employment priming can create the complementary suite of services to provide rural youth with opportunities in agriculture. The Opportunities for Youth Employment project—implemented by SNV and supported by The Mastercard Foundation—combines supply- and demand-side interventions (e.g., employability skills training, market matching, coaching and mentoring, enhancement of ecosystem for youth inclusion), and policy advocacy targeting rural out-of-school youth, including emerging young farmers. • Broader policy and enabling environment approaches aimed at reforming land ownership regulations, allocating public resources to supporting youth in agriculture, and increasing youth decision-making power. The 2014 Malabo Declaration by the African Union, as well as national youth policies and legislation, are examples of such interventions.

PATHWAY 5 (Transition to service provision)

<ul style="list-style-type: none"> • Get involved in informal agricultural services, such as local trading, transport, and logistics (e.g., aggregation). • Become a micro-services entrepreneur in an established value chain (e.g., agro-vet). • Become a registered and certified training, sales, or logistics agent for an anchor company. • Start a non-agricultural rural micro-enterprise (e.g., local retailer). 	<ul style="list-style-type: none"> • In rural areas, there is a big difference between informal youth micro-enterprise (often a function of necessity) and more formal integration into a supply chain or services model. In both cases, entrepreneurial activities can allow youth to build up capabilities, networks, skills, and, importantly, capital. • The bulk of entrepreneurs in rural areas in the developing world are found in the informal sector. For youth, specifically, it is often a lack of opportunities in formal employment (pathway 6) and a lack of access to resources and land ownership (pathways 1-4) that drives them to become micro-entrepreneurs. Thus, entrepreneurship in informal sectors can be a model that service providers can support to provide employment (especially when formal employment opportunities are lacking). The key goal should be assessing needs, then building skills and capital to prepare youth for further development. • For formal employers or service providers looking to build more <p>...continued</p>	<ul style="list-style-type: none"> • Loans for starting micro-enterprises. • Capacity building (technical, business, and financial skills) for both formal and informal micro-entrepreneurs. • Market access support (e.g., connecting traders to youth). • Equipment leasing. • Value chain analysis to help youth identify trends and assess addressable demand for goods and services. <p>...continued</p>	<ul style="list-style-type: none"> • Employment priming approaches—such as The Mastercard Foundation-funded and TechnoServe-implemented STRYDE program—provide rural youth with capacity building and mentoring intended to help them find employment, including self-employment in agricultural and non-agricultural rural enterprises. Another example is the Social Investment Accelerator, which provides mentorship, financing and networks for youth entrepreneurs. • Service adaptation approaches include services designed to be more accessible for youth. An example is HelloTractor, which connects tractor owners with farmers. Collaborations with IITA, USAID, and CTA have trained youth as booking agents and tractor owners/operators. • Value chain-specific approaches are common in recruiting rural “agents” into sales, service, or distribution networks. For example, Mars trains youth in Indonesia to become “cocoa doctors” who provide services to farmers in their communities.²³ In <p>...continued</p>
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Youth Livelihood Opportunities	Youth-Specific Client Dynamics	Service Needs	Service Delivery Examples
	<p>established employment opportunities, youth are an interesting demographic to consider. While youth often lack experience, networks, and collateral, they also provide unique opportunities for service providers. Youth may better understand financial products and services and more easily adopt new technologies and practices. Youth may also become more valuable customers over time for financial service providers, due to high mobility and higher uptake of innovative technologies and practices. Many service delivery models to farmers in pathways 1-4 can benefit from incorporating youth micro-entrepreneurs as part of their delivery model.</p> <ul style="list-style-type: none"> It is important to note that the scale of the opportunity in pathway 5 is largely dependent on the growth and dynamics in pathways 1-4, which anchor the demand for rural services. Over time, highly successful micro-enterprises can develop into larger enterprises that also create jobs for other youth, and the skills learned in (micro-)entrepreneurship can help boost youths' opportunities in formal employment (pathway 6) and within agriculture (pathways 1-4). 	<ul style="list-style-type: none"> Mentoring. Support for broader business environment (i.e., financing, policies and regulations, institutional development, incubators). 	<p>Ghana, the MASO program provides youth with training and resources to set up and operate their own nurseries.²⁴ TechnoServe also trains youth to become farmer trainers in its coffee program.²⁵</p> <ul style="list-style-type: none"> Multi-stakeholder approaches can support youth entrepreneurs and use their convening power to connect these entrepreneurs to markets, while coordinating their efforts with policy-makers. Examples include Generation Africa and the Global Alliance for Mass Entrepreneurship, which convene multiple partners (across public and private sectors, and civil society) to create system-level opportunities for youth entrepreneurs.

PATHWAY 6 (Conversion to rural employment)			
<ul style="list-style-type: none"> Become a local farm laborer. Get a job in an informal, rural business (e.g., trader, local shop). Get a job in a formal rural agricultural enterprise (e.g., cashew processing plant). Get formal employment in a non-agricultural rural organization (e.g., government agency, school). Join National Youth Service program (as in Ghana). 	<ul style="list-style-type: none"> Broader agricultural development (pathways 1-4) can create employment opportunities for youth, within and outside of agriculture, in rural areas. Where employment opportunities exist, youth may lack the experience, technical education, and/or soft skills to fill the jobs. High mobility of youth and their better access to information makes them willing to seek and pursue diverse employment opportunities. This can partially counterbalance job scarcity and the often temporary/seasonal nature of rural employment opportunities. High mobility of youth and limited opportunities leads many youth to move between temporary rural and urban, agricultural and non-agricultural labor. 	<p>Direct (service to youth):</p> <ul style="list-style-type: none"> Training for higher skill and innovative (e.g., "green") jobs. Matchmaking between youth and employers; development of labor market information system. <p>Indirect (services to employers):</p> <ul style="list-style-type: none"> Employer incentives to hire youth. Access to finance for rural enterprises to spur economic development and lead to more labor demand in rural areas. 	<ul style="list-style-type: none"> Multi-stakeholder approaches—whereby training of youth (employment priming) is combined with value chain-specific approaches and other demand-side efforts—to ensure that youth benefitting from capacity building have employment opportunities where these can be put to use. For example, while TechnoServe mainly focuses on employment priming, they have signed MOUs with employers to employ youth and ensure youth skills training is relevant for these opportunities. SNV runs the YES (Uganda) and AY (Tanzania) programs, through which youth receive training and mentoring in response to private sector needs, and are matched with private sector employers.²⁶ Beyond agriculture, Harambee, a non-profit social enterprise in Rwanda and South Africa, partners with the private sector to train youth in response to demand. Value chain-specific approaches such as Nestlé and One Acre Fund providing internship, traineeship, and job opportunities to youth.

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