

Policy Brief

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Transforming African Agriculture



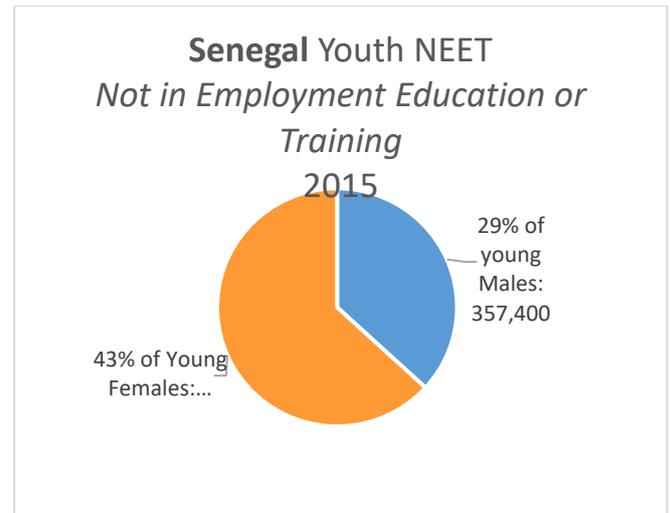
Youth Participation and Diversification Strategies in Rural
Economy : Issues and Evidence from Senegal

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Youth unemployment issue in Senegal: a short overview

Youth unemployment issue has attracted considerable interest among policy-makers in Senegal. According to the last general population and housing census, Senegal has a predominantly young and rural population where 60 per cent of the country's population is under the age of 24, and 55 per cent lives in rural areas. However, the country is yet to fully benefit from its demographic dividend as youth involvement in economic activities remains relatively low.

The graph, which is constructed using data from ILOSTAT database, shows that 63 per cent of young females and 29% of young males are not in employment, education or training. This situation indicates that many youth are out of school and out of work in Senegal.



Sources: Authors own from ILOSTAT database

In this context, given the importance of youth employment in the economic development process, promoting their participation in farm and non-farm activities is crucial to ensure inclusive and sustainable growth

Rural youth profile: who are the rural youth and what constraints do they face?

Table 1 describes rural youth profile based on their individual, household and community characteristics. Results indicate that rural youth have low level of education. Indeed, 72 per cent of rural youth are uneducated. Only 14 per cent have completed the primary and secondary levels of education, respectively, while university graduates

constitute less than 1 per cent of the sample.

Table 1. Rural youth characteristics

Characteristics	Mean
Individual characteristics	
Education	
None (=1)	.7181
Primary education (=1)	.1410
Secondary education (=1)	.1372
Tertiary education (=1)	.0035
Household characteristics	
Household size	13.59
Economic dependency ratio	1.09
Farm household (=1)	.8182
Farmland size (in ha)	1319.40
Community characteristics	
Access to all-weather roads (=1)	.0454
Access to food markets (=1)	.0590

Sources: Authors own from the Poverty Monitoring survey

Rural youth live also in large households with an average size of 13 members. The economic dependency ratio, which is defined as the ratio of family members below age 15 and above age 64 to total working age population, is 1.09. This implies that for every 10 workers there are 11 people not of working age in the households. In addition, over 80 per cent of rural youth live in farm households¹, with an average cultivated area of 1319 hectares. Table 1 also reveals that most rural youth have limited access to basic

infrastructure needed to expand their activities. In fact, only 4 per cent of rural youth live in communities with access to all-weather roads, and the proportion of rural youth living in communities with access to food markets does not exceed 6 per cent.

It emerges from table 1 that most of rural youth have low level of education and belong to large-size farm households, characterized by a high economic dependency ratio and most of them have limited access to basic infrastructure needed to develop the farm and non-farm sector.

Youth labor market outcomes in rural Senegal : Non-farm activities main source of income for rural youth

To investigate youth labor market outcomes, four rural employment categories are identified: farm and non-farm wage employment, and farm and non-farm self-employment.

Table 2 shows that non-farm self-employment emerges as the most important monthly income source for rural youth in Senegal (115 215 CFA),

¹ In this context, a farm household refers to a household having practiced agriculture during the last agricultural year.

followed by non-farm wage employment (77 537 CFA). Farm activities provide the lowest earnings. In fact, young people earn 41 113 CFA and 30 912 CFA from farm wage employment and farm self-employment, respectively. These results indicate that rural youth derive a large part of their income from non-farm activities.

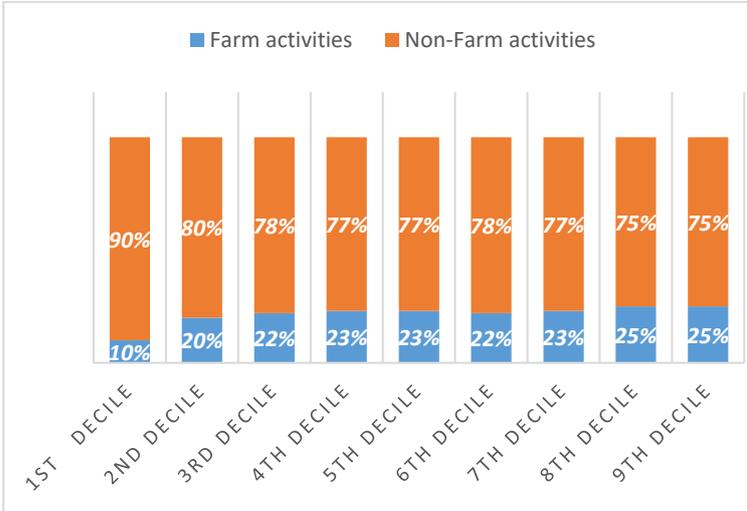
Table 2. Monthly income generation (in CFA)

Income source	Mean
Farm activities	
Farm wage employment	41113
Farm self-employment	30912
Non-farm activities	
Non-farm wage employment	77537
Non-farm self-employment	115215

Sources: Authors own from the Poverty Monitoring survey

Figure 2 graphs the rural youth income by income source and decile. Nearly 90 per cent of the average monthly income of rural youth in the lowest income decile comes from non-farm activities. The percentage of rural youth income made up of non-farm activities remains over 76 per cent up to and including the seventh decile where 77 per cent of rural youth income is made up of farm activities.

Figure 2. Rural youth income by income source and decile



Sources: Authors own from the Poverty Monitoring survey

After the seventh decile, non-farm activities income fall to 75 per cent for the top income deciles. Hence, non-farm activities constitute by far the main source of income for rural youth in the lowest income decile, accounting for 90 per cent of the average monthly income, as well as for those in the highest income decile, representing up to 75 per cent of the average monthly income.

Adopting diversification strategies: a way to promote sustainable incomes for youth rural

Table 3 reports the estimated impact of adoption of diversification strategies on rural youth income under the actual and counterfactual conditions.

A simple comparison shows that the group of rural youth that diversified their activities earn, on average, 48 per cent more than their counterparts that did not diversify (cells (a) and (b)). However, the observed differences in the average monthly income between the two groups can be misleading simply because it does not take into account the unobserved factors that may have affected rural youth income. The last column of Table 3 presents the average treatment effect on the treated (ATT) and the average effect of the treatment on the untreated (ATU). The results indicate that the average monthly income of diversified youth is statistically higher than had they not been diversified their activities. Diversification strategies on average result in a 19 per cent increase in income. Similarly, if the group of rural youth that did not diversify had diversified, the mean effect would be an increase in monthly income of 218 per cent. Findings also reveal that the transitional heterogeneity effect is negative, that is, rural youth that did not diversify would have earned higher income than those rural youth that diversified in the counterfactual case.

Table 3. Conditional Expectations, Treatment and Heterogeneity Effects^a.

	Decision stage		Treatment effect
	To diversify	Not to diversify	
Youth that diversified	a) 10.05 (0.0208)	c) 9.86 (0.0161)	ATT 0.19 (0.0074)
Youth that did not diversified	d) 11.75 (0.0053)	b) 9.57 (0.0042)	ATU 2.18 (0.0015)
Heterogeneity effects	BH1 -1.7	BH2 0.29	TH -1.99

Asterisks ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively. Standard Errors in parenthesis. **Sources:** Authors own from the Poverty Monitoring survey

Conclusions and implications for policy

Based on these findings, the policy challenge is to lift constraints that rural youth encounter and make the diversification strategies successful. In this respect, policy-makers and donors interested in improving rural youth outcomes should:

1. Adopt a comprehensive vision of rural economy in that there are strong synergies between the farm and non-farm sectors.
2. Implement policies that will help in increasing rural youth human capital. The education level of rural youth is low and those with

primary and tertiary education have been found to earn relatively more than their non-educated peers.

3. Increase investments in rural infrastructure. Indeed, the lack of infrastructure services, such as access to all-weather roads and to food markets, is associated with

lower employment opportunities and incomes for rural youth. Thus, it is essential that policy-makers assist in improving the access to basic infrastructure services so that youth can benefit from the expansion of rural activities.