



Enhancing Enabling Environment to Increase Youth Participation in Agriculture and Agribusiness value chain in Tanzania

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For the purpose of this policy brief “agriculture and agribusiness” encompasses undertakings such as production and value addition of crops, livestock, fisheries, apiary, forestry and their related activities along value chains. This policy brief was developed to enable policy makers and national-level decision-makers and opinion leaders understand what type of reforms and improvements are needed in the policy, legal and institutional frameworks for the youth to be successfully engaged in agriculture and agribusiness value chain in Tanzania. It aims to establish a more conducive environment for the youth to profitably engage in beyond primary production activities and include service provision to the sector (e.g. input supply and advisory services), agro-processing and packaging, marketing, storage and transportation.

Key Policy Advocacy Messages:

1. Local Government Authorities (LGAs) to comply with legal requirements to set aside land for agricultural parks to serve the interests of youth engagement in agribusiness.
2. Need to reintroduce agricultural education in primary schools and set aside some agricultural science based secondary schools.
3. Support the establishment of Community Mass Media outlets such as newspapers, radio, TV and social media networks for the purpose of informing and influencing the youth to get interested in agribusiness.
4. Government to support, through guarantee schemes, district based Financial Institutions to develop lending facilities to promote youth-linked agribusiness and other inter-related value chains.
5. Link youth groups with ICT companies to adopt application of e-marketing and e-commerce platforms for enhancing efficiency of their businesses.
6. Promote formation of informal Youth Platforms at National, District and Community levels, for the youth to engage with government and Non-state actors on matters affecting their performance in agribusiness and respective value chains.

Executive summary

The NBS (2014) data indicate that 76.2 to 79.6 percent of youth between 15 and 34 years are employed in the agricultural sector (table 1). The youth face different challenges that limit them from attaining optimum gains from their participation in the sector. Existing national policies on youth development appreciate the needs to enhance enabling environment that will increase youth participation in all economic activities. In that regard, HEIFER international is implementing the East

Africa Youth Inclusion Program (EAYIP) in Tanzania and Uganda. In Tanzania it commissioned ESRF to identify, analyse and recommend policies that will catalyze youth participation and inclusion in economic activities, particularly in agriculture sector.

Context and importance of the problem

Enhancing youth participation in agriculture, value addition and different engagements along the agribusiness value chain will continue to be an important pathway for

sustaining Tanzania population. The population is growing by 2.8 percent per annum and reached 53.5 million people in 2015 (based on NBS, 2012 census). Two thirds of this

population is rural based and depends on agriculture for its livelihood. The same population structure prevails in the target districts of EAYIP in Tanzania.

Table 1: Distribution of Employed Population Aged 15 Years and Above by Five Year Age Groups and Employment Status, Tanzania Mainland Rural, 2012 Census

Percentage (%) of Population Engagement								
Age (yrs) Cohort	Total	Employer	Employee	Own Non - Agriculture	Own Agriculture	Family Worker	Apprentices	Other
15 - 19	1,467,032	0.2	3.3	8.2	76.2	11.2	0.5	0.4
20 - 24	1,724,654	0.2	4.6	10.2	79.4	5.2	0.2	0.2
25 - 29	1,664,562	0.3	5.9	11.4	78.7	3.4	0.1	0.1
30 - 34	1,507,584	0.3	5.4	11.7	79.6	2.9	0.1	0.1

Source: National Bureau of Statistics (NBS), 2014: Table 10.14

According to the 2007 Youth Development Policy in Tanzania, a youth is a person in the age group of 15 to 34 years, which in 2015 constituted one in every three Tanzanians (33 percent of the population).

However, the EAYIP will target only those aged 15 to 24 years, which is about a half of the wider category of 15-34 years recognized by the government of Tanzania. In Africa as a whole, people aged 15-24 years accounted for 19 percent in 2015. This is comparable to Tanzania's proportion of 19.7 percent. It is estimated that the number of youth in the four EAYIP regions in 2017 was 943,090 divided between Iringa (192,515), Njombe (136,954) and Mbeya and Songwe (613,620). Women constitute slightly over 51 percent of the youth population.

National Policies on Youth Empowerment

The country's main policies that provide some guidance on how the youth should be assisted to productively engage in economic undertakings are the National Youth

Development Policy (NYDP 2007) and the National Strategy for Youth Involvement in Agriculture (2016-2021). Both provide guidance on equipping the youth with necessary skills, competences and attitudes for the job market and self employment. They further promise to create conducive environment for their participation in economic decision making; among others.



The National Employment Act (2017 draft) further commits the government to strengthen prerequisite socio-economic infrastructure for enhancing youth employment in addition to skills development. Although the policy on national economic empowerment was silent on youth, a guideline developed in 2016 is clear on initiatives needed to support them. However, policy documents on land resources, education and training, are not specific enough on how to promote youth engagement in agribusiness. The government's Youth Development Fund (YDF) is funded through a 5 percent share of LGA's own



revenue. However, most LGAs disburse only part of this commitment due to failure to reach annual revenue targets. In some LGAs youth groups get as little as TZS 500,000 per year, normally a fraction of what they apply for their income-earning projects.

Some youth groups were interviewed in the EAYIP target areas indicated to derive their livelihoods from crop farming, mostly horticulture, oil seeds and grains. They also engaged in raising poultry (mostly chicken for eggs and meat), goats and pigs.

Some of them were in small retail businesses (mostly buying and selling agricultural commodities). Very few were engaged in dairy farming, although some sold milk.

Challenges Faced by the Youth

According to most of the youth interviewed by ESRF in 2017 as preparation for the EAYIP, the following were the most pressing challenges that prevented them from effective engagement in agribusiness:



(a) Lack of adequate investment and working capital to enable them to expand and/or modernize operations They claimed the loans from YDF were too small to have impact on their agribusiness; (b) Low knowledge base to enable them improve their businesses , for example, to improve on husbandry practices or search for markets and prepare bankable proposals; (c) Land access problems due to limited or restricted conditions by family/ clan; (d) restrictive bank lending conditions (high interest rates and collateral requirements); (e) prohibitive prices of agricultural inputs and implements and inability of the youth to access government's subsidized inputs; (f) lack of mortgage system; (g) Unfavorable commodity market prices, slumping too low during post-harvest period; and (h) restricted movement of commodities across districts

and outside the country.

Other challenges mentioned by the youth included failure by parents to support them and their own mindset believing that agribusiness takes too long to uplift their livelihoods. They also cited lack of a common platform for them to engage with government and channel their views. Existing community platforms such as the Village Assembly are usually dominated by voices of the elderly.

Some Rays of Hope?

One of the obvious dividends from an increasing working class (due to, for example, upcoming new industries, including Liganga/Mchuchuma iron-ore and coal complex and Kiwira in the target regions), increasing per capita income and rapidly expanding urban population and its ability to afford a more balanced diet, thus creating a market for vegetables, fruits and spices.

This has created an obvious agribusiness opportunity for the youth. Investments banks (e.g. TADB and TIB) and Commercial Banks (e.g. CRDB Bank and NMB Bank) are also gradually warming up to the opportunity to serve the agricultural sector. On the other hand, Tanzania's Rural Energy programme has stimulated rural-based agro-processing ventures.



Public-Public Partnerships supported by the SAGCOT Centre, has also enabled the transfer of technologies to farming communities. There are NGOs dedicated to offer education in business

management, financial literacy and entrepreneurship skills.

This includes linking them with programs that promote use of ICT in accessing technologies and market information. They include: Mbozi ADP, NADO, SNV, RUDI, Technoserve and Kilimo Trust. **The new EAYIP initiative is therefore a most welcome development.**

RECOMMENDATIONS:

Policy Reforms	<p>Land policy: LGAs to comply with policy/legal requirements to set aside land for agricultural parks, business and industrial parks for renting out to youth.</p> <p>Banking Policy: Banks to set aside a proportion of net income to the Youth Development Fund.</p> <p>Youth Policy: to make it mandatory for youth platforms at village, ward and district levels.</p>
Legal Reforms	<p>Land policy: Village by-laws to include provisions for setting aside land area for youth projects.</p> <p>Banking law: make it legal requirement to contribute to Youth Development Fund</p> <p>Youth Development Fund: introduce sanctions for LGAs that fail to channel 5% of internal revenue to the YDF.</p> <p>Designated Market Place: enforcement of marketing rules, especially curbing the use of illegal weights and measures such as “lumbesa” (topped up bags of produce).</p>
Institutional alignment	<p>Youth Groups and Culture of Savings: more concerted efforts to motivate youth in groups, mobilize savings and enable ease of connection with commercial banks</p> <p>Better coordinated institutional efforts to uplift youth’s knowledge base easier if youth are organized in groups.</p> <p>Improved coordination to offer education to the youth on merits of warehouse receipt system for crops with sharp seasonal price fluctuations.</p> <p>Invite private sector initiatives that support youth business ventures as part of Corporate Social Responsibility programs.</p> <p>Coordinated approach to establish youth platforms at different levels</p> <p>Provide space for youth to participate in development planning processes</p> <p>Better staffing of government personnel to provide education to the youth</p> <p>Introduce Agricultural Education Curriculum in primary and secondary schools</p> <p>Establish VETA and SIDO branches in each of the districts to ease access by youth</p>
Mindset Change	<p>Introduce programmes on Print Media, Community Radio and TV Stations aimed at changing the attitude of parents towards young people, and also youth’s stereotype that agribusiness is not profitable.</p> <p>Adoption of ICT platforms by the youth to access different types of information: markets, technologies and different business models.</p> <p>Interactions with Role Models who have succeeded in agribusiness useful to trigger positive attitude to agribusiness. The Youth Platforms should provide that chance.</p>



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