

## YOUTH EMPLOYMENT THROUGH AGRICULTURAL DEVELOPMENT: EVIDENCE FROM MALAWI

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Case Study  
N° 2

### SYNOPSIS

Africa faces high unemployment rate due to an unprecedented youth bulge, which is not commensurable with job opportunities. In this context, other alternative programs, apart from creating non-farm employment, become necessary. This study uses Bwanje Valley Irrigation Scheme in Malawi as a case study to highlight the importance of agricultural development in reducing unemployment among the youth in rural areas. The findings of the case study revealed that the youth who participated in the irrigation farming were food secure as they had enough food to eat throughout the year and realized also increased incomes. This increased income had multiplier effects such as creation of small or medium enterprises, acquisition of assets including building of houses with iron sheets and buying of livestock, etc. The case study therefore posits that promoting agricultural development programs is likely to absorb unemployed youth in rural areas. Therefore, governments should mainstream policies and strategies that encourage voluntary youth participation in agricultural development programs.

### Introduction<sup>1</sup>

In 1995 the United Nations adopted a strategy, the World Programme of Action for Youth (WPAY) to the year 2000 and beyond. It aimed at addressing the problems of young people in a more effective manner and to increase youth opportunities for their participation in the society. The WPAY provides as policy framework and practical guidelines for national action and international support to improve the situation of youth. The strategy identifies ten priority areas for youth development. These are: education, employment, hunger and poverty, health, environment, drug abuse, juvenile delinquency, leisure-time activities, girls and young women, and the full and effective

participation of youth in the life of society and in decision-making.

This case study focuses on the second priority area: employment. The youth in Africa are facing high unemployment rate due to an unprecedented youth bulge, which is not matching job opportunities. Entrepreneurship has been earmarked as key solution to create a conducive opportunity for the youth employment; however entrepreneurship without adequate financing is meaningless. For instance, most of the countries promote entrepreneurship yet the resource envelope to finance these entrepreneurship ventures remains very thin. In addition, commercial banks require collateral in exchange for credit hence most youth are disadvantaged as they do not have any valued asset for that purpose. It is against this background that this case study provides some

<sup>1</sup> This study has been prepared by Rudolph Nkhata in anticipation of the "Youth for Results Knowledge and Training Event" (Tunis, April 2<sup>nd</sup>-4<sup>th</sup> 2014).

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of the alternative strategies through agricultural development to mitigate youth unemployment<sup>2</sup>. Agricultural development holds a lot of promise for creating jobs for the youth since agriculture continues to be the main driver of most African economies and a key priority of many governments and development partners across the continent. In sub-Saharan Africa, 65 percent of the total population lives in rural areas and rely on agriculture for their livelihoods (Todaro and Smith 2012). According to the African Union Commission (2012), African countries can reach a higher path of economic growth through agriculture-led development if they develop their agriculture by 6 percent. This will ultimately eliminate hunger, reduce poverty, improve food insecurity, and enable expansion of exports. Agriculture led growth becomes one of the opportunities that the youth can take head on.

The Government of Malawi agreed with its development partners to formulate the Agriculture Sector Wide Approach (ASWAp) aimed at increasing agricultural productivity, achieving 6 percent annual growth of the agricultural sector, improving food security, diversifying food production to improve nutrition at household level, and increasing agricultural incomes of rural populations. ASWAp is, therefore, a priority investment program in the agricultural sector for the period 2011-2015 and is based on the prioritized agricultural elements of the Malawi Growth and Development Strategy. It is also consistent with the Comprehensive African Agricultural Development Program (CAADP) and the Development Assistance Strategy (GoM 2011). The ASWAp has mainstreamed empowerment issues in order to enhance capacity of the youth, women and men to contribute to agricultural development. It is in this context that this case study uses examples from the Bwanje Valley Irrigation Scheme (BVIS) in Malawi to highlight how agricultural development programs reduce youth unemployment in rural areas. This case study is inspired by Managing for Development Results (MfDR) principles, by sharing

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<sup>2</sup> Youth are regarded as those beneficiaries less than 35 years of age (AUC 2006).

and using MfDR for sustainable change. It should also be noted that this case study is not against non-farm employment, however we should appreciate the fact that non-farm employment is indeed necessary, but not sufficient to absorb the bulging number of the unemployed youth hence more alternatives programs are required.

The irrigation scheme was established in January 2000 at a total cost of US\$ 15 million and targeted 12,000 households in 14 villages. The scheme covers an area of 800 hectares and benefits over 2,000 smallholder farmers (Diemer 1990; Bolding 2004). BVIS was developed with the goal of improving household food security and increasing income levels of beneficiaries through increased agricultural production of rice and other crops such as maize, soybean, and cowpea (GoM 2013). After the initial construction of BVIS, the Japanese International Cooperation Agency financed its rehabilitation in November 2005 at a cost of US\$ 320,000. This rehabilitation exercise involved headwork and settling basin rehabilitation, main canal relocation, and land leveling. This work was completed in 2006 (Johnstone 2011).

Participation in BVIS is voluntary, provided the farmer lives within the 14 villages targeted by the BVIS and is over the age of 18, with no criminal record (Johnstone 2011). The policy has enticed majority of the youth within the vicinity of the scheme to start cultivating various crops. Currently, about 40% of the beneficiaries are youth. Beneficiaries or farmers have to abide by the by-laws and pay various fees to the cooperative at the start of each agricultural season in order to participate in the scheme. These fees include an annual subscription fee of MK 500 (US\$ 3.00 in 2012) and water fees at MK 300 per plot. These are paid to assist in the operation and maintenance of the scheme. In addition, farmers are allowed to buy shares at MK 1500 per share (GoM 2013).

### Presentation of the case study

The youth is growing at a faster rate (around 3 percent) than economic growth in most African

countries. These countries are characterized by low levels of farm productivity, limited growth of non-farm employment. (Eleni et al. 1999). In addition, African countries are characterized by slow economic growth whereby the income per capita is falling (Todaro and Smith 2012).

The author uses the case study of the Bwanje Valley Irrigation Scheme (BVIS) in Malawi to show some of the opportunities that the youth can take advantage of in the face of high unemployment rate. It is envisaged that the presentation of this case study will motivate most youth who have access to land to invest in agricultural development. This also provides clear cut policy implications and recommendations for various stakeholders including development partners. We present a case of a youthful farmer

### **Box 1 – Case study on irrigation farming**

My name is James Yosofati. I joined the scheme when I was 22. At that time I was told to assist in the construction works of the scheme. Thereafter the chief of my village allocated to me 2 acres of land on which I cultivate my crops.

When I joined the scheme I started growing rice and maize and usually I harvest 25 rice bags and 13 maize bags. I normally sell most of my rice to the cooperative and some to vendors. I normally earn MK150, 000 (US\$1= MK168.00) plus when I sell all my rice from my 0.4 hectare field during each cropping season. In some cases I cultivate the rice twice a year.

Initially, I was living in a grass thatched house, but with the increased income earned from the sale of my agricultural produce I have managed to set up a shop which gives me MK 3000 gross income daily, built a brick walled house with iron sheets. In addition, I also bought some goats using the monies from agricultural farming. Apart from this, before I engaged in farming, I was carrying out Ganyu (temporary jobs) in order to sustain my life and that of my younger brothers, but this is now a story of the past with my farming.

from BVIS in box 1.

### **Outcomes and overall assessment**

As earlier stated, the focus of the case study is employment; therefore our case study provides some evidence on this priority area using evidence from the BVIS in Malawi, using the findings from a study by Nkhata (2014). It was revealed that on average the youths harvested 20 bags of rice and 16 bags of maize from a 0.4 hectare of land. The agricultural produce ensured that these groups could have enough food for the whole year. In Malawi, maize is the staple food hence the youthful farmers mostly sold their rice to vendors.

The youth who participated in the irrigation scheme earned an average of MK 87093.63 (US\$581.41) while the adults earned an average of MK 79615.63 (US\$473.90) as agricultural incomes from the sales of their agricultural produce on the 0.4 hectare from each agricultural season. This is expected to double if they practice crop intensification. In addition, there was no significant difference in the income of adults and youth, because both groups were endowed with similar resources. For example, every beneficiary was allocated 0.4 hectare of land during the design of the scheme. However, it should be noted that farmers do not engage in any value-addition with their harvested rice, they sell it at low prices. Moreover, the BVIS cooperative does not provide a proper market for rice for participants. For instance, the cooperative only sells about one thousand bags of paddy rice out of the 60,000 harvested annually by participants to the scheme. Most of the paddy rice is sold at low prices of around MK40 per kg at the farm gate to vendors who normally dictate prices. The majority of farmers do not use the cooperative to market their rice due to delays in payment from the rice buyers. Furthermore, it was found through interviews with traders who were buying rice at the BVIS that they sell the rice to schools

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and hospitals based on agreed contracts. This implies that traders were taking advantage of the imperfect information on market opportunities and on a lack of skills in contractual relationships among the BVIS cooperative members and its leadership. Thus, if cooperatives can strike business partnerships with schools, hospitals and prisons for those institutions to purchase rice directly from the cooperative, member farmers of the cooperative are likely to realize more competitive prices for the rice that they offer for sale. However, the government and other stakeholders will need to build capacities for the cooperatives in the area of business partnerships and contract relationships.

It was also observed that the youth were occupying management positions in the water management and marketing committees respectively. This ensured that the voices of the youth could be properly articulated in the development process. These youth also had opportunities to undertake various tasks concerning leadership and group dynamics, management, irrigation, and record keeping.

### Conclusions and lessons learned

This study provided some evidence on some alternative programs to mitigate youth unemployment using the case study of the BVIS in Malawi. The findings revealed that agricultural development programs involving the participation of youth can improve food security and the poverty status of young people. The increased income led to other multiplier effects such as blossoming of small and medium enterprises (i.e. shops), the construction of houses with iron sheets, and buying livestock's etc. It should also be highlighted that irrigation is one of the climate adaptation strategies, hence it helped the youth to adapt to climate induced effects such as drought. In addition, we also noticed that interventions involving youth and adult partnerships through reallocation of the

same piece of land can also ensure that there is a narrow income inequality gap between these two groups.

The findings from this case study provide us with several policy implications that are important to youth development. Firstly, mainstreaming policies in agricultural development programs that encourage voluntary youth participation are a foundation to mitigating youth unemployment. It should be emphasized that the youth in rural areas will not venture into informal jobs or migrate to urban centers if they notice that they will be self-employed and have increased incomes through the agricultural sector. It should also be noted that the promotion of agricultural development programs will ultimately result in rural development. Secondly, the promotion of modern agriculture has considerable potential for job and wealth creation and may absorb large numbers of youths migrating to urban areas. For example, availability of tractors for land preparation will entice the youth to voluntarily participate in these labor intensive agricultural programs. Finally, it is also very important for agricultural-based economies to invest at least 10 percent of their national budget into the agricultural sector following the Comprehensive Agriculture Africa Development Program (CAADP). It is envisaged that such development will be highly beneficial for most farmers (including the youth).

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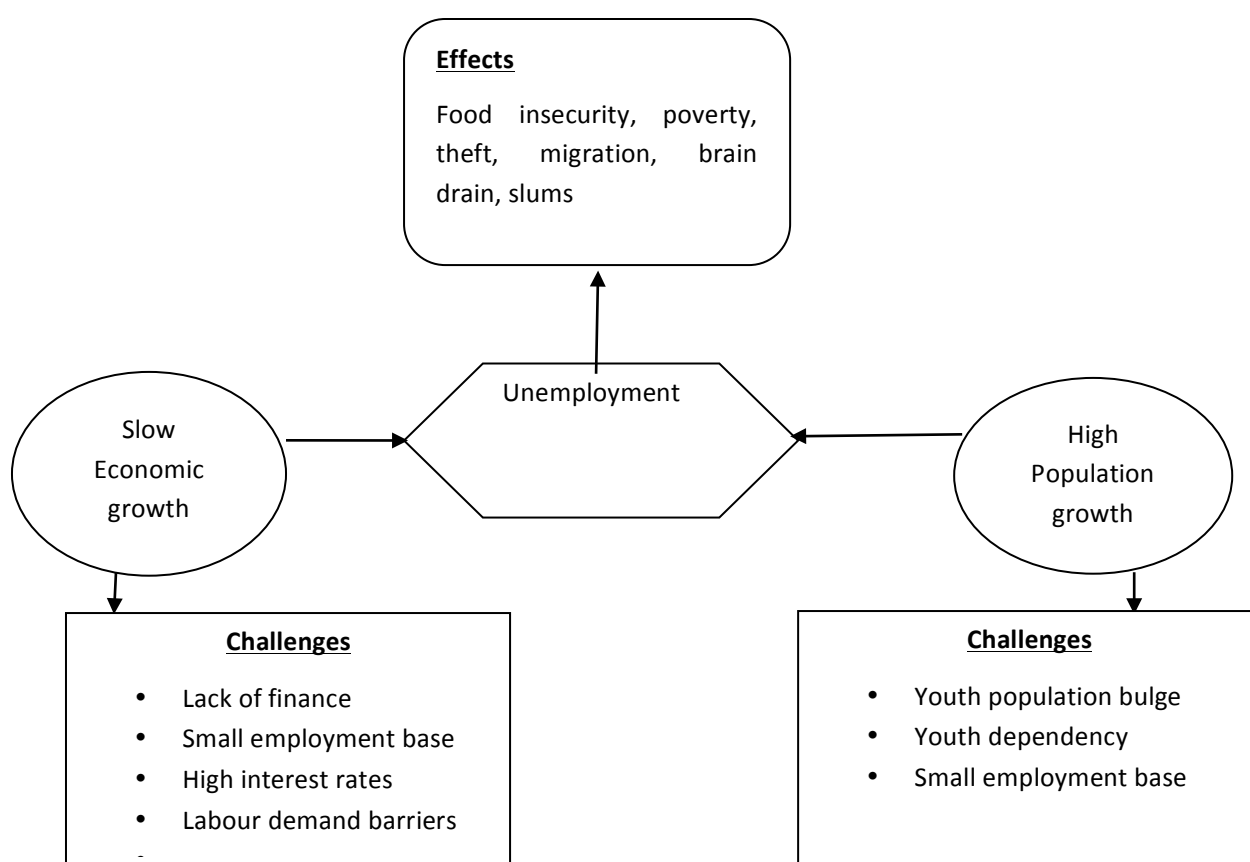


Figure 1: Conceptual framework (authors creation)

Note: The list of challenges is not exhaustive. These are some of the challenges specific to our case study.



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