

YOUTHS AND AGRIBUSINESS DEVELOPMENT IN KENYA

Martin Abwao

Msc Rural Development and Agribusiness, Szent István University, Gödöllő, Hungary.

Faculty of Economics and Social Sciences.

Email: abwaom@gmail.com

Abstract

In many parts of the world, agriculture has been left for the old people and illiterate men and women in the rural areas. Unfortunately, these people view agribusiness with a lot of suspicion. For them, agribusiness is synonymous with big business/ capital, transnational corporations, globalization, international capital, export crops and large-scale plantations. More often than not, these are seen to culminate into exploitation of local people and resources.

Adoption of new technology, inputs and engagement with new markets are critical for the enhancement of agricultural productivity in Kenya. With the new free primary and secondary education in Kenya, a higher population of youths are literate hence able to adopt new technology and engage with the new markets in the agricultural industry. Since agribusiness is all about innovation in line with value addition, youths are privileged to have technological, mental and physical capacity to think and execute accordingly.

When projecting into the future of agribusiness in Kenya, the youths are inevitably vital. It is also undoubted fact that the critical role played by agribusiness in agri-food sector requires high level of flexibility and dynamism among the people involved.

This vibrant agriculture will lead to fairly adequate availability of employment opportunities within the sector. Specifically, jobs will move from informal to formal, small scale organizations to formal and large scale; from artisan to more industrial processing; from wet market to store based retail and small market centers will grow to towns and cities.

The main objective of this research is to find out the diverse potentials among the youths that are essential for agribusiness development in Kenya. It will focus on knowledge or literacy levels among the youths; ability to think or innovate, training potentials and health conditions among others. It will also look into the physical resources available at their disposal e.g land size, shelter, livestock, capital etc. We will also go an extra mile to find various challenges that discourages youths from engaging in agribusiness ventures. The results of these findings will enable us to conclude whether the youths are indeed essential for the agribusiness development in Kenya or not.

Introduction

Agribusiness provides the single most important platform for expansion of employment, income generation and food security in Kenya. About 65% of the Kenyan population lives in rural areas, with 70% of rural households dependent on agriculture as the main livelihood pillar. Agribusiness holds an important key to poverty reduction through increased productivity, value addition, improved marketing and linkages to other sectors.

For a long time, agribusiness has remained at its knees in most parts of Kenya. This has been attributed to the fact that many youths have not embraced agribusiness as a serious economic activity.

This study will examine a number of inherent potentials that youths possess that makes them a key resource for agribusiness development in the country. Literacy level, physical energy, diversity/dynamism, flexibility and uniqueness are some of the factors that will be investigated during the study. The paper will also investigate challenges that make agribusiness unfavourable for youths within their residential areas. Some of these factors to be investigated include; availability of capital, human resources, climate/weather, availability of natural resources (land, rivers, lakes etc.)

Problem Statement

Many youths live in abject poverty in both rural and urban settlements in Kenya, yet they have immense potentials to initiate and develop agribusiness programs within their areas of residence. Are the youths aware of the valuable potentials they possess in regard to agribusiness development? Do they even think of agribusiness initiative as an economic activity that can alleviate poverty among them? All these questions still remain unanswered among many agribusiness development experts in Kenya.

Specific Objectives

- i. To identify unique potentials possessed by youths which are vital in for agribusiness development in Kenya
- ii. To find out resources available for youths to venture in the agribusiness sector in Kenya.
- iii. To find out why most youths are not embracing agribusiness as an economic activity in Kenya.

Scope of study

The study was conducted in the entire country. The study covered all the 8 regions in the country. Rural and urban settlements were studied in equal proportions.

Assumptions

- i. It was assumed that each region was unique ecologically and environmentally.
- ii. It was further assumed that there is no significant change that has taken place among the youth in the last ten years as far as agribusiness development is concerned.

Limitations

- i. Due to time constrain, all the materials for data collection could not be accessed.
- ii. Due to lack of funds we could not conduct a baseline survey to establish the most current scenario.
- iii. Untimely response by some of the corresponding authors in the articles reviewed.

Materials and methods

Study area

The study was carried out in 8 regions in Kenya; that is Nyanza, Rift Valley, Central, Coast, Eastern, North Eastern, Western and Nairobi regions.

Data collection

Desktop research was used to collect data from various recent studies that were done by different agencies. In the process of data collection, priority was given to journals, articles and books from the following organizations in Kenya: The Ministry of Agriculture, Ministry of Youth Affairs, Public Universities in Kenya, Non- Governmental Organizations (NGOs) Development Partners and renowned scholars in the field of Agribusiness and Agriculture. This was due to the fact that most of the organizations mentioned above do conduct countrywide survey and publish authentic reports.

Purposive sampling was used during data collection in choosing online materials in which relevant information could be found. Authors' referrals were also used in accessing relevant materials that provided more insight information. A total of 30 most current professional materials were reviewed and analyzed.

Analysis was done based on the following key factors:

- i. Youths demographic in Kenya,
- ii. Current youth participation in agricultural productivity and agribusiness development
- iii. Inherent youth potentials in agribusiness development.
- iv. Resources available at youths' disposal for agribusiness development.

Analysis was done by comparing the results of various materials based on the factors mentioned above. Articles, journals, books and reports with similar findings were grouped together as far as the factor being analyzed was concerned. Each factor was analyzed at a time.

Results and recommendation

Results and interpretations

The study result shows that currently, 78.31% of Kenyans are youths (below 34 years old). It is estimated that 64% of unemployed persons in Kenya are youths. 1.5% of the unemployed youth have formal education beyond secondary school level and the remaining over 92% have no vocational or professional skills training and the majorities are found in rural Kenya. Due to inadequate employment and livelihood opportunities in rural areas the tendency is that youths migrate to urban centres to look for job opportunities.

Youth statistics currently show the following facts: Over two and half million youth in Kenya are out of work. The most frequent explanations of the causes of youth unemployment in Kenya include slow or declining economic growth, rapid population growth, poor dissemination of labour market information, skills mismatch, structural reforms, and high costs of labour.

It is envisaged that Kenya will experience a demographic shift/transition due to changing patterns in fertility, mortality and population growth as well as socioeconomic factors. As the

0-14 age group matures into teenage-hood and young adulthood, and as many women continue to give birth later, space their children more or give birth to fewer children, the bulge will shift to the 15-34 year olds meaning that Kenya will transition from a child bulge to a youth bulge population.

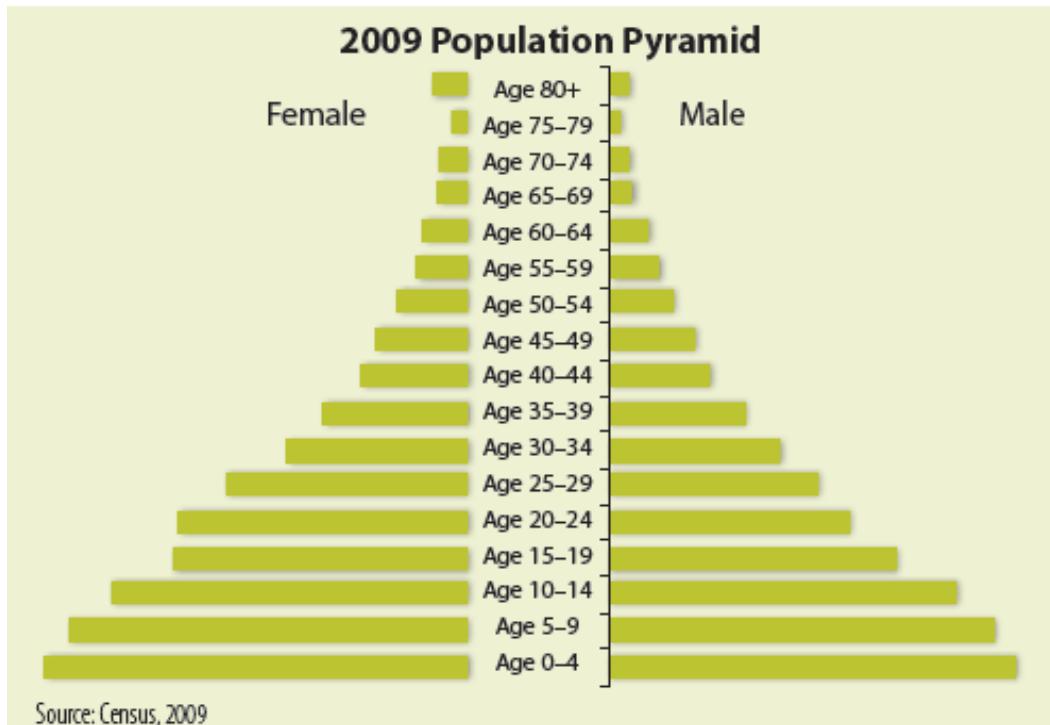


Figure 1: The current shape of Kenya's population (Child bulge population)

Source: Institute of Economic Affairs, 2010.



Figure 2: Projected shape of Kenya's population by 2020 (Youth bulge population)

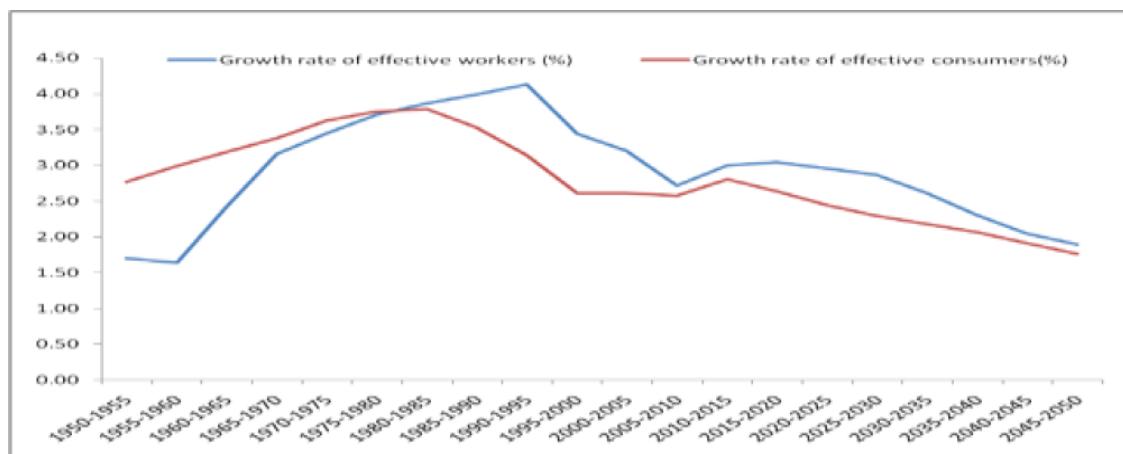
Source: Institute of Economic Affairs, 2010.

Apart from youths relatively high number in Kenya, 90% of the reports analyzed show that diversity, dynamism and innovation are some of distinct potentials among the Kenyan youths that have not been properly exploited to the advantage of agribusiness sector. Many Kenyan youths always like to come up with something unique in the quest for solving a problem and seeking recognition in the society. The ability to think and come up with appropriate solution as need arises is an excellent attribute for agribusiness development in the rural Kenya. Furthermore, it has been observed that the youths are always ready to try something new. This kind of flexibility is appropriate for agribusiness development initiatives in both rural and urban areas.

90% of all the articles and reports reviewed pointed out the immense natural energy possessed by youths as the fuel needed to develop agribusiness sector. The same reports indicated revealed that the ability of the youths to learn due to their young brains that are still growing is a potential that cannot be underestimated as agribusiness development need a young brain that is able to learn fast and think differently.

Financial resource was indicated in the most recent reports from the Ministry of Agriculture as one of the resources that youths have at their disposal and they can use it to invest in the agribusiness sector. Reports showed that while the government had set and rolled out Youth Development Fund, private banks also increased their lending portfolio toward agribusiness initiatives.

It's evident in more than 70% of the articles reviewed that youths still hold the key to agribusiness developments since they are one of the main target group for many development projects being initiated either by the government or numerous non-governmental organizations in the country. While the number of consumers keep on rising in the country, agricultural producers have been declining steadily thus creating a dire need for the youths to actively participate in the agriculture and agribusiness sector. The scenario is shown in figure 3 below.



Source: computed from UNDESA/PD (2011)

Figure 3.: The growth rate of effective consumers and effective producers, 1950 - 2050

This scenario in figure 3 above has driven the Government of Kenya in collaboration with NGOs and development partners to take a number of actions that were geared towards attracting and retaining youths in the agriculture and agribusiness sector. Some of the recent initiatives include setting aside of Youth Fund for the purposes of financing youth initiatives with a priority to agribusiness initiatives.

The move by private banks in the recent past to increase their lending portfolio for agribusiness development initiatives as well as non-governmental organization training on various agribusiness skills have also featured prominently in more than 50% of the materials reviewed. This implies that youths are empowered and are able to drive agribusiness development projects. It has also been reported that for the last five years, there are a number of youths who have engaged in a serious successful agribusiness projects.

Most of the non-governmental organization reports analyzed show that there are many available and affordable resources in the rural villages that youth should capitalize on. Vast arable land put the rural youths in better positions to drive agribusiness activities. The natural environment also offers an excellent opportunity for the youths to develop agribusiness programs. This is due to the fact that many rural areas have rivers or lakes which can provide water for irrigation. Besides, rainfall pattern is also fairly predictable in most parts of the country. Several scholars agree in their writings that there are emerging success stories of changing attitudes among young men and women on undertaking agribusiness and agriculture as a serious economic activity. In order to accelerate agribusiness development, there is need to address some structural and attitudinal factors that hold back participation of youths in agriculture. 60% of the scholarly findings indicate that school curricula have generally tended to alienate the youth from careers in agriculture and agribusiness thus impacting negatively on agribusiness development.

Most of the government and development partners reports revealed that majority of the youth consider agricultural work to be for the illiterate members of the society. The reports further concur that youths who grew up in rural villages believe that their prosperous future lies in different careers which are financially more rewarding and such careers can only be found in urban settlements. Therefore, there is need to demonstrate a changing face of agriculture, the critical role played by agribusiness in stimulating demand for traditional and non-traditional commodities agricultural commodities. Non-governmental organization and renowned scholars' baseline survey's findings indicate that lack of access to productive agricultural land by the youths is one of the major challenges to both youths in urban and rural settlements. The situation is worse in the case of female youths. In addition to the above challenges, low returns, seasonality, labour intensive sector, unpredictable weather, unreliable market and marketing systems, poor government policy and legal framework were also cited as some of the hindering factors for the youths engagement in the agriculture and agribusiness development ventures. Many scholars also agree in their articles that high rate of rural urban migration is a drawback to youths participation in agribusiness development initiatives as many urban areas in Kenya lack space for agricultural production and agribusiness initiatives.

Recommendation

In order for the Kenyan youths to fully embrace agribusiness development, the following should be taken into consideration.

- i. Youths should take advantage of the rapidly growing human population as an opportunity to engage in agriculture and agribusiness initiatives. This is simply due to the fact that growth in human population automatically triggers high demand for food which can only be provided through agricultural production and agribusiness initiatives. Meeting this demand requires rethinking of new agricultural development strategies as oppose to the conventional methods which require embracing new farming technologies.

- ii. Capacity building. The government, non-governmental organizations and development partners should invest in teaching and mentoring the youths in agribusiness development programs. This will change the youths attitude towards agriculture as a whole. For instance changing their view of agriculture as a activity for the illiterate and the old generation.
- iii. Youths should consider farming as a serious business or economic activity that requires the necessary business skills. This kind of thinking will enable youth to venture into commercial farming as opposed to subsistence farming which is unprofitable.
- iv. Curbing rural urban migration is key towards ensuring that youths are fully involved in agribusiness development initiatives. Ensuring development of social amenities e.g schools, entertainment grounds etc and infrastructural development such as roads, electricity, housing, water, internet and telecommunication among others will motivate youths to stay in the rural areas. This is due to the fact that they will keep trendy by accessing the same information just like their peers in the urban settlements.
- v. Opening up of local market and international market for agricultural commodities is crucial for the agribusiness profitability. Ready market and high positive margins is likely to attract youths to the agribusiness sector thus contributing immensely.
- vi. Private banks as well as governments banks should allocate more funds to the Agribusiness lending portfolio so as enable as many youths as possible to access the capital to initiate agribusiness development activities.
- vii. The Ministry of Agriculture should work closely with the Ministry of Youth Development in terms of disseminating information to the youths concerning agribusiness development opportunities in the agricultural sector.
- viii. Rural road development should be given a priority by the government as it has the potential to reduce transport costs, generate market activity and increase opportunities for off-farm and youth employment thus widening development in the agriculture sector.
- ix. Use of irrigation techniques should be encouraged and supported among the youths who in agribusiness by the government and the private sector so rain fed agriculture is highly unreliable.
- x. More research should be done on how best youths can be retained in the agribusiness sector long after they join the industry.
- xi. Finally, the government agricultural policy and legal framework should be made favourable for youths to engage in agribusiness development programs. For example rules governing contract farming should be made flexible for youth farmers.

Conclusion

Even though it seems clear that youths have numerous potentials which favour agribusiness development in Kenya; it is imperatively important for the government and its development partners to invest agribusiness development programs through youths. Rebranding of agriculture as a profession and an economic activity is a strategy that if adopted will not only attract the current generation youth to agriculture but also to ensure its vibrancy among the many generations to come.

From this research, it's evident that agribusiness sector has more opportunities for the youths than any other sector of the economy despite the youths negative attitude towards it. Fortunately, due to serious unemployment challenges in other sectors, youths are slowly

embracing agribusiness as an economic activity. It's the hope of youths who are already in agribusiness that many more youths may join or initiate agribusiness development programs.

Finally, it's important to reiterate that for the entire world to be food secure, youths have to be part and parcel of agribusiness sector. It's only the youths who have the requisite attributes to develop agribusiness to the desired levels. With the rapidly changing world, agriculture risk being left behind as a profession and economic activity in many parts of the world if the youths fail to join the sector.

References

1. Njojo K. S. (2010). Youth Fact Book, Infinite Possibility or Definite Disaster? Institute of Economic Affairs, Nairobi, Kenya.
2. United Nations Development Programme (1999). Kenya Human Development Report.
3. P. Njenga, F. Mugo and R. Opiyo, 2011, Youth and Women Empowerment through Agriculture in Kenya.
4. Agriculture Sector Development Forum report, 2012, Nairobi, Youth for Agriculture.
5. Government of Kenya. (2010). The Agricultural Sector Development Strategy 2010-2020, Government printers, Nairobi Kenya.
6. Government of Kenya, (2011). Economic Survey 2011. Kenya National Bureau of Statistics. Nairobi, Kenya.
7. Government of Kenya. 2007. Kenya Vision 2030: A Globally Competitive and Prosperous Kenya. Government Printers. Nairobi , Kenya.
8. Government of Kenya, 2012: National Agribusiness Development Strategy, 2012.
9. *Kenya Rural Youth Livelihood Strategies Programme, 2006: Youth Employment Summit, Nairobi , Kenya.*
10. W. Kinuthia (2009), Educational Development in Kenya and the role of information and Communication Technology, Georgia State University, USA.
11. Government of Kenya, 2013, Kenya Population Situation Analysis, 2013
12. Ministry of Agriculture and Deutsche Gesellschaft für Internationale, 2013, Gender Analysis for GIZ Agricultural Program, Nairobi, Kenya.
13. Action Aid & CARE. (2012). *What works for Women: Proven approaches for empowering women smallholders and achieving food security.* Retrieved from <http://www.actionaidusa.org/publications/>
14. Bill and Melinda Gates Foundation. (2012). *Women in agriculture: If we invest in them, we can feed the world.* Seattle, WA: Author. Retrieved November 17, 2012, from <http://www.gatesfoundation.org/infographics/Pages/women-in-agriculture-info.aspx>.
15. African Union Commission and GIZ. (2012). *Making finance work for Africa.* Policy brief on agricultural finance in Africa.
16. Blackden, M., & Wodon, Q. (2006). *Gender, time use, and poverty in Sub-Saharan Africa.* World Bank Working Paper No.73. Washington, DC: World Bank. <http://dx.doi.org/10.1596/978-0-8213-6561-8>
17. Agricultural Development Sector forum, 2012: Moving Towards Agribusiness for a Globally Competitive Agricultural Sector.
18. World Bank. 2013. "Growing Africa: Unlocking the Potential of Agribusiness." AFTP/AFTAI Report. World Bank, Washington, DC.
19. World Bank. 2011b. "Kenya Informal Settlements Improvement Project." Project appraisal document. World Bank, Washington, DC.
20. Kenya National Census Report, 2009.
21. Population Survey, World Bank Report, 2009

22. Agri Village, Village Enterprise Report, 2011. Kenya.
23. Youth Development agenda report, 2012, Ministry of Youth Affairs and Sports, Kenya.
24. Ministry of Youth Affairs Sports, 2011: Status of youth Employment in Kenya, Conference report, 2011, Nairobi, Kenya.
25. AfDB, UNECA, FAO, African Union., (2011).: Improving Statistics for Food Security, Sustainable Agriculture, and Rural Development — An Action Plan for Africa 2011-2015. Retrieved from http://www.fao.org/fileadmin/templates/ess/documents/meetings_and_workshops/Resource_Partners_Oct2011/AfDB_Agriculture_long_web_PrintVersion_Final_04July2011.pdf
26. Hortfresh Journal,2012: Amiran Takes the Agribusiness Revolution to Kenya's Youth.
27. C. Ibadhu and S. Thiaine, 2013,Realizing Equal Opportunities among Youth Groups in Agribusiness Sector in Accessing Government Financial Credit Facilities. Meru University of Science and Technology, Kenya. <http://dx.doi.org/10.9790/487x-1520412>
28. E. Mabaya, ; C.D. Ralph.; and M. Bandama, (2010), Current State of agribusiness Training in Africa.
29. Maguire, C.J. 2000, "Agricultural Education in Africa: Managing Change," Workshop 2000, Ghana, The World Bank, Washington, DC.
30. National Food and Agribusiness Management Education Commission 2006, Agribusiness Food and Agribusiness Management Education: Future Directions, Purdue University, Kansas State.