

Current and Emerging Youth Policies and Initiatives and their Links to Agriculture

Malawi Case Study Draft Report

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Disclaimer

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The views expressed in this report do not necessarily represent the views of
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List of Acronyms

FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network.
NGO	Non-Governmental Organization
SPSS	Statistical Package for Social Science
FAO	Food Agricultural Organization
CSO	Civil Society Organization
TA	Traditional Authority
LUYN	Lilongwe Urban Youth Network
NYCOM	National Youth Council of Malawi
MGDS	Malawi Growth and Development Strategy
GDP	Gross Domestic Product
GNI	Gross National Index
AIDS	Acquired Immuno-Deficiency Syndrome
HIV	Human Immuno-Deficiency Virus
IEC	Information Education and Communication
RLEEP	Rural Livelihood Support Program
CISANET	Civil Society Agricultural Network
ASWAP	Agricultural Sector Wide Approach
YEDF	Youth Enterprise Development Fund
MADEF	Malawi Development Enterprise Fund
FUM	Farmers Union of Malawi
ADMARC	Agricultural Development and Marketing Corporation
AGRA	Alliance for Green Revolution in Africa
CAADP	Comprehensive Africa Agriculture Development Framework
MDGs	Millennium Development Goals
FAO	Food and Agriculture Organisation

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1.0 Executive Summary

The Youth bulge indicates that 60% of the population in Malawi is under the age of 20 years, 48% under 18 years and 40% between 10-29 years, while the life expectancy is at 44 years (NSO 2008). Malawi thus, largely constitutes a youthful and dependent population. At the international front, Malawi has been rated as one of the world's poor and least developed countries ranking position 153th out of 169 in the 2010 UNDP Human Development Report. The head count for 2009 registered 39% of the population being living below poverty line. Given the youth population bulge presented, it could be safely concluded that the majority affected by poverty are the youth in the rural areas.

In spite of the formally recognized role of agriculture in job and wealth creation for young people, mainly in the rural areas, the nexus between youth and agriculture in Malawi has only partially and insufficiently been developed and translated into public policies. The 2011 FANRPAN Regional Multi-stakeholder Policy Dialogue in Swaziland re-affirmed that there are opportunities for the engagement of youth in Agriculture if involved in various initiatives as well as development of related youth and agricultural policies. However, the current state of knowledge indicates that no comprehensive studies in Malawi have been conducted to inform the extent at which the current and emerging national youth policies and initiatives are linked to agriculture; a sector highly recognized as the engine for economic growth and development for Malawi.

It is therefore envisaged that the gaps identified through the study will unveil opportunities in the sector and provide space to develop new national youth and agricultural policies to establish an enabling policy environment for increased participation and engagement of youth in agriculture to create jobs and wealth to sustain their livelihood and contribute to achieving overall national development aspirations.

The findings from the country case study therefore stand to benefit the Youth, Policy makers, CSOs, Private sector institutions, academia, research institutions and donors in the agriculture and youth sector to make informed policy choices and actions in youth economic empowerment and development initiatives through agriculture as a business.

2.0 Introduction

In spite of the formally recognized role of agriculture in job and wealth creation for young people, the nexus between youth and agriculture in Malawi has only partially and insufficiently been developed and translated into public policies.

The 2011 FANRPAN Regional Multi-stakeholder Policy Dialogue in Swaziland re-affirmed that there are opportunities for the engagement of youth in Agriculture if involved in various national agricultural initiatives as well as development of related youth and agricultural policies. However, the current state of knowledge indicates that no comprehensive studies in Malawi have been conducted to inform the extent at which the current and emerging national youth policies and initiatives are linked to agriculture; a sector highly recognized as the engine for economic growth and development for Malawi.

A country case study was therefore commissioned for the period running from December, 2011 – March, 2012 with support from FANRPAN to assess how the current and emerging national youth policies and initiatives in Malawi are linked to Agriculture to support the youth engagement in the sector. Specifically, the study aims to investigate the current participation level and coverage of rural and urban youth in agriculture and their perceptions towards the sector based on the current ever-changing realities in the sector environment including climate change, global rising food prices, Food crisis, emerging demand for bio-fuel, renewed policy attention and other emerging opportunities. The study will also investigate and assess how the key institutions as well as current tools, and mechanisms as policy instruments available have contributed towards achieving this noble agenda.

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3.0 Country Background

The Current national youth policy defines the youth in Malawi as those aged between 10 – 29. According to the country socio-demographic profile, the total population of Malawi is 13,077,160 with 84.7% living in the rural areas. The Youth bulge indicates that 60% of the population is under the age of 20 years, 48% under 18 years and 40% between 10-29 years, while the life expectancy is at 44 years (NSO 2008). Malawi thus, largely constitutes a youthful and dependent population. At the international front Malawi has been rated as one of the world's poor and least developed countries ranking position 153th out of 169 in the 2010 UNDP Human Development Report. The head count for 2009 registered 39% of the population living below poverty line. Given the youth population bulge presented, it could be safely concluded that the majority affected by poverty are the youth in the rural areas.

The 2010 economic indicators shows the country's GDP at USD 5.2 billion and GNI per capita of US\$ 349 of which 34.7% is a contribution from agriculture. In addition, agriculture generates 80% of the foreign exchange earnings and contributes 80% of the total national workforce. The national budget allocation on agriculture in 2010/2011 fiscal year was 32% with 50% on Fertilizer Input Subsidy Programme (FISP) targeting 1.6 Million vulnerable households. An improvement of poverty head count from 50% in 2005 to 39% in 2009 is largely attributed to the success of FISP which improved availability of food at household level above the national requirement of 2.5 million metric tonnes per annum. Annual growth averaged around 7 percent during the same period, well above the sub-Saharan average; Malawi ranked among the top 20 performers on several Millennium Development Goals (MGDs) indicators; Gross Domestic Product (GDP) increased over 40 percent from US\$ 1.8 billion to US\$ 2.5 billion; GDP per capita rose almost a third, from US\$ 130 to US\$ 166 and gini coefficient fell from 0.62 to 0.39 (Vandermoortele and Bird, undated). Therefore Agriculture is the most important sector and engine for economic growth and development for Malawi.

Among others, the main agricultural products grown by smallholder farmers are maize, tobacco, cassava, soya, groundnuts, pulses, sorghum and millet, sweet potatoes and cotton. The main agricultural exports are tobacco, tea, sugar, cotton, rice and pulses which are largely grown by corporations and large scale farmers. However, the trade indicators show that Malawi also imports most of these agricultural products especially in processed form and export most of its products unmanufactured. Some of the major agricultural products been imported are wheat which recorded 88,875 tons with import bill value of US\$ 30 million and 18, 470 tons of Soya bean Oil with import bill value of US\$ 12.9 Million (2007 economic report). In addition, the 2010 Malawi economic report indicated the overall contribution of manufacturing sector to GDP at 11% with the larger proportion of processed merchandise traded domestically. Perhaps, it is this trade imbalance which is draining the hard earned foreign exchange for the country; deepening the current account

balance deficit from 17.5 % in 2010 to 19.6% in 2012 and the import cover standing at 1.4 months in 2012 from 3.1 months in 2010.

Generally, the level of value addition as well as agricultural productivity and production is still below capacity compared with the land and labour resources that the country is endowed with. For instance, the country has a total land surface area of 9,428,000 hectares and 5,586,000 hectares of which is agricultural land with arable land making 60.4%. In most cases farmers cultivate only once in a formal seasonal year as the country highly depends on rain-fed agriculture despite one fifth of its 118,500 km² total surface area covered by water of Lake Malawi and availability of a number of water streams that run throughout the year, potentially able to support irrigation farming. Currently, out of 48,000 hectares of land suitable for irrigation only 14,000 hectares is under irrigation.

Again, low productivity and production of agriculture is due to low use of Fertilizer and pesticides to increase crop yields per hectare. Since, 2007 the country has consumed an average Fertilizer amount of 302,547 tons. However, with the recent Fertilizer Input Subsidy Program by Government; distributing fertilizer, seeds and chemicals to 1.6 Million vulnerable households at a price of US \$ 3 per 50 kg bag (1 US\$ = K167) has increased the appetite of this core group and appreciated the impact of fertilizer on productivity. This therefore prepares the future input markets and creates opportunities to youth that choose to engage in agro-dealership to sale fertilizer, seeds and chemicals. Farm mechanization is also at its lower level and is mainly driven by large scale commercial farmers in the major corporations including Illovo Sugar Corporation Ltd, Exagris Africa and Press Agriculture Corporation Ltd. In a sector with 10,990,000 agricultural population (NSO 2008), the number of tractors in use was recorded at 1,400 as of 2007.

Again, the 2007 agricultural statistic profile indicates that Malawi has a total of 870, 622 cattle, 2,720,126 goats, 928,952 pigs and 10,802,810 chickens. However, the livestock sector is still highly under-developed against demand, evidenced in the huge importation of meat and dairy products in the country. The fishing sector is another important industry that registered 66,500 tons and 1,500 tons of capture fish and aquaculture fish production in 2007 respectively. However, the 2012 recent report by fisheries department has expressed concern of a constant decrease by 30% of the most demanded Chambo/Tilapia fish in Lake Malawi.

Other opportunities also exist in agriculture service industries including transport and logistics, storage, training and consultancy services as well as marketing and distribution. Currently, there are only a few service providers offering these specialized services and most of them are based in the urban areas in designated industrial sites like Kanengo in Lilongwe and Makata in Blantyre. However, with the recent promotion of small-scale based agricultural commercialization, the movement of commodities from the point of production to the structured markets and the need to construct modern storage facilities near the production sites in the rural areas to maintain quality of produce and reduced post harvest losses will keep on the increase. In addition, the concept of agribusiness which is still new to most farmers in Malawi stands to open up opportunities to offer training and consultancy services in the area,

most especially business advisory services in export marketing, achieving quality and food safety requirements for the world markets as well as develop bankable business plans to access export financing and ensure systematic business level activity implementation in the smallholder-based supply chains.

4.0 Methodology

The study used both primary and secondary research methods in data collection. Primary data was collected through a structured questionnaire and focus group discussions in 10 districts of Lilongwe, Mchinji, Dowa, Dedza, Karonga, Balaka, Zomba, Chiranzulu, Blantyre and Thyolo. Other means used to collect data especially on youth perceptions towards agriculture included a special arranged phone-in program on Radio 101 Station, facebook, skype and twitter focus group discussions.

A sample size of 300 was designed, with 100 youth (10 per district) purposefully selected from youth clubs and CBOs in the rural areas and 200 others randomly selected from the urban and semi-urban areas. Again, the consultant held preliminary discussions with 15 various stakeholders as key informants including relevant Government Ministries, Parliamentarians, Research Institutions, academia and local and international NGOs to obtain more literature on the programs, tools and mechanism they use for the engagement of youth in agriculture. During questionnaire administration and training workshops of enumerators, confidentiality was emphasized as the guiding tool in identifying organizations and youth to participate in the study. Human subjects that participated in the study did so willingly and the research team firstly got their consent in order to interview them or to interfere in their privacy. The data analysis used SPSS for descriptive statistics in which frequencies and percentages were derived.

The secondary research involved assessment of current and emerging national policies and programs, internet materials, past research reports and other relevant publications. On policies, the study in its review and assessment considered the following public policies; the National Youth Policy (1996 and 2010), Framework for Poverty Alleviation Programme (1995- 2002), the Malawi Vision 2020 (1998 -2020), the Malawi Poverty Reduction Strategy (2002 –2005), the Malawi Economic Growth Strategy (2004-2005), the Malawi Growth and Development Strategy (2005-2011), Agricultural Sector wide approach (ASWAP) and Malawi Growth and Development Strategy (2005-2010 and 2011-2016). And on programs and initiatives, the following were assessed; The Greenbelt Initiative, Youth Enterprise Development Fund (YEDF), One Village One Product Program (OVOP), the Africa Green Revolution and Rural Livelihood Enhancement and Economic Support Program (RLEEP).

In carrying out this study which covered 4 months (November, 2011 – March, 2012), there were some assumptions that key informants will be available at specific times allocated to attend to interviews and that funds to cater for the related direct cost of the study will be made available on time to allow the exercise begin at the date set as planned. However, challenges emerged in the process in that most key informants selected in the study were in the prolonged year end festive holiday; hence not

available to attend the interview at the times set. Again, funding for the study from FANRPAN delayed; coming end December, 2011 instead of November.

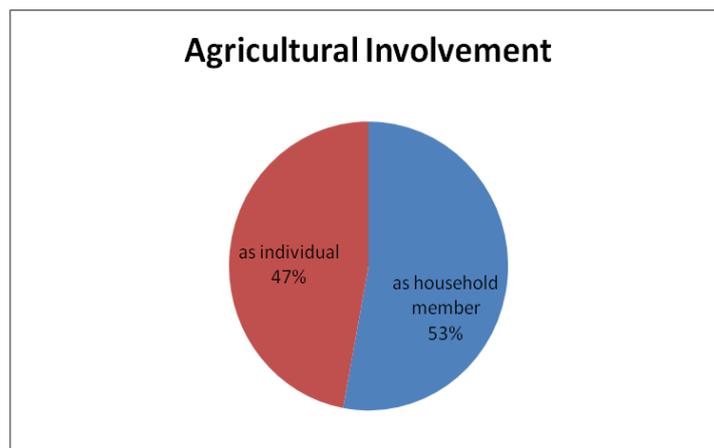
5.0 Youth and Agriculture

The 2010 country demographic profile shows that 60.4 % of youth in Malawi are in Agriculture. This country case study also affirmed that position in that 47% of the interviewed youth were actively involved in agriculture. However, the majority were participating in subsistence farming as family members in their parents’ or guardians’ households focusing on production for consumption. Further revelation indicates that 77% of those in agriculture were engaged in primary production mainly food crops, 9% in food processing using basic household equipments, 7% in marketing and storage services, 4% in transport and logistics and 2% provide training and consultancy related services.

Below is the table and chart illustrating those currently involved and not involved in agriculture

Table 1: Involvement in Agriculture

Involvement	Frequency	Percent (%)
Involved	40	47.1
Not Involved	45	52.9
Total	85	100.0



Though many youth preferred engaging in agriculture as a business to generate income for their sustainable livelihood, the majority especially in the rural areas are not in agribusiness due to a number of obstacles they face including lack of access to

capital finance and land, poor road infrastructure to move the commodity from point of production to the markets, high cost of capital equipment for agro-processing, lack of access to information and unavailability of reliable energy sources. The 2011 Malawi Business Country Survey by Malawi Confederation Chambers of Commerce (MCCCI) affirmed a rising high cost of doing business in Malawi choking development and growth of the private sector (MBCS 2011). The current statistics indicate that only 10% of female and 16% of male of the entire population of 13.9 Million own businesses and the majority are in the urban areas. Of this number, the youth are the least represented due to slim opportunities in their environment to secure capital.

It is important to note that agricultural sector in Malawi is regarded as the largest employer as it accounts for 80% of the total workforce. However, as stated earlier, the majority of those currently in agriculture are working in the primary production sector which according to some youth, it is undesirable sector which involves hard-labour and lacks modernity. Therefore to motivate the other class of youth that shun agriculture, mainly primary production due to its perceived lack of modernity, there is a need to develop and promote other segments of the value chain including input supply, processing, storage and marketing and distribution which could provide smart employment with status equal to white collar employment. This will expand the formal private sector and provide more quality employment opportunities to the youth in the rural economy. Currently, the formal sector in Malawi is only able to employ 30,000 people per year against the requirement of 130,000 (both skilled and unskilled labour). The situation of high unemployment is even worse in the rural areas as the Manufacturing and service industries which by nature are labour intensive are almost non-existent.

As noted earlier, Malawi agriculture sector value chains has untapped potential, able to provide more employment and investment opportunities to the majority of unemployed youth living in the rural areas. For instance, diversification into other areas of agriculture including livestock, bee keeping and aquaculture, and promotion of irrigation farming could engage the youth full time in the sector and open up new market opportunities during off season.

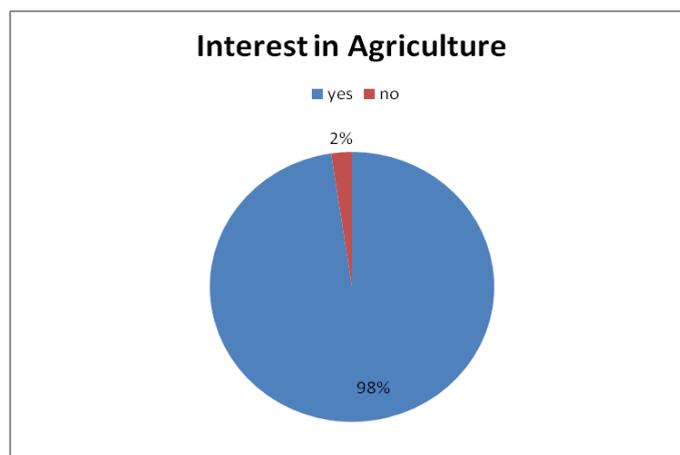
6.0 Perceptions of Youth Towards Agriculture

This study revealed that most of the youths interviewed shown interest in agriculture registering 97.6% positive response as per table and figure below.

Table 2: Interest in agriculture

	Frequency	Percent (%)
yes	83	97.6
no	2	2.4
Total	85	100.0

Figure 2



Among other reasons for their interest in agriculture, the youth indicated that with the current increasing trend of unemployment, they have no choice but to employ themselves in agriculture which unlike other forms of business has fewer barriers to entry for survival. Some added that with the recent global call for agricultural commercialization, increasing population growth, continue food crisis in the African region and other parts of Malawi as a result of climate change and variability, opportunities exist for the youth in agriculture as a business to create sustainable wealth. While the other youths, though equally perceiving agriculture as a viable business initiative, they expressed doubt of the sustainable gains in the long-run, indicating that a continue increase in population will create competition on the available arable land for human settlement and agriculture where in most cases priority is given to settlement. Again, the continue changes in climate will make agriculture unattractive investment portfolio to both youth and supporting financial institutions as the level of risk continue becoming high.

Another debate among the interviewed youth emerged on whether agriculture could be regarded as a legally accepted business. Recently, they have seen frequent domestic trade and export bans on Beef, Maize and Soya by the government through Ministry of Industry & Trade, a situation that ended-up making their parents and households family members unable to off-load their surplus commodity unto the markets, resulting into post harvest losses and increased household poverty. This trend go in conflict with the goal of Malawi to turn its economy from a predominantly importing and consuming to predominantly production and exporting nation and close the current growing trade deficit.

On the other hand the youth see being side-lined in agriculture because for the past 20 years agriculture meant production of food for consumption and this was associated with adult population. This belief established wrong conceptions that agriculture is for the elderly. And this misconception has been institutionalized; consequently most government initiatives are perpetuating the practice through its programmes by providing more opportunities for the adults. For example, distribution of community resources such as land and free inputs is biased towards the adult population mainly the elderly who are generally regarded as the most vulnerable. This has created a huge developmental gap and deprived young people the opportunity to develop and create their own wealth through agribusiness, resulting to shifting their focus for employment to other relatively small service sectors which just manage to absorb a few of them while leaving the rest unemployed and putting dependency pressure to their parents and guardians at the household level.

7.0 National Policies as key drivers

Policy review and analysis

The study considered eight public policy documents in its review and assessment and they include; National Youth Policy (1996 and 2010) , the Framework for Poverty Alleviation Programme (1995- 2002), the Malawi Vision 2020 (1998 -2020), the Malawi Poverty Reduction Strategy (2002 –2005), the Malawi Economic Growth Strategy (2004-2005), the Malawi Growth and Development Strategy (2005-2011), Agricultural Sector wide approach (ASWAP) and Malawi Growth and Development Strategy I and II (2005-2011 and 2011-2016).

Previous public policies, before change of government system in 1994 had put in place strategies for youth involvement and participation in the agriculture sector. Structures such as the Malawi Young Pioneers' bases were established throughout the country which implemented entrepreneurship, technical, agriculture and leadership programs among the youths. This policy saw many youths become self-employed mainly in the agriculture sector, although other sectors were also common such as Trade, construction and carpentry industries. However, since 1994, after the system of government changed, many old policies were reviewed to accommodate new system of government. Hence, the 1996 new national youth policy developed did not foresee the need to link the youth to agriculture as a priority area. Perhaps, this policy shift informs why the majority of the youths in Malawi are marginalised from agriculture and lack entrepreneurship training opportunities to acquire skills which could enable them effectively participate in economic activities through agribusiness to release their full potential.

Upon expiry of the 1996 national youth policy, Malawi has again in 2010 developed another revised national Youth policy, though is still in draft form waiting for averting and approval at the cabinet level. This has been established to promote youth development and empowerment through establishing an enabling environment for

youth participation in key development activities of the nation. The policy has identified six main priority areas including (i) Education, (ii) Science, Technology and Environment (iii) Health and Nutrition (iv) Social Services, Recreation, sports and culture (v) Youth participation and Leadership (x) Youth economic empowerment. However, like the former, there is no clear links of this emerging policy instrument and the above identified sectors to agriculture; a sector regarded as the engine for economic growth and development for Malawi. Failure to close this policy gap and ensure linkages to agriculture will make it fail to achieve the intended goal of youth participation in key economic development activities. The youth will continue being excluded to opportunities emerging in the agro-sector including export drive, diversification, value addition and agro-processing and growing demand for agro-based supply chain management initiatives.

It is therefore important to note that agriculture can be incorporated in the existing draft national youth policy either as a stand-alone sector or be mainstreamed and integrated within the already six identified sectors mentioned above.

(ii) Integration of Agriculture in other sectors

The mainstreaming into identified sectors option will see full inclusion and promotion of agriculture in the **national educational system** and curriculum; from primary to tertiary level. Currently, agriculture is not adequately promoted in schools, especially at secondary and tertiary education level. In most government and private secondary schools, agriculture is taught as an optional subject. In addition, no adequate facilities such as agricultural laboratories and demonstration gardens are available to support effective learning. At the tertiary level, agriculture is only offered in a few specialised agricultural institutions with the most notable ones being Bunda College of Agriculture and Natural Resources Colleges; no lessons or subject as extra curriculum is taught in the current predominant business, finance and entrepreneurship courses by various private and government colleges. Failure to fully incorporate agriculture in education which provides a good catchment area for youth will be the missing opportunity for the agricultural sector to have well educated farmers able to adapt to the current and emerging changes in the sector. In addition, Malawi shall soon loss the long time **culture** gone with the old generation of engaging in farming (**agri-culture**).

The second priority area promoted in the National Youth Policy is **science, technology and environment**. The Policy recognizes that science and technology is a pre-requisite to any development process and therefore calls for participation of the youth. However, no linkage has been established of this important component to agriculture. Sadly to note that this is happening at a time when there is an urgent need and call for technological transformation of the agricultural sector under the Africa Green Revolution to increase its contribution to poverty reduction, food security and economic growth through use of new seed varieties, engage in irrigation farming, value addition and agro-processing and use of improved trade marketing information systems (MIS) to increase competitiveness of smallholder-based supply chains as advocated for in the CAADP agenda. All these changes involve science and requires an energetic, creative and innovative mind as is vested in the youth. In addition, the

integration of science and technology driven by the youth complements with the recent global and regional efforts which is calling for smart agriculture that involves the use of clean technologies to reduce carbon emission from agricultural activities that causes environmental damage driven by climate variability and change.

It is also important to note that the improved agricultural production and productivity through adoption of new technologies such as irrigation in the Green-built initiative by Malawi Government would contribute to food security as well as guarantee **health and nutrition** brought about by new effort of food agro-processing and other value adding initiatives. It is through science and technology in the ICT edge that will surely enable the youth to effectively **participate and take leadership** of the sector to generate wealth for their **economic empowerment** and prosperity of the nation Malawi as advocated for in the current national youth policy and achieve MGDS and MDGS with utter most certainty.

8.0 Institutions, tools and Mechanisms

The study engaged a number of relevant government bodies, non-governmental organizations and private sector institutions as key informants to learn their tools and mechanism available for the engagement of youth in agriculture and policy processes. Ministry of Industry & Trade is responsible for establishing an enabling business environment for private sector development. In this case, the youth aspiring to engage in agriculture as a business must find the processes and procedures for setting-up a legally registered business and opportunities to grow that business promising and attractive.

Among other notable incentives available to businesses engaged in export of processed agricultural products under Export Processing Zone (EPZ) is a guarantee of no duty on capital equipment and raw materials; tax allowance of 12 percent of revenues on exports of non-traditional agricultural products; allowance for agribusiness manufacturing companies to deduct all operating expenses incurred up to 25 months prior to the start of operations and no excise taxes or duties on purchases of raw material and packaging materials. However, the general outlook so far shows that its mainly big companies with long-outstanding capacity to export that benefit highly from such incentives and not small-scale agribusinesses in the rural areas.

In the laws of Malawi the government has established that the legitimate legal age for one to set-up and run own business is 18 years and above. This provides an opportunity for many youth in the mature active age band between 18-35 years to engage in agribusiness. However, access to working capital for agribusiness start-up remains a challenge as the requirements by banks to access loans are not friendly and customized to the needs of youth.

In the fiscal year beginning 2010, the government established Youth Enterprise Development Fund (YEDF) to the tune of K1.16 Billion to provide easily accessible loans to youth entrepreneurs in form of capital equipment and working capital. To date, K677 Million has been disbursed to the beneficiaries of viable projects. However, the stakeholders physical verification exercise in form of visit to the warehouses carried out in October, 2011 on the equipment already purchased for the youth from India revealed that most machines in the warehouse were not for agricultural processing but vocational activities such as welding, carpentry and brick layering machines. This is a draw-back to achieving the aspiration to enhance value addition through agro-processing for the economy which highly depends on agriculture.

In an effort to promote agribusiness and export of high value commodities, the government through Reserve Bank of Malawi has recently established an Export Development Fund to provide loans to small-scale agribusiness exporters through loan guarantees in commercial banks to generate the export earnings target of US\$ 1 billion in 2012. However, lack of specialized youth loan products in the banks and micro-finance institutions, and their requirement for one to firstly demonstrate proven experience in the chosen agribusiness venture could again make many youth fail to benefit from this window of opportunity.

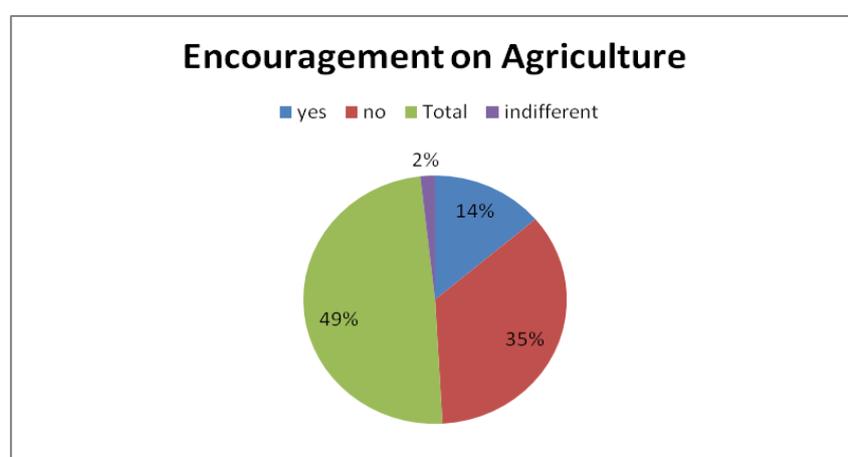
Another key challenge contributing to a failure for the youth to embrace agriculture is lack of role models and inadequate educational institutions and materials to encourage the youth to engage in the agriculture. Early childhood development theory bears testimony that encouragement of youth to engage in a particular enterprise like agriculture in early stages of their childhood development has a significant contribution to ensure full and effective participation in the sector in later stages. Among other important catchment areas and institutions where encouragement takes place is either at school, household or general society. The study reveals that there were few youth who were encouraged to take agriculture as important and chosen career in their childhood development. Most of them were encouraged to take up formal employment or do other businesses.

The table and figures below outline a percentage of those ever encouraged and not encouraged into agriculture.

Table 2: Encouragement on agriculture

	Frequency	Percent
yes	23	27.1
no	59	69.4
Total	82	96.5
indifferent	3	3.5
Total	85	100.0

Figure 2



Households and General Society Role Models

Encouragement at the household level and from the general society plays a crucial role to generate interest of youth to engage in the sector. These could also take a form of role models of people who have done well in their economic life through agriculture as a chosen career or enterprise. Only 47% of youth interviewed had role models in agriculture. However, all the role models were adults and elderly. This has a bearing on their perception to view agriculture as a venture that yields return on investment after a long period later in stages of human development.

Role of academic and research institutions

Education also plays a crucial role to encourage the youth to engage in agriculture. The study reveals that from primary to tertiary education curriculum, agriculture is taught as compulsory subject at primary level and an option at secondary level and only in specialized agricultural schools at tertiary level. Unlike other stages, the secondary and tertiary level probably forms the last institutional platform for the youth to make an informed decision about their next action in career choices and progression. However, Malawi has only a few agriculture institutions offering the tertiary education with the most notable ones being Bunda College, Natural Resources College and Mikolongwe School of Agriculture. Even in-take per year in such institutions is too small comparing with the demand. Amongst these, it is only Bunda College which is currently able to offer Bachelors, Masters and P.h.D Degrees in

agricultural related fields while the rest offer Diplomas and certificates in agricultural extension. This could result in shortage of skilled labour to transform the agricultural sector in line with the Malawi Growth and Development Strategy aspirations and CAADP agenda.

It is also learnt that Malawi does not have adequate information about youth in agriculture despite having a number of research institutions engaged in funded studies year in year out. Among other institutions are Chitedze and Bvumbwe Research Stations. Failure to have accurate information on the situation of youth in agriculture can result in missed opportunities to address the rising unemployment and poverty highly affecting this core group.

Other Government, NGOs and Private sector Initiatives

The Ministry of Industry & Trade with support from Japan has since 2001 been implementing a Japanese model for rural economic development called One Village One Products (OVOP). The program aims to support the rural masses to engage in production of value added products from the locally available agricultural resources to generate income for their improved livelihood. Though the program has registered notable successes up to receiving awards recently from Japan, it did not make any clear deliberate efforts and provision to include the youth which are almost absent in the activities. One of the key challenges the program has faced since inception is failure by the producers to meet food safety and quality standards designed and enforced by Malawi Bureau of Standards (MBS). If the youth were integrated, of which the majority are functionally literate and well grounded in science and technology which forms a critical component in best manufacturing and food formulation processes, the certification of the products under the initiative would be most possible and accelerated.

Another program rolled out recently by Ministry of Youth Development & Welfare with technical and financial support from UNDP is the Integrated Youth Development model. The model first implemented in Songhai-Benin aims to improve the livelihood of the youth by engaging them in integrated zero-waste farming initiatives. Currently, on its pilot stage the program has constructed a model training youth centre in Neno district. To ensure participation of many youth in agriculture through these centres, it will be important to develop a significant number of similar training centers across the country.

In 2010, Food Agriculture Organization (FAO) in collaboration with International Labour Organization (ILO) also introduced a special program called 'Decent employment program' aiming at creating quality jobs and ensure conducive work environment for the youth in the agricultural sector. However, since inception of the program, there has been no tangible progress to make this a reality. In addition, the world bank and African Development Bank has in the past supported many government projects in agriculture mainly in infrastructure development aligned to the MGDS such as rehabilitation of irrigation schemes. Recently, in March, 2012 the world bank announced US\$ 30 Million (MK 167 Billion) loan financing towards agricultural

diversification from Maize and tobacco-based production systems to market-oriented commodities. Some of these projects are taking on board the youth though not by design, thereby failing to attract their significant numbers.

CISANET, NASFAM and Farmers Union are some of the major local civil society membership-based organisations operating in the agricultural sector. CISANET and Farmers Union are mainly engaged in influencing agricultural policies and legislations through their members while NASFAM directly implements programs in general agriculture and agribusiness development. The study noted with concern that in the thematic areas and programs of all these three major institutions, there is no special components targeting the youth in agriculture.

The study on the other hand further noted that FAFOTRAJ, another NGO in agriculture could be the only major local organisation with a special dedicated youth sector agricultural component. Since, 2010 the organisation embarked in the implementation of a country-wide long-term program called the 'Malawi Agribusiness Youth Program, MAYOP 101' that aims to attract and build the capacity of rural youth in the profitable agricultural value chains as a means to generate wealth and create self-employment. However, the challenge that remains has been inadequate resources to reach-out to as many youth as possible in the rural areas through out the country.

Private commercial sector operating in agriculture also has a crucial role to play to creating opportunities for the youth in the sector. They create markets for agricultural produce, process the raw produce into semi-finished and finished products and transport the commodities from the point of production to end markets. However, in most institutions there is no clear deliberate business policies and incentives to support youth driven agricultural initiatives. Tradeline Corporation Ltd is one of the few private sector institutions in Malawi and Ghana which has facilitated partnership for wealth creation between the urban and rural youth where the former are engaged in the aggressive sale and marketing of agricultural commodities as agents in towns and cities while the later concentrate in production of demanded commodities. This should see a lot of youth in the two country divides get employed in the sector.

9.0 Conclusion

The gaps in the current and emerging national youth policies and initiatives identified in this country case study provide space for developing new national agriculture and youth policy in Malawi that will guarantee an enabling environment for youth participation in the sector to improve their livelihood through employment and wealth creation. It presents an advantage that the current national youth policy is still in draft form and incorporation of agriculture at this stage may not be a costly process in terms of time and resources but trigger more benefits to a country aspiring to scale-up production and exports.

10. Recommendations

Opportunities for Youth in Agriculture

The study has revealed a number of opportunities for the youth engagement in the agricultural sector value chains including production, processing and marketing of Cotton, Legumes, horticultural crops, Coffee, floriculture, aquaculture, livestock production, agro-processing, cold chain development, farm input supply, transport and logistics, storage services, Wholesaling and brokerage services, Packaging and offering training and consultancy services in agriculture.

(i) Cotton Production and Processing

In recent years, the Malawi Government has incorporated the cotton sector as a key element in its poverty reduction and growth strategy after tobacco which continues losing popularity as a major driver of export earnings. Emphasis is on building vibrant integrated cotton and textile industry, which besides aiming at accelerated industrial growth, focuses on building a strong raw material base for the country's production.

Therefore Investment opportunities exist for youth in commercial cultivation of cotton through initiatives like contract farming and working in cooperatives and associations. These steps are there to improve the production and quality of cotton with the objective of providing raw materials to the textile industry for its preferential markets under AGOA, and the EU among others. Besides production, youth can also engage in small-scale Cotton processing. Currently, there are less than 10 ginneries in Malawi, owned by the state owned Agricultural Development and Marketing Corporation (ADMARC) and other private companies. Together, these ginneries buy about 80% of the cotton grown in the country and export most of the lint. About 30% used is sold to Mapeto DWS Ltd, the only spinning and weaving factory in the country. Their demand is around 40 metric tonnes of cotton per week. With existing ginneries using only 25 percent of their ginning capacity, other small-scale youth ginners are required to fill the gap.

(ii) Soya Beans Processing

Investment opportunities exist for the youth to engage in the processing of Soya beans into soya milk, soya oil and other secondary products. There is high demand for cooking oil both locally as well as in the SADC/COMESA region. Malawi imports most of its crude oil for refining into cooking oil despite the country producing more than 35,000 metric tons of soya beans per year. Most of the soya bean is exported raw and come back with high value in form of crude oil. The youth in their cooperatives could secure small-scale oil expellers and engage in Soya Oil extraction.

(iii) Coffee Production and Processing

Arabica coffee is the fourth most important export crop in Malawi. Exports are made to European markets, Asia markets and American markets. Coffee offers more profits and other crops. A notable example is the Mzuzu Coffee which has penetrated the International Markets. In order to boost production, the government has privatized the Small holder Coffee Trust, which empowers smallholder farmers to control coffee production. Opportunities therefore exist for the youth to engage in production and processing of coffee into marketable products. However, Coffee production and processing is capital intensive and may need special skills to meet the international standards. Therefore to ensure youth participation in the sector, Government and banks must provide necessary support to youth in form of capital finance and organize necessary training in production and processing.

(iv) Livestock Farming

The livestock industry in Malawi is not fully developed evident in huge importations of dairy products currently at 50 percent. Opportunities exist for the youth in Poultry, piggery and Cattle farming for meat products as well as milk and milk products such as cheese and yoghurt. The youth can also turn skins and hides of livestock into leather products which fetch high prices on the markets.

(v) Aquaculture

The demand for fish especially Tilapia/ Chambo continues increasing both at domestic and international markets. However, production is below capacity currently at 66,500 tons per year. Therefore opportunities exist for the youth to engage in commercial fish farming to scale-up production and Fingerlings harvesting, processing and distribution. Other opportunities also exist in Transport and cold storage facilities. To ensure youth participation in commercial fish farming, the current presidential initiative on aquaculture launched recently must put in place deliberate initiatives to facilitate easy access to finance and provide extension services on fish farming business projects specifically by the youth.

(x) Training and Consultancy services

Agricultural extension service delivery currently does not have capacity to meet the growing demand for the services due to low staffing levels. Typically one extension worker handles over 1,000 farmers instead of the standard target of 500 to 700 farmers. Additionally, the few extension workers available do not have competences in business planning and development, farmer organization development, irrigation and livestock development. With the new policy attention of promoting farming as a business, it provides an opportunity to youths that undergo training of trainers to provide training and consulting services to farmers and other value chain players in the rural areas on commercial basis.

(ix) Other Opportunities for Youth

Other opportunities exist for the youth to engage in production and processing of Kirombero Rice, Pigeon Peas, Groundnuts, Paprika and Chillies and Cassava to meet the growing demand arising from food crisis in the African region. The increase in climate change and a global call for communities to embark on carbon trading as a mitigation strategy within the Smart Agriculture package also presents tremendous investment opportunities for the youth to grow more trees in exchange for money.

Youths can also explore to invest in establishment of commercial warehouses in the rural areas for rent to farmers, engage in supply of farm inputs/agro-dealership (fertilizer, seed, chemical), specialize in marketing and distribution and Transport services (push bikes, Ox-cart, Motor vehicle e.t.c).

In addition, youth who are generally innovative and creative can drive ICT integration in agriculture to modernize the sector and improve its competitiveness in agricultural trade. Currently, the Malawi Government through the Ministry of Local Government and Rural Development has embarked into development of Tele-centers in the identified rural growth centres across the country that will provide ICT services including internet, fax, printing and telephone services. There youth trained in ICT can then manage the centres and provide market and price information from around the world on commercial basis for various agro-products and also download recipes for food formulation as a guide in food agro-processing to farmers in the rural areas.

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9.0 Annexes

Annex A

SOME STATISTICS

Section 1: Those who participated in the Malawi Country case study

Gender status index (% male, Female)	51.8	48.2	
Marital status (% Single, married, widowed)	68.2	25.9	3.5
Education (% Tertiary, Secondary, Primary, never attended)	7.1	62.2	26 4.7
Age Distribution (% 18-24, 25-30, 31-35)	45	51.9	3.1

Section 2: Malawi: Some Development Indicators

Size of Malawi economy (GDP US\$bn, 2010)	5.2	
GDP per capita, Malawi (US\$, 2010)	349	
Average real GDP growth (% ,2006-2011)	7	
Average inflation rate (% ,2007-2011: Jan yr on yr 2012)	8	10.3
Poverty headcount (% 2005/2009)	50	39
Social Protection (2009/10)		
FISP (million households)	1.6	
FISP (as % of Agric Budget, 2011/12)	50	
Public Works Programme (number employed)	335,225	
Transfers (% ,outreach)	37	
MDGs unlikely to be met		
Universal primary education		
Improving maternal mortality		
Formal sector job creation pa vs requirement ('000)	30	130
GENDER		
In formal employment (%female/male)	10	18
Own business (%female/male)	10	16
Gender Status Index (2005/2010)	0.396	0.639
Youth in agriculture (%)	60.4	
Youth enterprise Development Fund(loans)	1,1659	(KM677m)
Decent Work Country Programme (2011)		

Section 3: Other incentives for the youth in agriculture

The following is a summary of general tax incentives which youth in agriculture can take advantage of;

1. Manufacturing Sector

- Pre-business expenses up to 18 months are allowable expenses
- Loss are carried forward indefinitely.
- Capital allowances – investment allowances :
 - 40% on new and unused plant and machinery and industrial buildings,
 - 20 % on used plant and machinery and industrial building

2. Export Sector

- 15% export allowance for non-traditional exports
- 15% international transport allowance for non-traditional exports
- Zero rated exports

3. Agricultural Sector

- Special tax treatment of capital expenditure in relation to construction of dams, dykes and land preparation as deductible
- Recognition of plantation growers of tea, coffee, tobacco, sugar, cocoa or *other designated agricultural plants* as manufacturers
- Investment allowance on plant and machinery , industrial buildings
- Annual and initial allowances on staff housing

Annex B

(1) List of Organizations Interviewed

	Organization	Sector/ Role	Informant	Position
1	Food Agricultural Organization (FAO)	Policy influence	Norah Mwamadi	Country Coordinator
2	Rural Livelihood Support Program (RLEEP)			
3	Farmers Union of Malawi (FUM)	Agricultural Policy		Program Coordinator
4	NASFAM	Agribusiness/Implementers	Beatrice Mkwenda	Program Coordinator
5	Ministry of Youth Development & Welfare	Youth Policy Development	Wilfred Lichapa	Chief Youth Officer
6	Ministry of Agriculture & Water development	Agricultural Policy		
7	Swedish Cooperatives			
8	Lilongwe Youth Network	Youth policy influence	Ted Kapesa	District Coordinator
9	National Youth Council of Malawi	Youth Participation	Wekha Khonje	Program Officer
10	Bunda College of Agriculture.	Academic		
11	Chitedze Research Station	Research		
				Committee

12	National Assembly	Agricultural Policy		members in Agriculture
13	Civil Society Agricultural Network	Agricultural Policy		
14	MADEF			
15	FAFOTRAJ	Youth and Agro-processing	George Mbulukwa	Business Advisor