ECONOMIC PARTICIPATION OF RURAL YOUTH: WHAT WORKS?

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Main messages of my paper

• Better opportunities for youth requires rural and economic transformation. When opportunities are limited, youth and adults suffer. Targeted support to youth cannot overcome this.

• Youth need to make the transformation from dependence to independence. There may be policy and programmatic interventions which assist in this transition.

• Assistance to rural youth starts with better education.

• Beyond that, we don’t know enough to design interventions. We don’t know about (i) when youth miss out on opportunities and why, and (ii) what helps for whom differentiated agenda. We have some ideas, that’s all.
Data: Household surveys, FTE

- Detailed data from household surveys on economic activities over the year for everyone who is economically active
- Data were tabulated using FTE as a denominator. FTE data describe employment based on a 40 hour work week, five days per week, 51 weeks per year in order to calculate the share of hours worked in each activity by each age category.
- FTEs are computed at annual level, by dividing the total number of hours worked during the year to the full-time labor availability (2016 hours), to control for seasonal underemployment.
- No measure of unemployment
Where youth work: Mixed livelihoods dominate the employment portfolio in rural areas

Source: Authors’ calculation from IFAD’s tabulation of household survey data based on full time equivalents (FTEs).

C: Ethiopia, Malawi, Nepal, Niger, Tanzania

LIC: Bangladesh, Cambodia, Indonesia, Mexico, Nigeria, Peru
Transition from school to work is gradual, varies by area and gender

**Urban, LIC**

- **In school only**
  - 15-17
  - 18-24
  - 25-34

- **Employed and in school**
  - 15-17
  - 18-24
  - 25-34

- **Employed, not in school**
  - 15-17
  - 18-24
  - 25-34

- **Not employed and not in school**
  - 15-17
  - 18-24
  - 25-34

**Rural, LIC**

- **In school only**
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LIC: Ethiopia, Malawi, Nepal, Niger, Tanzania, Uganda. Data shown as a percent of age and gender group.
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Source: Authors’ calculation from IFAD’s tabulation of household survey data. Data shown as a percent of age and gender group. MIC: Cambodia, Nicaragua, Nigeria, Mexico, Peru.
Youth report working fewer hours than adults, even when not in school

Source: Author’s tabulations from IFAD’s tabulation of household survey data; students enrolled in school excluded.

LIC: Ethiopia, Malawi, Nepal, Niger, Tanzania

MIC: Bangladesh, Cambodia, Indonesia, Mexico, Nigeria, Peru

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Ages 15-17 | Ages 18-24 | Ages 25-34 | Ages 35-64
Types of skills and types of learning

• Skills
  • Cognitive skills – numeracy, literacy, science knowledge, problem solving, languages
  • Socio-emotional skills – (emotional intelligence) communication, grit, organization, confidence, getting along with people and working in teams, etc.
  • Technical skills – trade skills, artistic skills, lab and computer skills, teaching skills, etc.

• Learning types
  • Formal (classroom, independent study) – used for skills that can be codified, written down
  • Tacit (experiential) – skills that are learned by doing, through observation, etc.
What skills do rural youth need?

• **Farming**
  
  • Subsistence is low skill
  
  • Technology upgrading, value chain transformation need cognitive skills – numeracy, science, literacy/communication skills; some technical skills but not high level
  
  • For higher value crops, production using more capital, more inputs, farmers need more of these skills,

• **Nonfarm activities**
  
  • More cognitive skills (numeracy, understand instructions)
  
  • Some technical skills

• **Migration**
  
  • Need more cognitive skills to work in urban areas

• **All youth, but especially women/less powerful**
  
  • Need socio-emotional skills – for parenting, and household management, to interact in community, etc.
Rural youth exit school disadvantaged
Other issues for youth entering employment

- Land
- Less available in SSA – larger farms of up to 100 ha.; growing rural populations owing to high fertility
  - In other regions, rural youth less likely to own land as well
- Savings – necessary for farm and nonfarm
- Social capital
  - Need networks and know-how
  - Trust determines opportunities – are youth trusted?
  - Do elders withhold/control this information? Is this information withheld from youth?
  - Are extension services, contract farming available to youth?
  - What about young women? Are they doubly burdened?
Rural youth are not satisfied

- Aspirations gap – growing faster than economic improvements
  - Youth with more education do not want to farm or do menial jobs to enter a sector – do not see this as a pathway
- Youth doing multiple activities, trying to find their way
- Youth leave school “lost” (Nigeria)
- Employers complain that youth do not have socio-emotional skills (attitudinal factors)
- What helps them get “found”? At what cost?
How to program: evidence from current research

• Technical skills are not the biggest obstacles for youth to enter employment

• Basic, transferable, cognitive and non-cognitive skills are critical as the economy transforms.
  • Anecdotal evidence and a few small-scale studies suggests that mastery of these skills improves development of industry and job-related skills.

• Community-based youth programs such as PYD have had positive outcomes on variables related to employment and earnings

• Use targeted approaches when peer-to-peer learning is effective

• Address specific norm-related or culture-related constraints that affect the opportunities of young women.
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<th>Constraint</th>
<th>Possible interventions</th>
<th>Evidence on success</th>
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| Lack of foundational cognitive skills | Second chance education for out-of-school youth  
Programs to prevent dropout – conditional cash transfers; messages and information campaigns targeted at parents; community programs to support/encourage young women to stay in school  
Programs to improve quality of public education, such as extra tutors. | Effective: Mixed outcomes depending on quality, but generally recommended  
**Effective:** Cash transfers show some success; also information and messages to parents  
If school of too low quality, these programs have little impact on learning  
**Unclear:** Countries have had trouble identifying and scaling up successful interventions. |
| Lack of noncognitive skills   | Positive youth development programs (PYD) including mentorships; after school programs for young women | **Promising**  
-Broad evidence on building skills and on nonemployment outcomes;  
-Limited evidence on youth employment outcomes; quality is an issue  
-Afterschool program for adolescent females successfully encouraged employment in Uganda; other important outcomes as well (see below). |
| Lack of industry specific skills | Farming: range of extension programs; quality and outcomes vary  
Program to help youth re-enter farming after period outside rural area  
**Nonfarm:** Vocational training; help private firms train on products  
Business skills: “financial literacy” training | **Promising:**  
-Programs to help youth re-enter farming by teaching skills, providing inputs (effective with ex-combatants in Liberia)  
-Use effective extension to reach youth with new technology  
-Connect private sector input companies with rural youth  
**Not effective:**  
-Traditional vocational training produces few results; not clear programs are appropriate for rural areas  
-Business skills training not well evaluated in rural areas; urban evidence suggests may not be effective but short, practical courses best |
| Lack of land                  | Few formal programs to help youth acquire land; none have been rigorously evaluated. | **Promising:** overall efforts to improve land tenure and land rental and transfer markets. |
| Lack of savings/start-up credit | Microfinance; savings groups (VSLA); Cash transfers | **Effective:** Microfinance does help people save and start businesses; cash does as well  
-expansion of access to cheap formal finance led to more savings in rural Malawi  
-Provision of cash grants in urban areas in Africa and in rural Nicaragua were effective in helping youth start own HE.  
**Not promising:** VLSA; neither microfinance nor VLSAs have youth-specific evidence  
-Overall, access to credit has little impact on small holder farmer incomes. |
| Lack of networks              | Some PYD have addressed                                                               | **Promising** but no clear evidence                                                                 |
| Lack of social capital/inclusion | Youth inclusive or youth-targeted rural development projects  
After-school programs for adolescent girls | **Promising** but no evidence; context matters  
**Effective:** After school PYD programs for adolescent girls in rural Uganda increased agency and ambition, improved reproductive health, and helped develop networks at a low cost. |
Learning agenda for donors

- Understand youth pathways by context – use panel data
- Disaggregate program participation data by age & gender
- Collect qualitative program M & E data – are youth participating? Why or why not?
- Do more IE on peer-to-peer learning re youth – in a variety of settings
- Do M & E, IE on rural PYD – what skills are being built?
- Look at land markets – where are they more fluid? How has that affected youth participation?