

# Executive summary

Today, the highest proportion of the world's youth lives in Africa and Asia, with the majority in rural areas. In Africa, 10 to 12 million enter the workforce every year, but only about 3 million find jobs. Rural youth are particularly at risk of being caught in poor quality employment. Yet more and better jobs can be created for them: growing populations, urbanisation and rising incomes of the middle class are increasing demand for more diverse, value-added agricultural and food products. With adequate investments to build efficient local food systems, this rising demand can boost job creation along the local agri-food value chains.

Realising the potential of food economies in Africa and developing Asia requires meeting three main challenges. First, low pay and poor working conditions make it difficult for farmers to sustain their livelihoods and attract new entrants to agriculture. Second, the current trajectory of growth in agriculture is environmentally unsustainable, with intensive and extensive production practices leading to deforestation, soil erosion and resource depletion. Third, while participation in agri-food global value chains (GVCs) by developing countries is increasing, gains in terms of domestic value added and employment creation have been limited.

This study explores the extent to which local food economies could respond to the employment needs of youth in developing countries. First, it assesses employment structures within food economies, using household-level data for seven countries at different stages of development: Namibia, South Africa, Tanzania, Uganda and Zambia in Africa; Thailand and Viet Nam in Asia. Secondly, it provides an employment forecast for 2030 in the food economy for selected African and Asian countries. Finally, it reviews various local food systems and short food supply chain models in advanced economies to assess their pros and cons, and how they reconcile economic, social and environmental objectives.

In the countries studied, the food economy makes up an important share of total employment, especially in low- and lower-middle-income countries, where it ranges from around 50% to 90%. Young people (aged 15-29) make up to 45% of the labour force there on average, and mostly work in the agricultural production segment. In middle-income countries, however, the food service segment represents a large share of youth employment in the food economy. In terms of gender distribution, young men are more likely to be engaged in agriculture, while young women are more likely to work in downstream segments, i.e. trade and services.

The majority of food economy jobs are in rural areas, particularly in low-income countries. However, the share decreases as countries reach higher levels of development. In Namibia and South Africa, most of those jobs are actually held by urban youth. In all countries studied except Uganda, urban youth in the food economy have jobs in the downstream segments, although a non-negligible share of them also work in agriculture.

Jobs in the food economy are often informal and vulnerable. Youth working in this sector are more exposed to informal employment than adults, but also compared to youth in other sectors. Agricultural production is the most informal segment. The share of vulnerable jobs is also higher, with the majority of youth employed as contributing family workers or own-account workers. Earnings for youth in the food economy are lower than for youth in other sectors, with the lowest earnings in the agricultural production segment. The level of skills mismatch, both over- and under-qualification, is also high, which pushes down youth job

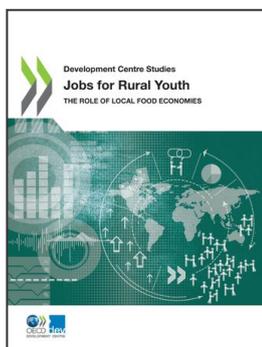
satisfaction. Youth working in downstream segments tend to have higher levels of education and earn a higher income than those in agriculture, signalling the potential for the processing and service segments of the food economy to create higher-skilled and better-paying jobs.

The food economy job forecast for 2030 for 11 African countries (adding Côte d'Ivoire, Ghana, Mali, Niger, Nigeria and Senegal to the five initial ones) and the two Asian countries shows an increase in the total number of jobs. In sub-Saharan Africa, 115 million jobs could be created in the food economy by 2030, a 20% increase from 2019. That represents 12 million additional jobs in agriculture and 8 million in the downstream segments. The segments experiencing the highest increase are food processing by 21%, food marketing by 39% and food-away-from-home by 43%. In the two Asian countries, overall food economy jobs are expected to increase only slightly. The premise for the forecast was that income growth and rapid urbanisation will hasten the transition towards a higher consumption of meat, fruits and vegetables, compared to cereals, requiring a large shift in outputs. The estimation takes into account the GDP growth forecast, urbanisation rate and employment elasticities for each of the food economy segments.

In search of responses to the challenges of current agricultural production practices, and the difficulties in upgrading participation in agri-food GVCs, the study reviews local food systems and short food supply chain models in advanced economies: agricultural co-operatives, community-supported agriculture, food co-operatives (or “food co-ops”), e-distribution platforms, public procurement, and territorial branding and certification schemes. More specifically, it looks at their outcomes in terms of livelihoods for smallholder farmers, the quality of jobs and environmental impacts. Although all models promote local development, as well as fair remuneration to farmers, short supply chains, job creation, social cohesion, and organic or other environmentally friendly production practices, some succeed better than others. Food co-ops with a multi-stakeholder membership seem to work the best in terms of scalability, environmental impacts and job creation.

Adapting such models to build more efficient local food systems and create jobs for youth in developing countries, however, requires new, strategic, economic, social and environmental choices, including significant investment in agri-food supply chain infrastructure, regulatory reforms, and new skills strategies.

- Improving the livelihoods of farmers and smallholder producers requires technology transfers to support the adoption of new production methods; investing in infrastructure to improve rural-urban linkages, as well as access to physical and virtual markets; and creating efficient phytosanitary and hygiene regulations applicable to smallholder producers and local small and medium-sized enterprises (SMEs) in agri-food processing and services.
- Job creation in the food economy requires narrowing skills gaps and mismatch through vocational training, but also a stronger emphasis on agricultural research and development in regular school curricula.
- Supporting the growth of local SMEs will be critical for creating wage jobs. Regular dialogue with them, and the private sector more generally, will provide important information about labour market needs and allow for adapting training and curricula.
- Finally, environmentally friendly food production and distribution models need to be promoted via organic or agroecological farming practices and technological innovations, as well as by raising awareness of sustainable consumption and values associated with local and regional products.



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