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Empirical Analysis of IITA Youth in Agribusiness Model as a Panacea for Solving Youth Unemployment Problem in Nigeria

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Abstract:
Youth unemployment is a global economic challenge that poses threat to the security of any nation. Nigeria recorded 24% youth unemployment rate as at the second quarter of 2016. This is because the labour absorptive capacity in the formal sector is fast declining thus making the informal sector increasingly becoming the largest sector to create new job opportunities. The agricultural sector has always been a key sector for engaging this teeming young population (18 to 35 years). Therefore, curbing the problem of youth unemployment is not just about creating more wage and salary jobs, but more about increasing youth entrepreneurship. The most stimulating and attractive sector to do this in this decade is in agriculture. This study, therefore, seeks to assess the viability of Agribusiness in Nigeria, the case of Agricultural enterprises owned by International Institute of Tropical Agriculture (IITA) Youth Agripreneurs as a possible means to creating employment opportunities for youths by profiling the socio-economic characteristics of the youths, assessing the specific constraints/factors affecting youth participation in agriculture and measuring the profitability of the enterprises. The study was conducted in the Port Harcourt, Kano, Abuja, Imo where the model is being implemented. The research design adopted was a survey design where primary data were collected from 52 participating youths of the programme using questionnaire and key informant interviews while the secondary data were extracted from the databases of IITA and relevant youth-focused establishments in Nigeria. Data were coded and analyzed using SPSS. Data analytical methods utilized include descriptive statistics such as charts, frequencies tables. Our result showed that 92.4% of the beneficiaries believe that youths can be gainfully employed with this type of model. The key conclusion arising out of the study is that agricultural income tends to attract the youth towards farming. Based on the findings, appropriate policy prescriptions for scaling-up and sustainability were recommended for promotion of youth entrepreneurships in the agricultural sector in Nigeria.

Keywords: *Agribusiness, youths' development, employment generation, sustainability, value chains*

1. Introduction

Youth unemployment occurs when young people do not have jobs and have looked for a job within a short time frame (Iroha, 2016).One great challenge facing Nigeria as a country today is youth unemployment and the effect it has on labour productivity which has been on the rise over the years. According to the National Bureau of Statistics, youth unemployment rate in Nigeria increased to 24 percent in the second quarter of 2016 from 21.50 percent in the first quarter of 2016 (NBS, 2016). Furthermore, about 11 million youth are estimated to enter the labour market every year for the next decade (World Bank, 2014). These characteristics of youth found in sub-Saharan Africa justify the importance and need to create a nexus between youth employment and agriculture in devising development policy on the continent. Also, youth unemployment is currently one top subject getting much attention particularly in the global development agenda (IFPRI, 2016).According to the 2016 World Bank Report, Nigeria is a nation of about one hundred and eighty-six million people who are predominantly youths. This great population has caused labour supply to exceed demand especially in the formal sector. This surplus demand is because of the decline in the labour absorption capacity in the formal sector. Iroha (2016) argued that the informal sector is fast becoming the biggest creator of job opportunities compared to the formal sector.

Addressing youth unemployment should not only be focused on how to earn more wages and salaries but on how to increase youth entrepreneurship. To do this, the Agriculture sector has been found to be the most promising and attractive. Youth entrepreneurship especially in agribusiness signifies the practical application of enterprise qualities, such as initiation, creativity, innovation and risk taking into work environment, either in self-employment or employment in small start-up firms, using the appropriate skills required for success in that environment (Adepeju, 2009). The

Agricultural Sector, along with other potentials, offers a wide variety of employment opportunities particularly because of its versatile and multi-functional nature. The poor absorptive capacity of the formal sectors has resulted in many educated youths who do not have work and whose efforts are key for attaining rural transformation to be idle. As a result, youths with high prospects and potentials remain inactive because the motivation and encouragement to substantially better their lives through hard work are limited. Consequently, most of the youth move to urban areas seeking for employment but find only menial jobs at best and thus exposing themselves to a wide variety of social ills that breed restiveness in the society. This highlight the challenges of having unemployed youths in societies. This can also be an opportunity for them to become the drivers of new agriculture and agribusiness enterprises that will transform the rural sector and livelihoods thereafter.

It is most beneficial for a country to focus on sectors where it has comparative advantage to enable job creation. Yet, by focusing on a single sector, as with most programme, with limited resources and infrastructure gaps, there could be an inflow of youth into an area that does not meet their career objective. The effect of this is that it may lead to a decline in productivity levels and underemployment in the long run. Such single-sector oriented programme could also lead to neglect of other important segments of the economy where youth could thrive better and may also rob these sectors of the benefits from having a productive, innovative and exuberant youthful population. Thus, there is the need for an all-encompassing design approach where the foundation needs to be included in policy discussions. Such an approach must go beyond a narrow analysis of the contribution of specific sectors to the overall development and growth process.The challenge therefore is how to develop and sustain a comprehensive programme that reaches out to youth, inspires positive attitudes and mindset among them, promotes the necessary sets of farming and agribusiness skills and creates an enabling environment and an avenue to contribute to become recognized and thrive within their rural communities. Youths possess desire and zeal; are more energetic, flexible and open to new ideas and have more creative tendencies than adults.

The International Institute of Tropical Agriculture (IITA) and its partners have developed an effective mechanism which empowers rural youth and motivates them to have careers in agribusiness. The participating youth are termed "Agripreneurs" (Agricultural Entrepreneurs). The IITA Youth Agripreneurs (IYA) programme was launched in August 2012 in IITA-Ibadan by the Institute Director General, Nteranya Sanginga as a scheme meant to attract and inspire young people into agriculture and prove that youths can succeed in the value chainsof agriculture. It is therefore imperative that the IITAyouth in Agribusiness programme be assessed for its effectiveness in achieving the objective of motivating the youth to take up careers in farming for gainful employment. With this, people can see the benefits associated with farming. The objectives of this study include:

- To profile the socio-economic characteristics of youths involved in IITA Youth in Agribusiness Model.
- To assess the specific constraints/factors affecting youth participation in agriculture and agribusiness activities.
- To measure the profitability of agricultural enterprises of youths involved in IITA Youth in Agribusiness Model.

2. Methodology

The study was conducted in the Port Harcourt, Kano, Abuja, Imo where the model is being implemented. Triangulation method was used to collect data from participating youths in the programme. The secondary data with respect to population, background information on the study area and programme was extracted from the databases of the International Institute of Tropical Agriculture (2012-2018), National Bureau of Statistics (NBS 2015-2018), International Food Policy Research Institute (IFPRI) and other relevant sources while primary data was collected using questionnaire. The research design adopted was survey design (cross sectional). This entailed the use of questionnaire to collect data directly from respondents. This approach enables the researcher to get the views of those being studied and quantify it for analysis

Name of Agripreneurs Team	Total Number	Total Observed/Sampled/Returned
Abuja	25	19
Ibadan	30	23
Imo	7	4
Kano	4	1
Onne	8	5
Total	73	52

Table 1: Total Responses

The study made use of both qualitative and quantitative data for the study. The Statistical Package for the Social Sciences (SPSS) was used to analyze the data. The questions and responses were pre-coded and then entered into the software. Statistical analysis was done after the data entry. Frequencies, percentages were generated from the analysis. Descriptive statistics such as frequencies, percentages, charts and tables were used to answer the research questions. Tables were used to present and interpret the data in an easy-to-comprehend form.

3. Results and Discussion

3.1. Socio Economic Characteristics of Beneficiaries

Gender is an important dimension that influences opportunities to build and utilize capacities of youth in agriculture (FAO, 2015). As in Figure 1, males were 51.9% while the females had a close match of 48.1%. This signifies that

both genders to a large extent are adequately represented in the programme and thus we can infer that there is gender equality. Table 1 revealed that all the respondents were between the ages of 18-35 years going by definition of youth as a person aged between 18 and 35 years by the Nigeria National Youth Policy (2009). This means that the respondents were at their productive age where their energies can be fully utilized for productive business enterprises particularly in agriculture.

Furthermore, 75% of the group are singles while 21.2% are married men and women and 3.8% were divorce(e)s. Results from Figure 2 shows that all the respondents had completed higher education. Majority of the respondents, 78.8% (42 out of 52), were degree holders while another (9.6%) were either certificate or diploma holders.

Analysis of the farming experience of the respondents also revealed that a high proportion, 75% of the 52 respondents, have been in farming for about 1-3 years under the programme which has been ongoing for relatively 4years as at the time of carrying out the study. From this, we can deduce that most of the youths attracted to the programme have had no prior practical exposure to farming. Though they may or may not have studied agriculture or its related disciplines, most of the respondents have had practical knowledge in agricultural production only within the period of the programme.

Age	**Frequency**	**Percent**
YOUTH (18-35)	52	100
Total	52	100
Marital Status	Frequency	Percent
Single	38	75
Married	11	21.2
Divorced	2	3.8
Total	52	100
Household size	Frequency	Percent
1-5 persons	38	73.1
6-10 persons	14	26.9
Total	52	100
Is farming your primary occupation	Frequency	Percent
Yes	32	61.5
No	20	38.5
Total	52	100
Major secondary occupation	Frequency	Percent
Civil Servant	2	3.8
Farmer	15	28.8
Self-employed	9	17.3
Business person/Trading	17	32.7
Student	3	5.7
Agribusiness consultant	3	5.7
Music	1	1.9
None	2	3.8
Total	52	100
Number of years invested to date in farming	Frequency	Percent
1-3 years	39	75
4-6 years	6	11.5
7-9 years	2	3.8
10-12 years	4	7.7
More than 12years	1	1.9
Total	52	100

Table 2: Socio Economic Characteristics of Respondents
Source: Field Survey, 2017

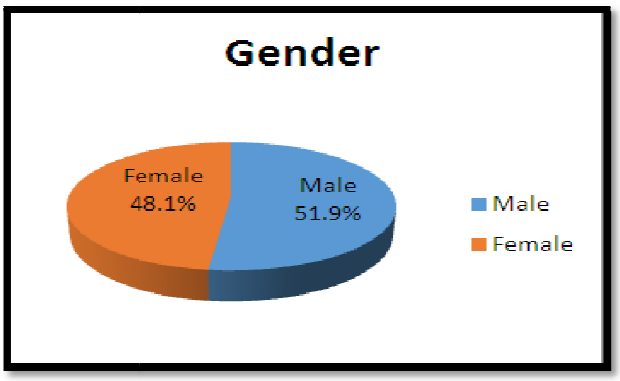

Figure 1: Gender of Respondents

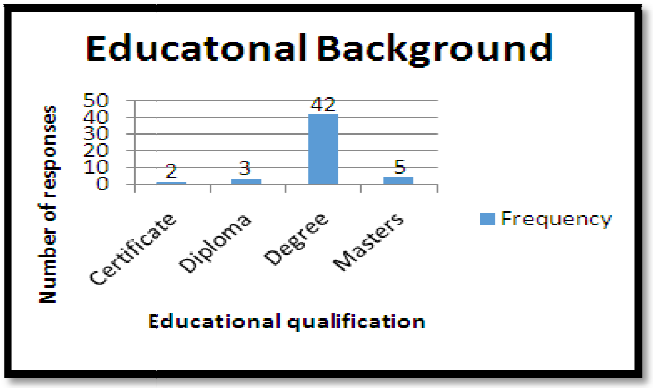

Figure 2: Educational Background of Respondents

3.2. Constraints and Factors Affecting Youth Participation in Agriculture and Agribusiness Activities

3.2.1. Constraints Faced by Youths in Agriculture and Agribusiness Activities

Results from Table 2 shows that majority (21.2%) of the respondents were faced with various constraints, and of particular interest was lack of capital. Lack of capital has been a major problem that hinders the farmers from attaining high productivity and was confirmed by earlier findings of other researchers. Thus, many other constraints have been widely reported as the major constraints to youth participation in agriculture. Another constraint enumerated by the respondents was the problem of land tenure system. Subsequently, poor government support (9.6%) and high price of inputs (3.8%) were also identified as constraints to agripreneurs. They also highlighted that these factors played a greater role in limiting youth participation. Prominent among these combinations included lack of capital and lack of government support (3.8%), Lack of capital and land tenure system problems (5.7%), poor storage facilities and high price (5.8%), lack of capital, lack of government support and high prices (1.9%). Furthermore, poor market outlets, low price for products, inadequate training and extension services, were seen to be other constraints faced and this agrees with the findings of Lyocks et al. (2013).

What Constraints do You Face in Agribusiness?	Frequency	Percent
High price	2	3.8
Inadequate training	2	3.8
Lack of capital	7	13.3
Lack of capital, lack of government support	2	3.8
Lack of capital, lack of government support, high price	1	1.9
Lack of capital, land tenure system	3	5.7
lack of capital, poor market outlets	2	3.8
Lack of capital, poor storage facilities	2	3.8
Lack of capital, poor storage facility, high price, land tenure system	2	3.8
Lack of capital, inadequate training	1	1.9
Lack of government support	5	9.6
Lack of government, land tenure system	1	1.9
Lack of transport	1	1.9
Land tenure system	3	5.7
Poor storage facilities, high price	1	1.9
Poor storage	1	1.9
Poor storage, high price	3	5.7
Poor storage, low price	1	1.9
All	11	21.2
Others	3	5.7
Total	52	100.0

Table 3: Constraints Faced by Youth in Agriculture and Agribusiness
Source: Field Survey, 2017

3.2.2. Factors Affecting Youth Participation in Agriculture and Agribusiness Activities

Table 3 gives an insight into the reasons why the youths got involved in the programme. Skill acquisition, 13.4%, was the most dominant factor for the youth Agripreneurs participation. Others, however, had contrary opinions. Some 3.8% opted in because of access to capital, and another 9.6% was for the technical knowledge it gives. The others went

into the programme for gainful employment and provision of basic amenities respectively. Quite a few (1.9%) went into it because of subsidy. Majority (23.1%) had multiple reasons for enrolment into the programme (Table 3).

Why did You Get Involved in the Programme?	Frequency	Percent
Access to capital	2	3.8
Access to capital, Skill acquisition, marketing	2	3.8
Employment	6	11.5
Provision of basic amenities, Skill acquisition, Technical knowledge, Employment	1	1.9
Skill acquisition	7	13.4
Skill acquisition, Employment	2	3.8
Skill acquisition, Marketing, Employment	1	1.9
Skill acquisition, Technical knowledge	6	11.5
Skill acquisition, Technical knowledge, Employment	7	13.4
Subsidy assistance	1	1.9
Technical Knowledge	4	9.6
All	11	23.1
Total	52	100

Table 4: Reasons for Involvement in the Programme
Source: Field Survey, 2017

3.2.3. Attitude and Perception towards Agriculture

Table 4 shows respondents' perception and attitude towards agriculture. Majority (94.2%) of the respondents agreed that agriculture is best for them and that it is a profitable business. Also, most appreciate it as a source of income (61.5%) and disagreed that agriculture is a low status profession (Table 4). This is not in agreement with the findings of Arokoyo and Ekong cited in Chikezie (2012) that the youth who have the energy to take up agricultural production do not believe or have the knowledge that agricultural production can really be a profitable venture.

Items	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Engagement in Agriculture	8	(15.4)	8	(11)	11	(21.2)	15	(18.8)	10	(19.2)
Career in Agriculture	7	(13.4)	10	(19.2)	16	(30.7)	15	(28.8)	4	(7.7)
Low Profession	22	(46.2)	16	(30.7)	5	(9.6)	3	(5.8)	4	(7.7)
Profitability	7	(13.5)	0	(0)	0	(0)	14	(26.9)	31	(59.6)
Source of Income	8	(15.4)	0	0	1	(1.9)	11	(21.1)	32	(61.5)

Table 5: Attitude and Perception towards Agriculture
Source: Field Survey, 2017

3.3. Profitability of the Programme

Agricultural interventions such as this Youth in Agriculture Programme have the potential to provide employment, enhance and improve on the income of young farmers. This view is shared by Simonyan and Omolehin (2012) who established from their research the fact that during Fadama II project, the income of the beneficiary farmers improved considerably more than before the project and also more than the non-beneficiary's income. This means that really a youth in agriculture programme has the potentials to improve the livelihoods of youths who engage in agricultural activities.

According to these beneficiaries, the monthly income that they get from agriculture is satisfactory enough and still inspires them to continue participating in agricultural activities. Results revealed that an estimate of 11.5% respondents have had less than ₦100,000 returns on invested while about 53.8% have received between ₦100,000-₦500,000 returns. In a similar vein, 11.5% and 15.4% respondents had between ₦600,000-₦1m and ₦1m-₦1.5m returns respectively. But only a few (7.7%) had above ₦1.5m in returns within the last two years. Narrowing it down further, on a weekly base, Table 5 shows that 19.2% have returns of less than ₦10,000 while a majority (61.5%) earn between ₦10,000-₦50,000 and quite a few earn over ₦50,000. On an average, this is above the national minimum wage and the current poverty line. The study showed that more than half of beneficiaries (65.4%) are not engaged in any other income generating activities (see Table 5).

To what extent would you say that the monthly income that the youth get from agricultural activities motivates them to continue participation in agricultural value chain?	Frequency	Percent
Very great extent	11	21.2
Great extent	9	17.3
Moderate extent	29	55.8
Less extent	3	5.8
Total	52	100
What is the estimate of your returns on investment within the last 2years?	Frequency	Percent
Less than ₦100,000	6	11.5
₦100,000-₦500,000	28	53.8
₦600,000-₦1,000,000	6	11.5
₦1,100,000-₦1,500,000	8	15.4
More than ₦1,500,000	4	77
Total	52	100
Are you involved in any other income generating activities?	Frequency	Percent
Yes	18	34.6
No	34	65.4
Total	52	100
How many months of the year does your agribusiness have positive cash flow?	Frequency	Percent
1-3	11	21.2
4-6	22	42.3
7-9	9	17.3
10-12	10	19.2
Total	52	100

Table 6: Profitability Statistics
Source: Field Survey, 2017

3.4. Viability of IITA Youth in Agribusiness Programme

Table 6 illustrates the viability of the programme. Majority, 92.6% (48 respondents), agreed that the programme should be adopted for employment generation. Their main reason for this affirmation as seen in figure 3 is that it solves unemployment problem and generates income. Others had contrary reasons; 27.1% of beneficiaries said it was because of the trainings and level of exposure the programme gave. 12.5% of beneficiaries channeled their reasons towards capacity building and the mind set change it provided. Also, 10.4% attest to it being an effective model. Others also believe that it is an effective and efficient agribusiness model and that it encourages entrepreneurship, skill acquisition. Also makes an enabling environment for business startups and could be a sustainable way of engaging the youth to become employers of labour.

Do you think IITA Youth in Agribusiness programme should be adopted as a model for employment generation?	Frequency	Percent
Yes	48	92.6
No	4	7.4
Total	52	100

Table 7: Adoptability of the Programme
Source: Field Survey, 2017

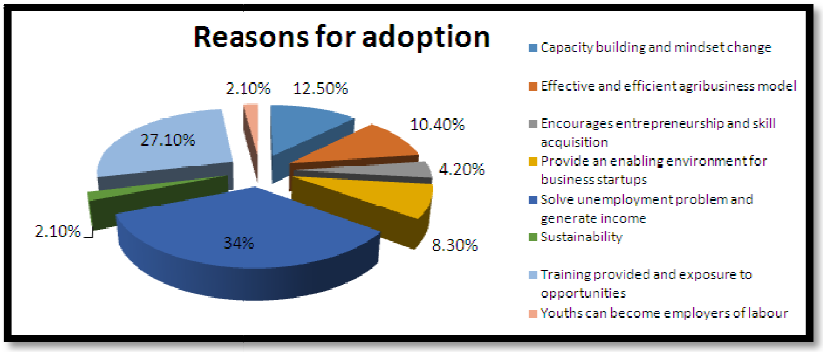

Figure 3: Reasons for Possible Adoption

4. Conclusion and Recommendations

The key conclusion arising out of the study is that agricultural income tends to attract the youth towards farming. This indicates that if agriculture is transformed from its present subsistence nature to one in which the youth can sell their produce and make profits, they will be gainfully employed thus cutting down the general level of unemployment. The study observed that there was a sense of satisfaction among youths that participated in IITA youth in Agribusiness Programme. However, need for starter packs remain critical for expansion and scaling out as the study reveal.

Without a doubt, opportunities exist for directing youths around the world in the direction of agribusiness with enormous societal and economic benefit, and mechanisms towards achieving this goal are being examined by several research, development and investment partners. The next important step to be taken is to build an all-inclusive programme that forges extensive commitment and partnership and combining these approaches in an effective manner to provide cost-effective prospects to youth for profitable agribusiness development. Also, the youth should be included in policy dialogue that may determine their structure, land acquisition/preparation and feed procurement are the biggest farm expenses which cannot be compromised. Agricultural enterprises need some essential fixed and working capital to run as an effective business. It is therefore recommended that other funding partners such as Bank of Industry and Bank of Agriculture should be involved in providing financial support for business startups. It is also recommended that the youth agripreneurs model be driven by research and private public partnership for its sustainability.

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