BUILDING YOUTH EMPLOYMENT OPPORTUNITIES

Youth Input Resellers case study in Eastern Kenya

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OUTLINE

- Background (study motivation)
- Approach
- Inputs and technologies disseminated
- Findings
- Study lessons and experience
- Conclusion

Introduction

- Development in sub-Sahara Africa faces many challenges; agriculture, social, economic and environment .
- Depressed economies resulting from shifting global dynamics, governance, climate change among many remains a concern.
- In Agriculture, challenges of reaching rural farmers in the last-mile with inputs is real, leading low production, high postharvest losses and lost incomes.
- Similarly, Over 1 million young people enter the labour market annually that could be tapped

CRISIS OF YOUTH UNEMPLOYMENT

- Youths in Kenya constitutes up to 35% of the population
  - Some recent studies even identified youth as **underemployed** rather than **unemployment** (Bezu & Holden, 2014; Christiaensen & Maertens, 2022; Fox et al., 2016)

  (Youth underemployment - "not being able to work as many hours as desired, either in wage or self employment" (Fox et al., 2016, p. i9)

- Youths unemployment remains a critical concern today (to development agencies and governments)
- Recent Gen Z unrest in Kenya was a great reminder and the need for paradigm shifts

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- Need to tap youth energies to drive Kenya's development agenda such as agriculture

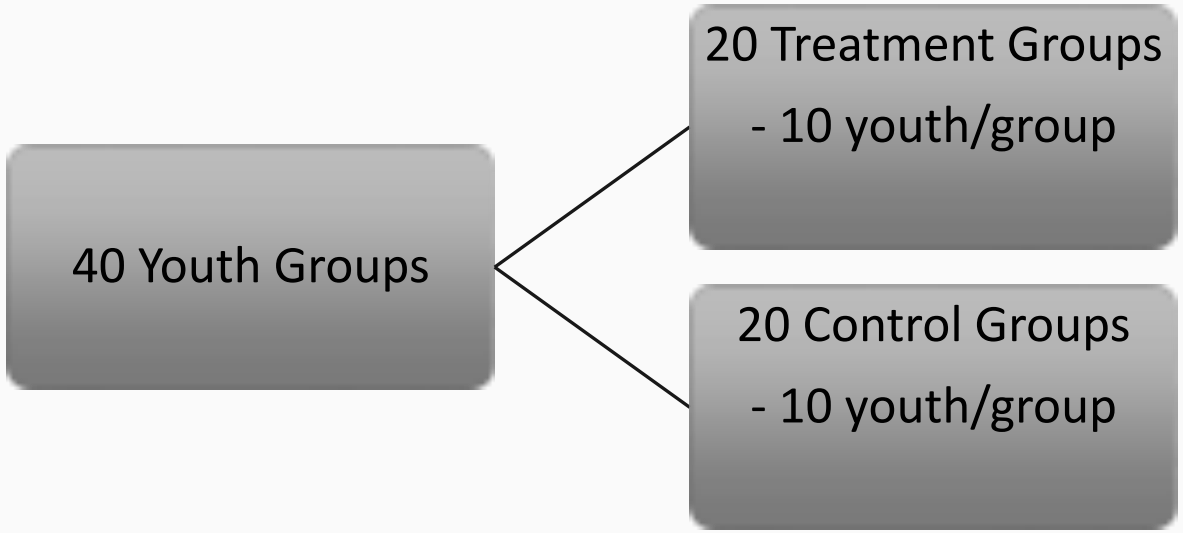
- Ideally, Farmers in last miles in Kenya experiences serious farm input supply challenges;
  - Limited access to basic inputs (Fertilizers, agro-chemicals, hermetic storage bags, Hygrometers) as majority of stockiest are located in the urban centres (Miles away)
  - As a result, huge postharvest losses (Baributsa & Njoroge, 2020; Fuller & Ricker-Gilbert, 2021)

Study

- Conducted in 3 Lower Easter Counties (Machakos, Makueni, and Kutui)
- Key post-harvest technologies (Moisture measurement & Storage) selected
- 40 youth groups identified & engaged (with support from County extension staff)
- 20 groups engaged as treatment group and 20 as control
- 10 youths randomly selected from each group

Study Area: Machakos, Makueni & Kitui Counties

IMPLEMENTATION



- All treatment youths trained and linked to local agro-dealers to supply inputs
- Youths (18 - 35-years old)
- Female participation prioritized
- Control youths trained at endline
- Youths surveyed and followed through the post-harvest periods
- Data collected after 3 months of business

Cont.,

- Each youth group provided a list of potential agro-dealers in their area to be linked as input providers
- Youths received training; sales, accounting, entrepreneurship, gender considerations, post-harvest grain management and input usage
- Youths received initial seed capital in the form of 10 hermetic bags from agro-dealers (valued at Ksh 2500) and 2 hygrometers
- Each youth contributed Ksh 500 in collateral for the agro-dealer
- Youths also received Ksh 1000 from project as start-up and transportation expenses
- Youths offered value-added services such as bag filling, tying, and transporting as well as grain moisture testing

Inputs/Technologies Disseminated

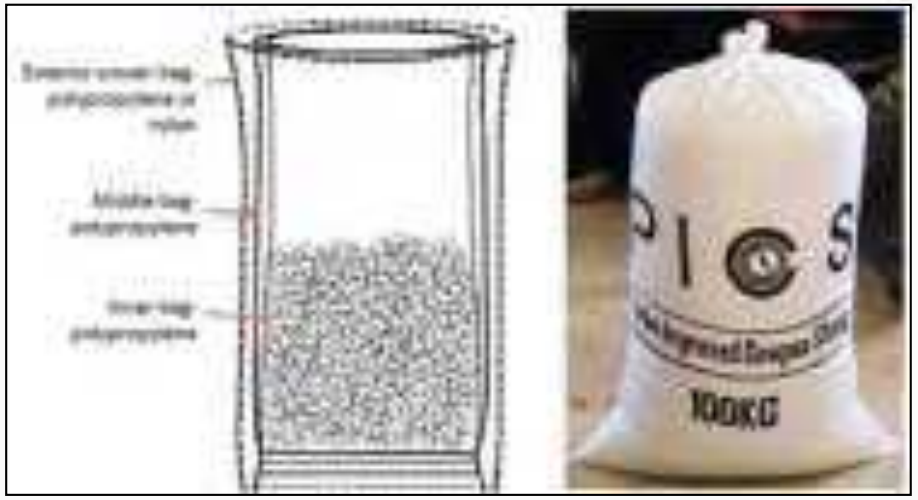
1. Hygrometers – Simple low-cost moisture detection device

- To measure grain moisture for safe storage
- Farmers rely on traditional methods to assess grain moisture (biting, sounds and touching kernels)
- Are Low-cost, affordable, accurate and simple for farmers and traders
- Youths trained & sensitized farmers to adopt this technology
- Youths commercialized and scaled out this technology (Ksh 250 per unit)

2. **Hermetic Storage Bags (PICS)**

- Protects grains from insect damage without using chemicals
- Damaged grains led to:
  - ✓ Quality loss
  - ✓ Loss of market
  - ✓ Loss of incomes to farmers

- Grain losses a threat to farmers income, food security and a livelihood
- Youths engaged in training, sensitization and commercializing the bags
- Youths sourced more bags from linked supplier



3. **Additional youth services for a fee at community**

- Drying
- Moisture measurement
- Bag grain filling
- Bag tying
- Transportation

KEY QUESTIONS IN THE STUDY

1. Did the youth intervention impact their incomes and expenditure?
2. Did the youth intervention benefit the agro-dealers?
3. Did farmers buy inputs that they did not use previously?
4. What are lessons and Challenges?
5. Can this model be scale-up?

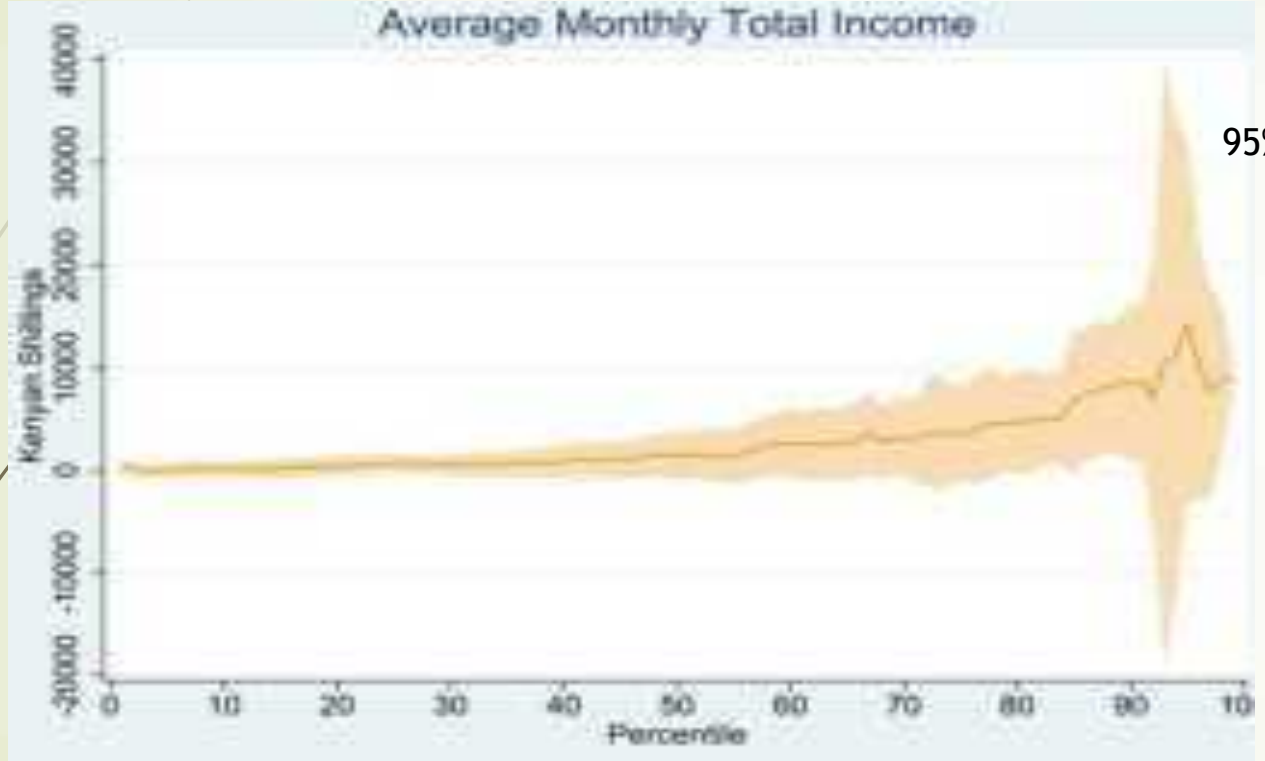
FINDINGS

- Averagely, youths generated about $10 (Ksh 1000) as net income during the period
- Successful youths (90th percentile in the treatment) generated about Ksh 7,500 as net income during the period

Who was successful?

- Youths with additional farm-related activities/businesses
- Businesses such as boda-boda drivers and shops.
  - Incorporated post-harvest technologies into their existing businesses
- Older youths (closer to 35 years) compared to younger youths

POST-TREATMENT INCOME DISTRIBUTION

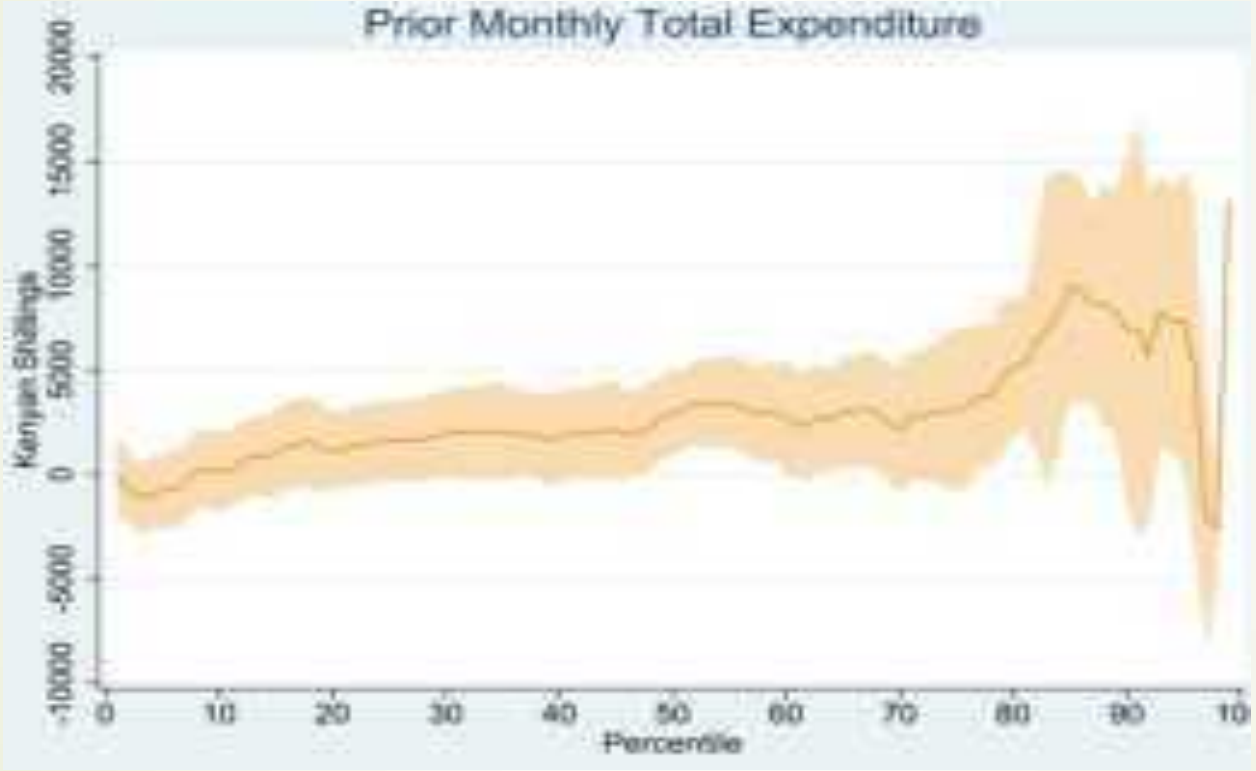


95% CI

US $1 = 100 KSH

- Youths at the top of the income distribution gained most from study.
- Youth with existing businesses fitted easily with inputs. Typical of any type of start-up

Post-treatment expenditures



95% CI

US $1 = 100 KSH

- Similar, Youths at top spend more

Supply chain outcomes/impacts

Agro-dealer

- 11/17 agro-dealers were willing to continue engaging with the youth after the first season of the project.
- After a year, 3 agro-dealers wanted to continue on even without project support
  - How long will relationship last after project ends?

Farmer

- 200 youth resellers reached farmers.
- 509 hermetic bags sold to 311 farmers in the last mile.

Farmers adoption of technologies

Input/Service Offered	No. of New Adopters
Hermetic Storage Bags	103
Moisture Testing	121
Hygrometers purchased	8

CHALLENGES & EXPERIENCE

- Drought during study season reduced the demand for inputs
- Trust issues between youth and agro-dealers
- Youth desire to make more money quickly
  - Low profit margins ($0.20-0.40 per bag) discouraged many
- Seasonality of the business (only after harvest)
- Need for year round income stream
  - bundle post-harvest inputs with production inputs like seed, fertilizer, pesticides.

CAN THIS BE SCALED?

- Yes, However more strategic measures is required to bridge agro-dealers and youth.
- Study revealed positive relationship developed between the youth and agro-dealers and willingness to continue working together.
- Youths liked the training, but youth need more products to sell with better margins to maintain interest. Needs for year round business and longer-term engagement with youth.
- Linking sellers with potential customers for inputs through ICT is a potential way to expand the market.
- The intervention successfully
    1) Trained youth
    2) Offered entrepreneurship opportunity
    3) Created new market linkages for smallholder last mile farmers through easier access to post-harvest inputs

CONCLUSION

- Entrepreneurship programs along AVCs have potential to improve economic opportunities for youths
  - This intervention caused income increases for those at the top of the income distribution, but failed to do so for most treatment youth
  - Training and selling opportunity welcomed by youths
  - Significant heterogeneity in age levels found
  - Caveat: External factors (e.g., drought) posed significant challenges to selling inputs

CONCLUSION

- The need for policies to address youth underemployment by making investments to expand job-creation for youth in both agriculture and off-farm employment

- Future AVC programs should incorporate a longer-term emphasis and offer a broad array of interventions

THANK YOU

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