



Youth for Growth:

Transforming Economies through Agriculture



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March 2018

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Global Food Security Report 2018 Task Force

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EXECUTIVE SUMMARY



A man balances a box of tree seedlings atop his head while carrying others home in Rwanda. Credit: Hailey Tucker/One Acre Fund

The world is now home to the largest population of young people in history, with over 2.3 billion people—a third of humanity—between the ages of 15 and 34. In low- and middle-income countries (LMICs) across Africa and South Asia, a large share of the growing population is comprised of adolescents and young adults. In India about 1 million people turn 18 every month. Similarly, Africa’s youth population is expected to double by 2050, with 1 billion people projected to be under 18 years old. Today, more than 60 percent of the population in Sub-Saharan Africa (SSA) is below age 25.

World leaders are at a critical juncture. If not managed properly, this rising youth population is a demographic challenge that will push fragile and food-insecure nations over the brink. Massively growing youth populations in LMICs already face high unemployment and economic stagnation. If job growth does not keep pace with youth potential and food insecurity remains a severe challenge, the environment is ripe for disillusionment and instability. If poorly handled or ignored, these factors are a recipe for social disruption, political instability, migration, and conflict. This presents a direct challenge to the national security of the United States and our allies. However, addressing these challenges now, while the tide can still be turned, could usher in economic growth.

With proactive programs, innovations, and investment that can meet food and nutrition security goals and support job growth, a booming youth population has the potential to transform entire regions, making them more prosperous, stable, and secure. The US government, in close collaboration with the private sector, national governments, and civil society, must continue to promote broad-based agricultural development as a catalyst for advancing youth livelihoods, while preparing and empowering youth to contribute to that growth themselves.

Youth livelihoods in LMICs largely depend on the successful transformation of agriculture, and agricultural and economic transformation will require strong youth engagement to succeed. Simply put, young people need agriculture, and agriculture needs young people. As these surging youth populations come of age, how we meet their needs and aspirations—and how well governments integrate them economically, politically, and socially—will shape our shared future. With the right policies and investments, along with the engagement of young people in nurturing their own potential, the largest generation of young people in human history can become the problem-solving producers, creators, entrepreneurs, change agents, and leaders of the coming decades.

Youth employment matters for global food security and stability

Global population growth is the fastest in regions where threats of food insecurity are the greatest.

Young people in LMICs constitute a large and growing share of the world’s labor force and will substantially impact the global economy. Nearly 80 percent of the world’s 2.3 billion young people between the ages of 15 and 34 reside in LMICs, and they constitute a large share of the population in many of the countries experiencing rapid growth.

At the same time, these regions are the most prone to food insecurity. Severe food insecurity is most prevalent and rising in SSA, reaching about 27.4 percent of the population in 2016—almost four times that of any other region. Comparatively, severe food insecurity is declining in Asia, but the region has the largest number of undernourished people.

As young people represent a significantly large share of the population and workforce in LMICs, efforts to promote youth livelihoods are critical to address the food insecurity challenges that these regions face.

Economic transformation is critical for youth livelihoods and food security, and agriculture is a key driver of this change.

To effectively contribute to social and economic development, young people need to be engaged productively in jobs that are commensurate with their abilities and skills. Yet formal sector job creation has not kept pace with the rise in the workforce. In SSA, for instance, the gap between the number of labor market participants and available paid job opportunities widens by approximately 8 million annually. Even in the most optimistic growth scenarios, less than a quarter of the people newly entering the labor market may find paid jobs. Many of these new entrants may need to create their own jobs through entrepreneurial activities to avoid the challenges associated with unemployment.

The majority of youth in LMICs still live in rural areas, and more than two-thirds of young people working in these regions are employed in agriculture. However, low productivity and underdevelopment in the agricultural sector are already major challenges, limiting the capacity—and appeal—of employment opportunities in agriculture or off-farm work in rural areas. Investing in agricultural transformation is one of the most effective ways to advance youth livelihoods, alleviate poverty, address food and nutrition security, and ensure more prosperous and stable populations worldwide.

Surging youth populations offer an opportunity for accelerated economic transformation.

The rapid increase in the number of youth will provide a significant increase in labor, creating enormous opportunity. If more of this labor is equipped and productively employed, it could spur economic growth in all sectors of the economy. An increase in youth populations, coupled with declines in fertility rates, allows for overall growth in income per capita and savings.

Harnessing the dividends from booming youth populations is not guaranteed. It requires strategic and long-term investment in the human capital of the youth labor force as well as the expansion of economic opportunities for using their skills and talents. If engaged in productive and remunerative employment, young people can be a catalyst for accelerated economic transformation.

Promoting youth livelihoods is in US economic and national security interests

Security and stability

Expanding opportunities for young people will promote social stability and peace in regions where the United States has economic and security interests. Young people who lack compelling economic opportunities to lift themselves out of poverty are more likely to participate in extremism, crime, and social unrest, which can also be powerful drivers of both rural-urban and international migration. A transformed agricultural sector will increase economic opportunities for young people and help ameliorate the global migration crisis,

minimize recruitment into terrorist and criminal organizations that threatens global and US national security, and promote food security and social stability in politically precarious regions.

Future markets

Young people in LMICs represent a significant future market for US goods and services. By 2050 about 2.2 billion people, or 23 percent of the global population, are expected to be in SSA, and another 2.4 billion will be in South Asia. Rapid economic growth is gradually expanding the middle class and increasing the purchasing power of consumers in these regions. The sheer number of people, along with rising incomes, makes these regions attractive markets for US businesses. Continued growth in these markets will depend, however, on whether economic opportunities for the burgeoning number of young people can be expanded to enable many to join the ranks of the middle class. As most of these economies remain agrarian, a thriving agricultural and food (agrifood) sector has the potential to increase incomes, expand economic opportunities for young people, and generate demand for US goods and services.

Influence

Investing in young people in LMICs can generate affinity for American values, institutions, and companies, translating into political influence and economic opportunity in the long term. US power and influence in global affairs is not only shaped by its military might, but also by “soft power,” including the lives it inspires and transforms through development assistance programs, cultural exchanges, and US private investments. As leaders of tomorrow, young people are vital to their countries’ development and future relations with the United States.

Inaction poses economic and security risks

The United States and global community must promote youth-inclusive agricultural transformation, or they risk seeing strategic partners weakened by rapid population growth and threatened by the instability this generates.

- ▶ **Extremism.** Rural areas with high rates of poverty and dislocation from social services can be safe havens for extremism. And young people who lack compelling economic opportunities to lift themselves out of poverty are more likely to participate in extremism, piracy, crime, and social unrest. An estimated 40 percent of people who join rebel movements are motivated by a lack of economic opportunity.
- ▶ **Migration.** Nearly 70 percent of migrant flows are people younger than 30. Between 2000 and 2010 the net influx of international migrants to Europe, North America, and Oceania was almost twice as much as the previous decade. Unless a response is mounted, many young people will continue to face increased pressure to migrate toward Europe and North America—even under life-threatening conditions.
- ▶ **Stunted economic growth due to malnutrition.** The Global Nutrition Report estimates that SSA and South Asia each lose about 11 percent of gross national product every year due to the cumulative impact of malnutrition and stunting, which currently impacts

one in three children in these regions. Individuals affected by stunting earn 20 to 40 percent less as adults.

The agrifood system is a sector of opportunity for economic growth and job creation

Agricultural growth is paramount to youth employment and to reduce food insecurity and poverty. Likewise, engaging youth in agriculture is necessary in order to address the myriad issues facing the sector.

Increased demand for agrifood products offers opportunity for investment and job creation.

Global demand for agrifood products is on the rise as a result of population growth, urbanization, and diet transformation from income growth in some geographies and demographics. Investments to help jump-start the agricultural sector in LMICs and to restructure agrifood production systems to meet food demand locally have the potential to create jobs and improve lives for young people in areas where they reside.

Agriculture is the largest employer of the youth labor force.

The agrifood sector is already the single largest employer of the labor force and young people, particularly in rural areas. This will remain so for the foreseeable future, particularly in LMICs. However, in these regions, productivity and earnings in agriculture are currently too low to provide a decent livelihood for the millions of people employed on the farm and too low to stimulate new jobs beyond the farm. Therefore, strategies that increase the productivity and profitability of agriculture offer the most powerful means to improve youth livelihoods, promote economic growth, and achieve food security.

Agricultural productivity will significantly determine the rate of job growth in the off-farm economy.

Because of its strong multiplier effects on the rest of the economy, a flourishing agricultural sector will spur job growth in the off-farm sector. Sustained and inclusive agricultural productivity growth is widely accepted as an important catalyst for economic transformation, increasing incomes and off-farm employment. Investment in agriculture is also cost-effective and has proven to effectively reduce poverty more than twice as much as investment in other economic sectors.

Support for a youth-inclusive agricultural transformation agenda is essential

A youth-inclusive agricultural transformation agenda is essential 1) to ensure that agricultural growth and development deliver on the promise to provide viable livelihoods for youth across the agrifood sector and beyond and 2) to empower youth to help fuel the transformation. Such an agenda would account for the particular needs and circumstances of youth in the design and implementation of solutions to the challenges facing the agrifood sector. However, it would also recognize that some challenges affect everyone and

must be addressed holistically if agricultural transformation is to be sustained. A youth-inclusive agricultural transformation agenda therefore seeks to:

- ▶ address overall social, economic, and biophysical limits to broad-based agricultural productivity growth to generate the income and employment multipliers for the benefit of all social groups, including young people;
- ▶ harness and maximize youth-specific strengths for the agricultural transformation process (e.g., areas where youth engagement may have comparative advantage such as the use of information and communication technology);
- ▶ address youth-specific constraints limiting young people's engagement in agriculture and their ability to build successful agricultural enterprises (e.g., cultural and social norms limiting young people's access to resources); and
- ▶ empower young people to effectively participate and share in the formulation and implementation of agricultural transformation strategies. This is necessary to ensure the transformation agenda aligns with the future that young people envision for themselves.

Renewed and refocused US investment in agriculture can catalyze youth engagement, employment, and entrepreneurship

For the past 60 years, there has been a bipartisan US commitment to end global hunger and malnutrition—not just because there is a moral imperative, but also because it is in the economic, political, and national security interests of the United States.

A two-pronged approach is needed to address the challenge of engaging youth: supporting agricultural development to spur growth throughout the agrifood system and provide better economic opportunities for youth, while preparing them to participate in this transformation. A youth-inclusive agricultural transformation agenda is what will move LMICs—and the rest of the world—toward a more secure future.

This report lays out four key actions that can be taken by the US government—in partnership with national governments, the private sector, and civil society—to develop a youth-inclusive agricultural transformation agenda.

Recommendation 1: Commit to a long-term, global food and nutrition strategy.

- ▶ The National Security Council (NSC) should include food and nutrition security programs as part of a comprehensive strategy to counter rising extremism, instability, and civil unrest in areas of strategic significance.
- ▶ The administration, particularly the NSC in coordination with the United States Agency for International Development (USAID), should update the Youth in Development Policy agenda to take account of the rising youth population, the opportunities and challenges it presents, and the impact it will have on strategically significant regions.
- ▶ US diplomatic and development representatives should lead the development of youth-inclusive food and nutrition security programs (or a strategy) in coordination with

bilateral and multilateral partners to secure common commitments on trade, development, and education.

Recommendation 2: Congress should revitalize and recommit to robust support for public-sector agricultural research and development with an emphasis on needs for the next agricultural transformation.

- ▶ Congress should increase investment in agricultural research and development (R&D) by 1 percent annually to close the gap with peer nations currently surpassing US R&D spending and to retain a lead role in advancing global food security through responsive, adaptive research for the next century.
- ▶ The Foundation for Food and Agriculture, Agricultural Research Service, and National Institute for Food and Agriculture should include an emphasis on the use of digital technology and data analysis in acceptance of future grants.
- ▶ Congress should encourage the United States Department of Agriculture (USDA), in coordination with local universities and the private sector, to create a pilot program to provide for the inclusion of a private-sector mentorship program.
- ▶ The United States should maintain existing levels of investment in the Consultative Group on International Agricultural Research (CGIAR) while encouraging stronger ties between US research institutions, CGIAR centers, and National Agricultural Research Systems in LMICs to accelerate advancements in food security.

Recommendation 3: Invest in the human capital development necessary to advance rural youth and to drive agricultural transformation.

- ▶ US food security programs and national governments must prioritize nutrition spending and policy to ensure a strong, healthy workforce.
- ▶ Using the best models of agricultural and entrepreneurial education, Congress should encourage the administration to use all levers of government to expand education through programs and exchanges that reflect labor market realities and address the skills mismatch.
- ▶ The next generation of talent must be supported by promoting emerging hubs of youth entrepreneurship as a pathway to create more innovative businesses and sustainable employment for young people.
- ▶ USAID should include youth-specific metrics in its monitoring and evaluation of programs. Data should also be disaggregated by gender and age to better understand the needs of specific segments of youth.
- ▶ In partnership with the private sector and priority countries, Feed the Future should consider investment in new models of vocational and technical training and certificate programs that support agricultural transformation and rural development.

Recommendation 4: The US government should align programs that foster an enabling environment for businesses in strategic countries. This environment should be specifically geared toward businesses that generate high-quality jobs for youth and new youth-led ventures.

- ▶ In partnership with priority countries, the private sector and multilateral partners should commit to prioritizing investment and innovation in digital infrastructure for rural areas alongside other investments like rural roads and power.
- ▶ An interagency policy working group should be established and formalized to coordinate a holistic approach to development finance tools available to private-sector investors, from small businesses to multinational corporations.
- ▶ With voice and vote, Congress should support the building of rural youth capacity through multinational development banks like the World Bank, African Development Bank, and Asian Development Bank.