

## **INFLUENCE OF ACCESS TO LAND AND FINANCES ON KENYAN YOUTH**

### **PARTICIPATION IN AGRICULTURE: A REVIEW**

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**ABSTRACT:** *The Kenya Government prioritized the development of the agricultural sector to achieving the first Millennium Development Goal (MDG) of sustainable food production. Kenya's strategic plan, Vision 2030 positions agriculture as a key driver for delivering a 10% annual economic growth and is expected to have an average growth rate of 7% by 2015. Agriculture contributes over 80% of all employment opportunities in the country, but Kenyan youths are not taking advantage of these opportunities since 64% of them are unemployed. To advance the 7% average growth rate, it is pertinent that the Kenyan youth be fully involved in agricultural development. However, agriculture is perceived unattractive to the youth and its potential has not been fully realized. The purpose of this review is to find out the influence of land and finances on youth participation in agriculture and to identify the interventions that can make agriculture attractive to the youth in Kenya. This information will be useful to the government, the farming community, agriculturalists, policy makers and non-governmental organisations in laying strategies that will make agriculture attractive to the youth. This will subsequently enhance youth participation in agriculture resulting in increased food production, employment creation and income generation for the youth. Engaging the youth in agricultural activities will contribute in reducing crime and other social problems attributed to the youth.*

**KEY WORDS:** Youth, Agriculture, Food Security, Economy, Kenya

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## **INTRODUCTION**

Agriculture is the mainstay of Kenya's economy, currently contributing 24% of the GDP directly, and 27% indirectly (GoK, 2012). Agricultural Sector Development Strategy (ASDS) revealed that the sector accounts for 65% of Kenya's total exports; provides more than 18% of formal employment; 70% of informal employment in the rural areas and provides a livelihood for close to 80% of the Kenyan population (MoA, 2010). A study by Wouterse (2009) indicated that growth in agriculture and improved rural incomes has significant and direct impact in reducing overall poverty. The sector provides raw materials to the manufacturing sector and stimulates large indirect growth effects in non-farm income and employment (Meijerink and Roza, 2010).

Agriculture provides the single most important platform for expansion of employment, income generation and food security in Kenya (NCAPD, 2005).

The share of agriculture in total employment in developing countries constitutes 53% of the total workforce (Aksoy, 2012). However, despite its importance, agriculture potential is not fully realized and it is perceived to be unattractive to the youth (Winters *et al.*, 2010). In Africa, agriculture is dominated by the old who lack enthusiasm as they engage in traditional subsistence cultivation which gives poor returns (Gitau, 2011). The situation in East Africa is not different. Gitau (2011) revealed that the Tanzanian National Youth Development Policy (NYDP) was developed in 1996 with the aim of training youth in modern agriculture and livestock production through use of appropriate technology. Report by FAO (2006), indicated that the Plan for Modernization of Agriculture (PMA) in Uganda managed to reach out to the youth in most parts of the country. This operated under the National Agricultural Advisory Services (NAADS) where farmers got assistance through registered farmers' groups (FAO, 2012). FAO (2006) indicated that through the groups, farmers got planting materials, livestock breeds and other inputs but paid back 70% of the value of the technology. Income from the repayment was used as a revolving fund from which others continued to benefit. This scheme advantaged the youth who usually lack capital to start up profitable agricultural projects (FAO, 2012).

Kenyan youth are all individuals in the Republic who are between 18 and 35 years (KNBS, 2010). It is estimated that 78.31% of Kenyans are below 35 years and that 64% of unemployed persons in Kenya are the youth. Only 1.5% of the unemployed youth have formal education beyond secondary school level and over 92% have no vocational or professional training with majorities in rural areas (KNBS, 2010). This clearly shows that youth constitute a key demographic domain of poverty. This implies that the youth are not fully engaged in productive economic activities, which puts a big burden to society and to their families in particular. This problem is compounded by their rural to urban migration in search of white collar jobs instead of seeking gainful self-employment through agricultural value chain activities to enhance household food security and poverty reduction. Therefore, efforts by Kenya to achieve international targets within the framework of MDGs as well as the national policy objectives contained in the medium development plans and the Vision 2030 need to rally the potential of the youth as a very significant demographic group (GoK, 2012).

In Kenya, agriculture is mainly practiced by the old with an average age of farmers being 60 years. Youth are the major catalyst for change and a backbone of a nation hence mobilizing them for national development through participation in agriculture is paramount (Valerie, 2009). This economic activity has not been embraced by the young generation who perceive it as an occupation for the old, illiterate, poor rural people (FAO, 2006). Valerie (2009) argued that young farmers ought to replace the ageing producers otherwise the production of food is likely to be compromised. They have the potential to overcome some of the major constraints to expanding agriculture such as pest control and genetic improvement because they are often more open to new ideas and practices (Gitau, 2011).

Agricultural policies in Kenya are guided by Agricultural Sector Development Strategy (ASDS) in which the Kenya government commits to involve the youth by making agriculture more

attractive to them (Kangai *et al.*, 2011; GoK, 2012). This paper seeks to determine the influence of access to land and access to finances on youth participation in agriculture and identify the interventions that can make agriculture attractive to the youth. This is paramount particularly in Kenya where this information is inadequate. The paper/ review is designed to provide this information since its availability would help leaders, parents and develop policies that will make agriculture attractive to the youth. Involving more youth in agricultural production is likely to improve national food self-sufficiency, economic growth and to reduce youth unemployment. It may also reduce crime and youth-related social problems.

### **Influence of Access to Land on Youth Participation in Agriculture**

Access to land is one of the main factors that refrain the youth from starting a farming activity. Report by FAO (2010) revealed that inheritance is still the most common system to obtain land in most developing countries. Cotula (2011) observed that life expectancy is increasing in all regions. As a consequence, rural youth often have to wait many years before inheriting their share of the family land. In Kenya many youth cultivate the family land and many times they get no or little income from this work. World Bank (2009) confirmed that the world population is projected to grow from 6.9 billion in mid-2011 to 9.3 billion in 2050 and that the size of rural population is expected to continue to grow until 2020. This population growth has resulted in the ongoing subdivision of land and in highly fragmented parcels (FAO, 2010). Therefore, youth especially those with many siblings end up inheriting just a very small piece. In areas where land is owned by the community, decisions on how to use this land are generally taken by the elderly, often ignoring youth interests. In many countries in North Africa and the Middle East, the tradition is against the division of inherited land, leading to farmers cultivating under a joint-ownership situation with their co-heirs (Cotula, 2011). In some regions of Pakistan, the elderly refuse to distribute their land to the youth as they are afraid it will not suffice for everyone (Herbel *et al.*, 2010).

For young women it is even more difficult to acquire land. FAO's gender and land rights database shows state gender disparities in land holdings in all regions of the world. For example in Mali only 3% of the country's land owners are women and that less than 2% of the available land worldwide is owned by women (FAO, 2010). FAO (2010) further confirmed that land rights in many communities are governed by both statutory and customary laws. Many of these traditional customary laws especially in Kenya deny women right to land. By tradition, men inherit land and women gain user rights through their relationship with a male relative (Cotula, 2011). This is very consistent with many parts of Kenya where the traditions are really bestowed denying female youth right to land as a production resource.

### **Influence of Access to Finances on Youth Participation in Agriculture**

Access to finance is just as important as access to land since in some regions youth have access to land but lack the finance to invest in the land (McNulty and Nagarajan, 2005). Agriculture is a major contribution to gross domestic product in Kenya, and youth could play a dominant role in this contribution, but their productivity and growth is hindered by limited access to finances (Odoemenem & Obinne, 2010). Farming is considered highly risky by the formal banking sector, thus it gives farming little attention (Tuifa'asisina, 2012). Financial institutions often have the perception that youth form even more risky client category than the elderly. According to FAO (2010), African and Latin American rural youth often lack knowledge on how to draft business

plans and have thus difficulties in 'selling' their business ideas to financial institutions. As a consequence, youth often obtain access to finance through informal sources such as families and friends (IFAD, 2009). Access to agricultural credit may enhance productivity and promote standards of living by reducing poverty for the youth.

In Kenya, the lack of capital and access to affordable credit is cited by youth as the main factor behind the low productivity in agriculture (Kangai *et al.*, 2011). Access to bank credit especially by young farmers is still a major challenge despite the fact that Kenya has a relatively well-developed banking system (IFAD, 2009). Risks associated with agribusiness coupled with complicated land laws and tenure systems that limit the use of land as collateral make financing of agriculture unattractive to the formal banking industry in Kenya (MoA, 2009). Thus, family support is a common finance source for youth willing to start a farming activity which is usually very limited. Loans are the most commonly offered financial products to youth. However, many a times, accessing credit remains difficult for young people since they often lack the required collateral such as land or savings to obtain credit from financial institutions (Herbel *et al.*, 2010).

Young women face additional barriers to access credit even though it is proven that they are more reliable clients than men (IFAD, 2009). On average, they have lower literacy levels than men, often lack collateral like land and in some communities, their mobility is restricted (Mcnulty and Nagarajan, 2005). Legal policies and traditional rules often restrict women's access to and control over assets that can be accepted as collateral in agricultural credit sources. Fletschner and Kenney (2011) observed that female youth are much less likely to have land titled under their name and are less likely than male youth to have control over land, even when they do formally own it. Without credit, young farmers are not able to sufficiently invest in Agriculture.

Credit accessibility challenges notwithstanding, FAO (2010) revealed that young people in rural areas are often hesitant of taking loans because they are afraid they may not be able to manage the reimbursement. McNulty and Nagarajan (2005) reported that loans are generally only provided to youth who have an established business rather than to start-ups. In a significant number of cases, farmers divert credit given as input materials or even cash thus making reimbursement of the same not effective (Kangai *et al.*, 2011). Apart from credit, McNulty and Nagarajan (2005) confirmed that savings are extremely important for youth; it helps them build assets, plan for life events and respond to emergencies. Regrettably, financial service providers tend to focus more on credit instead of enabling savings. McNulty and Nagarajan (2005) reported that it is only less than half of microfinance providers in most of the developing world that offer savings products.

### **Interventions that make Agriculture more attractive to the Youth**

FAO (2006) observed that it is imperative to encourage the number of producers in agriculture and the youth population is strategic to the success of these efforts in Kenya. Youth can be motivated to engage in agriculture through transforming agriculture from subsistence to commercial farming (Kirui *et al.*, 2010). This will not only aid in achievement of Vision 2030 that positions agricultural sector as a key driver for delivering the 10% annual economic growth, but will provide employment for the unemployed youth. This can be possible through increasing productivity, commercialization and competitiveness of agricultural commodities and enterprises in order to make agriculture more attractive to the youth (Kangai *et al.*, 2011).

The government should ensure that arable government land is only used for agricultural purpose, fairly distributed among young male and female farmers and that mechanisms to be put in place to help youth have sustainable agriculture (Cotula, 2011). Promotion of land reforms and creation of laws that ensure young people's access to production resources that ensure equal opportunities for young men and women should be adopted. FAO (2011) observed that the government can adopt laws and public policies relevant to young rural people and small producers. Such laws and policies should facilitate access to credit by the youth and reduce inequalities in rural areas to ensure young people's access to land. They should also provide young men and women with future prospects in farming and strengthen their identity.

The government ought to implement legally binding consultation mechanisms with rural communities and rural youth movements while drafting policies related to productive resources. Such policies should respect mother earth and its natural production cycles, and guarantee a healthy and sustainable environment for future generations (McNulty & Nagarajan, 2005). Herbel *et al.* (2010) revealed that the government should impose a specific tax to mining companies (private, public, national, multinational, transnational ones) which are using the land against the interests of young farmers.

FAO (2011) reported that youth often inherit small plots of land and lack access to finance to buy more land. In India, cooperative farming has proved to be successful in overcoming this constraint a phenomenon that Kenyan youths can borrow in order to improve their level of participation in agriculture (FAO, 2011). In order to mitigate the consequences of increased life expectancy on youth access to land, family land transfer can be considered as a good option, where the elderly can transfer part of their land to younger family members while they are still alive (IFAD, 2010). This is seen to benefit both parties since elderly often do not have the necessary capacity to manage their lands in the most efficient way; and youth are keen to have their own land and have better access to new technologies. IFAD (2010) revealed that transfer of land from elderly to youth has been proven highly successful in Mexico.

Herbel *et al.* (2010) proposed that agribusiness centers with storage and processing facilities should be created for young farmers in order to link farmers and traders and to act as a venue for training, sensitization and capacity building programmes on market actors, financing opportunities and new agricultural technologies. According to FAO (2009) the governments, together with funding agencies, facilitate the development of infrastructure especially roads linking young producers from rural areas to markets (Herbel *et al.*, 2010). World Bank (2009) reported that young farmers' trade fairs can be organized to increase the exposure of young farmers to the market as well as to the major players in the finance sector.

IFAD (2009) revealed that marketing of agricultural products, agricultural technologies and financial management in agriculture should be included in educational curricula from the secondary school onwards. The government should also provide farmers and indigenous people with the necessary conditions (market information, facilities and cold chain) for competitive and sustainable marketing of their agricultural products (IFAD, 2009). World Bank (2009) reported that the government should foresee budgets to promote agricultural production in family farming

and small-scale agriculture, in order to have access to agribusiness markets, preserve and improve the value chain in rural areas, and create decent jobs for young people in the region.

Young farmers should be trained on financial sustainability and management of membership-based organizations in order to encourage the creation of strong and sustainable young farmers' organizations (Agena, 2011). World Bank (2009) and FAO (2011) observed that the government should facilitate and support the creation of young farmers' organizations able to channel and ensure fair access to financial and technological support from governments, donors and the private sector. McNulty and Nagarajan (2005) argued that sustainable agricultural market systems inserted in the value chains should be established in villages, towns and cities and should be governed by local authorities and representatives of local young farmers' organizations.

The government and farmers' organizations should work out financial support programmes specifically directed to young farmers and to promote the work, creativity and innovative spirit of young people; for instance organizing contests and rewarding best projects with funding (IFAD, 2009). Agena (2011) argued that access by all youths to technology should be guaranteed (internet, social network, productivity tools) in order to start a new development era. Such access to technology, if used properly, can increase productivity and make farming activities profitable while protecting the environment (Agena 2011). Resources should be found to adapt technologies to agricultural production modes, without changing local traditions, in order to create decent jobs for rural people and promote entrepreneurship among young farmers (Herbel *et al.*, 2010).

## CONCLUSION

This review enabled better understanding of access to land and finances as some of the major factors that influence Kenyan youth participation in Agriculture. The paper further suggested some of the interventions that the Government can apply to make Agriculture more attractive to the Youth. This information will guide the government in finding innovative ways of addressing these challenges in order to realize the targets set in Millenium Development Goals, Agricultural Sector Development Strategy and Vision 2030. The information will also be useful to the farming community, agriculturalists, policy makers and non-governmental organisations in laying out strategies that will make agriculture attractive to the youth.

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