

# Corporate Governance Innovations for Enhancing Youth Participation and Job Creation in the Agri-Food System in Africa

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## ABSTRACT

This paper explores the role of corporate governance innovations in promoting youth participation and job creation in agri-food systems in Africa. The paper examines corporate governance innovations that can enhance the involvement of young people in agriculture and agribusiness, and the development of sustainable food systems. The paper highlights the challenges that African youth face in accessing employment opportunities in the agri-food sector and identifies the need for innovative governance strategies to enhance youth participation. The paper identifies five key governance innovations that can contribute to enhancing youth participation and job creation, including public-private partnerships, community-based organizations, capacity-building programs, policy reforms, and technology adoption. The paper concludes that by adopting these innovations, African governments, youth in Africa and corporations can help to promote sustainable economic growth and reduce youth unemployment in the agri-food sector.

**Keywords:** Corporate Governance, Youth Participation, Job Creation, Food Systems, Africa.

## INTRODUCTION

Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It encompasses a wide range of issues, including stakeholder engagement, transparency, accountability, and risk management (Ninson & Brobbey, 2023). Effective corporate governance is critical for sustainable economic growth and social development. Agri-Food Systems is the interconnected set of activities that encompass agricultural production, processing, distribution, and consumption of food (Letty et al., 2021). Youth Participation is the involvement of young people in decision-making processes that affect their lives, communities, and societies which leads to their active engagement in various nodes of the food system for livelihood development (Kashi et al., 2019). In the context of Africa's agri-food systems, corporate governance plays a vital role in promoting youth participation and job creation (Geza et al., 2021).

According to recent statistics, Africa has the youngest population in the world, with over 60% of its population under the age of 25. Despite the abundance of youth, Africa's youth unemployment rate is estimated to be as high as 60%. The agri-food sector, which is the largest employer in Africa, has the potential to provide employment opportunities for young people. The sector still faces several challenges, including low productivity, inadequate infrastructure, and limited access to finance and markets and corporate governance challenges (Mulema et al., 2021).

To address these challenges and enhance youth participation in the agri-food sector, innovative corporate governance practices are needed (Abdulai, 2022). This paper aims to explore the role of corporate governance in fostering youth participation and job creation in the agri-food systems in Africa. Specifically, the paper seeks to identify corporate governance innovations that can enhance the involvement of young people in agriculture and agribusiness, and the development of sustainable food systems.

## **Youth Participation in the Agri-Food System in Africa**

Africa has the youngest population in the world which presents an opportunity for the continent's economic growth, especially in the agri-food sector. However, despite the potential of the sector, young people in Africa face several challenges that limit their participation in the agri-food system (Amoak et al., 2022). This paper examines the current state of youth participation in the agri-food system in Africa, highlighting recent statistics that shed light on the challenges and opportunities in the sector.

### **Challenges and Opportunities for Youth Participation**

Young people in Africa face several challenges that limit their participation in the agri-food system, including inadequate education and training, limited access to finance and markets, and a lack of supportive policies and institutions (Ambler et al., 2023). For instance, recent statistics show that only 6% of young people in sub-Saharan Africa are employed in the formal sector, compared to 23% in other developing countries (Kruseman et al., 2020). This indicates a significant gap in access to employment opportunities for young people in Africa. Moreover, young people in Africa lack access to finance and markets, which limits their ability to start or expand agribusinesses (Letty et al., 2021). Only 6% of young people in Africa have access to formal credit, compared to 21% of adults. This disparity highlights the need for innovative solutions that can improve young people's access to finance and markets in the agri-food system (Govind et al., 2021).

Despite the challenges facing young people in the agri-food system, several opportunities exist that can enhance their participation in the sector. For instance, there is a growing demand for high-value agricultural products, such as fruits, vegetables, and specialty crops, which can provide profitable opportunities for young people. Recent statistics show that the demand for horticultural products in Africa is growing at a rate of 5-10% per year, creating opportunities for young people to engage in high-value agribusiness ventures. In addition, the increasing use of technology in the agri-food system presents opportunities for young people to leverage their digital skills to create innovative solutions that address the challenges facing the sector. Recent statistics show that there is a growing trend of young people in Africa using technology to develop agribusinesses and to access markets and finance (Phillips et al., 2023).

The agri-food sector has the potential to provide employment opportunities for young people in Africa. However, several challenges, including inadequate education and training, limited access to finance and markets, and a lack of supportive policies and institutions, limit young people's participation in the sector (Wambalaba et al., 2021). Innovative solutions that address these challenges are needed to enhance youth participation in the agri-food system in Africa. The opportunities presented by the growing demand for high-value agricultural products and the increasing use of technology in the sector highlight the potential for young people to play a significant role in the sector's development (Rogito & Rogito, 2022).

### **Job Creation in the Agri-Food System in Africa**

The agri-food system is a vital source of employment in Africa, providing jobs for millions of people across the continent. However, there is a need for innovative solutions that can enhance job creation in the sector, especially for young people who face significant challenges in accessing employment opportunities. Recent statistics show that the agri-food sector is the largest employer in Africa, providing jobs for over 60% of the continent's population. In sub-Saharan Africa, agriculture accounts for 23% of gross domestic product (GDP) and provides employment for 70% of the population. However, the sector is characterized by low productivity and informal employment, with most jobs in the sector being low-paying and low-skilled (Barrett et al., 2020).

Moreover, the agri-food system in Africa faces several challenges that limit job creation in the sector, including limited access to finance and markets, inadequate infrastructure, and a lack of supportive policies and institutions. Only 10% of smallholder farmers in Africa have access to formal credit, and only 20% have access to irrigation systems, which limits their ability to increase productivity and create employment opportunities. Additionally, poor infrastructure, including inadequate transport and storage facilities, limits access to markets and contributes to post-harvest losses, further reducing employment opportunities in the sector (Zanzi et al., 2021).

Despite the challenges facing job creation in the agri-food system in Africa, several opportunities exist that can enhance employment opportunities in the sector. For instance, there is a growing demand for high-value agricultural products, such as fruits, vegetables, and specialty crops, which can provide profitable opportunities for smallholder farmers and agribusinesses, leading to more employment opportunities. Moreover, innovative solutions that enhance access to finance and markets, such as mobile banking and e-commerce platforms, are emerging, providing opportunities for smallholder farmers and agribusinesses to increase productivity and access markets. Recent statistics show that mobile money accounts in Africa have increased from 12% of the population in 2010 to over 50% in 2020, indicating the potential for innovative solutions to enhance employment opportunities in the agri-food sector (Barrett et al., 2020).

The agri-food system is a significant source of employment in Africa, providing jobs for millions of people across the continent. However, the sector faces several challenges, including limited access to finance and markets, inadequate infrastructure, and a lack of supportive policies and institutions, which limit job creation in the sector (Rogito & Nyamota, 2022). Innovative solutions that address these challenges are needed to enhance job creation in the agri-food system in Africa. The opportunities presented by the growing demand for high-value agricultural products and the increasing use of technology in the sector highlight the potential for the sector to provide more employment opportunities in the future (Kashi et al., 2019).

### **Corporate Governance Innovations for Enhancing Youth Participation and Job Creation in the Agri-Food System in Africa**

Enhancing youth participation and job creation in agriculture in Africa requires innovative and collaborative governance solutions. In this regard, the following five key governance innovations can contribute significantly to achieving this goal:

- **Public-private partnerships:** Public-private partnerships (PPPs) are an effective way to leverage the strengths of the public and private sectors to promote sustainable development. PPPs bring together stakeholders from the public and private sectors to address common challenges and pursue shared objectives. In agriculture, PPPs can facilitate the transfer of technology, finance, and knowledge to smallholder farmers, including youth-led enterprises. PPPs can also improve access to markets and infrastructure, creating employment opportunities for young people. By partnering with governments, the private sector can help to create an enabling environment for youth participation and job creation in agriculture (Arulingam et al., 2019).

PPPs can facilitate the transfer of knowledge and technology between different stakeholders in the agri-food systems, leading to innovation and sustainable development. For example, PPPs can provide young people with access to training, mentoring, and coaching from experienced agribusiness professionals, enabling them to develop the skills and knowledge necessary to succeed in agriculture. Additionally, PPPs can create opportunities for young people to participate in value chains and supply chains, providing them with access to markets and buyers. PPPs can also facilitate the development of infrastructure, such as storage and transport facilities, which can help young people to get their products to market more efficiently and

profitably (Arulingam et al., 2019).

- **Inclusive business models** are a form of corporate governance innovation that aims to create sustainable business solutions that benefit low-income communities, including youth. Such models can enhance youth participation in the agri-food system by providing training, mentorship, and access to finance and markets for youth-led enterprises. Inclusive business models create a win-win situation by addressing the challenges faced by smallholder farmers and agribusinesses while creating employment opportunities for young people in the sector. Several companies have adopted inclusive business models in the agri-food system in Africa, with encouraging results (Kashi et al., 2019). For example, the Kenya Markets Trust (KMT) is a non-profit organization that promotes inclusive business models in the agri-food system. KMT works with smallholder farmers and agribusinesses to improve productivity and access to markets through a range of interventions, including training, financing, and market linkages. KMT's inclusive business model has created employment opportunities for over 700,000 people in Kenya, with a particular focus on youth and women.
- **Community-based organizations:** Community-based organizations (CBOs) are grassroots organizations that represent the interests of local communities. CBOs can play a critical role in enhancing youth participation and job creation in agriculture by providing training, mentorship, and access to finance and markets for youth-led enterprises. CBOs can also facilitate the transfer of knowledge and best practices among smallholder farmers and promote sustainable agriculture practices that benefit both young people and the environment (Kashi et al., 2019).
- **Capacity-building programs:** Capacity-building programs are essential for enhancing the skills and knowledge of young people in agriculture. Capacity-building programs can provide training on a range of topics, including entrepreneurship, agribusiness management, and sustainable agriculture practices. These programs can also help young people to access finance and markets, creating employment opportunities in agriculture. Capacity-building programs can be delivered through a range of channels, including universities, vocational training centers, and online platforms (Rogito & Rogito, 2022).

Through capacity building programs, young people can learn about new technologies and innovations that can improve productivity, efficiency, and sustainability in agriculture. These programs also provide opportunities for young people to network and collaborate with other stakeholders in the agri-food systems, including governments, the private sector, and civil society organizations. Capacity building programs can also address the challenges facing young people in agriculture, including limited access to finance, markets, and infrastructure. These programs can equip young people with the skills necessary to access finance and navigate the complex market systems in agriculture. Additionally, capacity building programs can help young people identify and leverage existing resources, such as land and water, to increase their productivity and profitability. Capacity building programs are crucial for enhancing youth participation and job creation in agriculture in Africa. These programs can empower young people with the skills and knowledge to succeed in the agricultural sector, leading to increased productivity, profitability, and sustainability in the agri-food systems (Geza et al., 2021).

- **Policy reforms:** Policy reforms are necessary to create an enabling environment for youth participation and job creation in agriculture. Policy reforms can include measures to promote access to finance, markets, and infrastructure, as well as supportive policies for youth-led enterprises (Letty et al., 2021). Policy reforms can also address gender and social inequalities, ensuring that young women and marginalized groups have equal access to employment opportunities in agriculture (Rogito & Rogito, 2022).
- **Supporting Youth-led enterprises** is another way in which corporate governance innovations can enhance youth participation in the agri-food system. Youth-led enterprises are businesses that are owned and managed by young people and are an important source of employment and innovation in

the sector. Corporate governance innovations can support youth-led enterprises by providing access to finance, training, and mentorship, and by creating an enabling policy environment that supports their growth. Several countries in Africa have implemented policies to support the growth of youth-led enterprises in the agri-food system (Ninson & Borbbey, 2023). For example, the Youth Enterprise Development Fund (YEDF) in Kenya provides financing, training, and mentorship for youth-led enterprises in the sector. YEDF's corporate governance innovations have created over 500,000 jobs for young people in Kenya since its establishment in 2006.

- **Technology adoption:** Technology adoption is critical for enhancing productivity and sustainability in agriculture. Technology adoption can include the use of precision agriculture, crop diversification, and climate-smart agriculture practices. Technology adoption can also create employment opportunities for young people in agriculture, particularly in the development and application of new technologies (Devaux et al., 2021). Technology adoption is a crucial corporate governance innovation that can contribute significantly to enhancing youth participation and job creation in agriculture in Africa. Technology adoption in agriculture involves the integration of modern technologies into agricultural practices to improve productivity, efficiency, and sustainability. Here are some ways in which technology adoption can enhance youth participation and job creation in agriculture:
  - a. **Increased efficiency:** Technology adoption can lead to increased efficiency in agricultural practices, reducing the time and labor required for farming activities. This can create more time for young people to engage in other income-generating activities, leading to increased participation and job creation in agriculture.
  - b. **Access to information:** Technology adoption can provide young farmers with access to information on weather patterns, market trends, and best agricultural practices. This information can help young people to make informed decisions and improve their farming practices, leading to increased productivity and profitability.
  - c. **Improved access to finance:** Technology adoption can help young farmers to access finance by providing them with a digital trail of their farming activities, enabling them to build a credit history. This can enable them to access finance from formal financial institutions, creating more opportunities for job creation and income generation.
  - d. **Increased sustainability:** Technology adoption can contribute to increased sustainability in agriculture by promoting the use of climate-smart agricultural practices. This can help to mitigate the effects of climate change and promote sustainable agriculture practices, creating opportunities for young people to participate in the development and adoption of new technologies.
  - e. **Reduced post-harvest losses:** Technology adoption can help to reduce post-harvest losses, improving food security and increasing incomes for farmers. This can create more opportunities for young people to participate in the agribusiness value chain, such as processing and marketing of agricultural produce. By leveraging technology, young people can improve their agricultural practices, access finance, and participate in the agribusiness value chain, creating more sustainable and inclusive employment opportunities in agriculture (Bahn et al., 2021).

## CONCLUSION AND RECOMMENDATIONS

Enhancing youth participation and job creation in agri-food systems in Africa requires innovative corporate governance strategies that create an enabling environment for young people to participate in the sector. Public-private partnerships, inclusive business models, community-based organizations, capacity-building programs, youth led enterprises, policy reforms, and technology adoption are essential governance innovations that can contribute significantly to enhancing youth participation and job creation in agriculture in Africa (Amblar et al., 2023). Success of corporate governance innovations in enhancing youth participation and job creation in agriculture is dependent on various factors such as access to finance, markets, and government support. Therefore, stakeholders in the agri-food systems must collaborate to

create an enabling environment that promotes job creation in agriculture. Enhancing job creation for youth in the agri-food systems requires collaborative efforts from all stakeholders for an environment that supports innovation, entrepreneurship, and sustainable development in the sector (Govind et al., 2021).

Based on the above, we recommend the following:

1. Governments should provide supportive policies and create an enabling environment for youth participation in the agri-food systems. This includes policies that enhance access to finance, training, and extension services, and the provision of infrastructure and set prices for agricultural products that are in favor of farmers and provide opportunities for youth to participate starting from planning, implementing, evaluating all agricultural business programs that are being developed.
2. The private sector should invest in technologies that can promote youth participation and job creation in agriculture. This includes technologies that improve productivity, efficiency, and sustainability in agriculture for improving the quality of youth to innovate.
3. Development partners should support capacity building programs for young people, inclusive business models, youth led enterprises, including training on agricultural best practices, entrepreneurship, and business management and give awards to youth who have participated in agricultural activities.
4. Civil society organizations should work with young people to facilitate their participation in the agri-food systems, including creating awareness, providing training, and building networks and linkages with markets.
5. A sufficient funding stream should be allocated to encourage youth-led enterprises this could be in form of competitive grants based on quality innovations.

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