

## Motivating Agribusiness Entrepreneurship in the Republic of Benin

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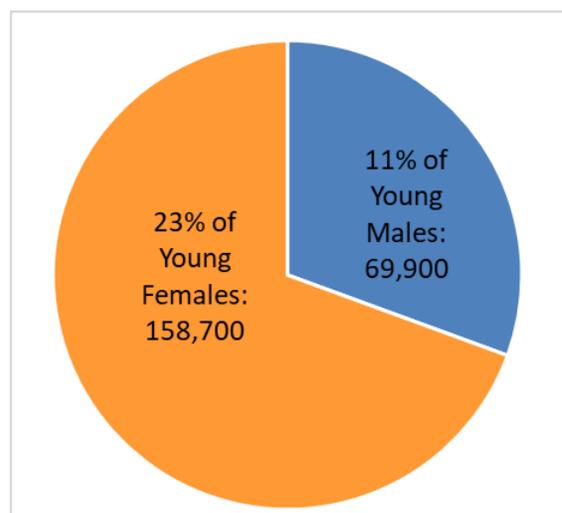
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### Executive summary

The objective of this policy brief is to motivate the National Council of Education, the Ministry of Higher Education and Scientific Research, the Ministry of agriculture and the Faculties/Universities of Agriculture to invest in youth engagement in agribusiness self-employment after graduation. The number of graduates from faculties and universities of agriculture opting for self-employment in agribusiness should be higher. Although it cannot fully solve the problem of high youth unemployment, motivating students to become agribusiness entrepreneurs can be an important part of the solution. This policy brief draws on researching findings to propose a set of recommendations to make agribusiness careers more attractive to students. The recommendations include: incorporating more entrepreneurial education into the curriculum for all majors, involving entrepreneurs in degree programs, establishing entrepreneurship clubs, showcasing successful young agribusiness entrepreneurs; and making the environment more conducive to agribusiness by investing in infrastructure such as roads and markets, offering tax breaks for young entrepreneurs, and improving access to inputs such as land and credit.

### The Challenge and the Opportunity

Youth unemployment remains a critical challenge in developing countries, especially in Sub-Saharan Africa where the rate of youth unemployment is one of the highest in the world (Pieters, 2013). Graduate unemployment is a major concern for the government of the Republic of Benin. Data available from the International Labour Organization documents that over two hundred thousand young people, which was over 17% of Benin's citizens between the ages of 15-24 in 2011, were neither employed nor in education or training (Figure 1). And a higher share of young women (23%) are unemployed than young men (11%).



**Figure 1.** Youth Not in Employment, Education, or Training (NEET) in Benin, 2011. **Data Source:** ILOSTAT  
[http://www.ilo.org/ilostat/faces/oracle/webcenter/portals/pagehierarchy/Page3.jspx?MBL\\_ID=20](http://www.ilo.org/ilostat/faces/oracle/webcenter/portals/pagehierarchy/Page3.jspx?MBL_ID=20)

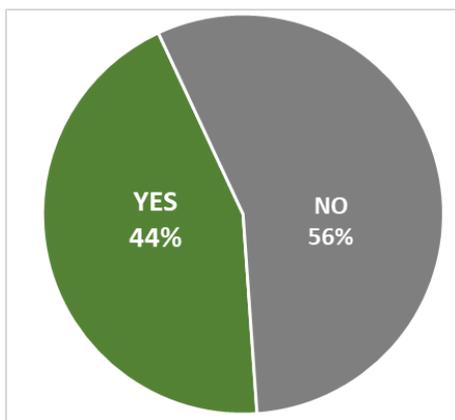
Agribusiness— i.e. all economic activities that generate a marketable surplus of agricultural production (Fontan Sers, 2011)- is a good opportunity for self-employment in Benin.

Despite the opportunities for self-employment in agribusiness, too many young graduates in the Republic of Benin still seek scarce desk jobs, which leaves so many unemployed. Even graduates of faculties and universities of agriculture seek off-farm employment rather than agribusiness as a career (ACED, 2017).

Understanding why even students of agriculture rarely venture into agribusiness may help plan how to attract more youths into agribusiness. This policy brief presents salient new research findings and proposes a set of recommendations.

### What Benin’s Students Think

In 2018 we surveyed ~350 students in their final year of agricultural studies at four universities. We asked if they were willing to start their own agribusiness venture after graduation. Over half (56%) said ‘no,’ but 44% said ‘yes’ (Figure 2).



**Figure 2.** Share of students planning to become agribusiness entrepreneurs.

Of course, students who had a positive perception of the agribusiness environment were the most amenable to joining the sector as an entrepreneur. Crop production and agri-processing were their most preferred enterprises.

We also found that the older the student, the stronger their intention to become an agribusiness entrepreneur. Furthermore, students majoring in Science and Techniques of Production (crop and livestock production) and Nutrition and Food Sciences were more likely to indicate an intent to become an agribusiness entrepreneur than students majoring in Economics/Management or Forestry and related sciences. Public university students were more likely to express interest in agribusiness entrepreneurship than private university students.

Most importantly, students who already had experience in agribusiness were more likely to express interest in becoming agribusiness entrepreneurs after graduation. And, students who had a friend or a role model in agribusiness were also more likely to express interest in becoming agribusiness entrepreneurs after graduation.

These answers to our survey questions show that the more hands-on experiences and more personal connections students have with agriculture and agribusiness, the more likely they are to plan to actually pursue agribusiness entrepreneurship after graduation.

### Recommendations

First, here are four recommendations that can be implemented by leaders in post-secondary education to encourage graduates of agricultural universities to become agribusiness entrepreneurs:

- 1) Incorporate entrepreneurship into the curriculum of agricultural faculties and universities.
- 2) Involve agribusiness professionals and entrepreneurs in all agriculture-related degree programs.
- 3) Showcase young entrepreneurs in agriculture by, for example:
  - a) Holding national competitions for young agribusiness entrepreneurs;
  - b) Present events such as “Agri-Enterprise Week” at universities;
  - c) invite young agribusiness entrepreneurs to share their experiences with the next generation by guest lecturing to the students in entrepreneurship classes.
- 4) Establish agribusiness entrepreneurship clubs in agricultural faculties and universities. Help club members engage in agribusiness entrepreneurial activities during their studies, such as:
  - a) prepare business budgets or marketing plans for crop producers in the vicinity;
  - b) visit food processing plants;
  - c) help local farmers implement a new technology, for example.

Second, more young people would be interested in agribusiness, youth employment would rise, and domestic food security could improve if the government also took steps to improve the overall agribusiness environment by, for example:

- a) invest in infrastructure that improves the competitiveness of the economy in general, and is essential for agribusiness in particular, such as roads and market places;
- b) offer tax breaks to young agri-entrepreneurs;
- c) underwrite insurance to offset unavoidable agricultural risks, such as bad weather;
- d) liberalize long-term credit - for land acquisition or improvement; and short-term credit - for production costs, for example.

### **For Further Reading :**

- ACED (2017). Analyse des profils des jeunes dans le secteur agricole au Bénin: les impératifs de capacités. Rapport d'étude. Abomey-Calavi, ACED
- Fontan Sers, C. (2011). Etat des lieux sur l'agrobusiness et les systèmes mixtes agriculture-élevage en Afrique de l'Ouest et du Centre. éd Conseil Ouest et Centre Africain pour la Recherche et le Développement Agricole.
- Pieters, J. (2013). Youth Employment in Developing Countries. Institute for the Study of Labor. IZA Research Report No 58.  
[http://www.iza.org/en/webcontent/publications/reports/report\\_pdfs/iza\\_report\\_58.pdf](http://www.iza.org/en/webcontent/publications/reports/report_pdfs/iza_report_58.pdf) accessed 15/01/2018.

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