Youth in Agricultural Cooperatives: a two-way street?

SUMMARY REPORT, MARCH 2018
The world population is growing at a steady pace but in Africa the demographic changes are alarming. In 2015, 226 million youth aged 15-24 lived in Africa, accounting for 19% of the global youth population. By 2030, it is expected that the number of youth in Africa will have increased to 42% [UNDESA, 2013]. A significant proportion of rural youth are underemployed or unemployed, have marginal income, or limited career prospects [AGRA, 2015; Bennell, 2007]. At the same time, there is a burning need to efficiently commercialize the agricultural sector to enhance food security and stimulate broader structural transformation. Engaging youth in agribusiness could provide a win-win solution to both these development problems, and agricultural cooperatives have an important role to play [Hartley & Johnson, 2014]. Being a cooperative member can offer youth opportunities they would not be able to access as individuals. The benefits extend to the cooperatives as well: young women and men are able to sustain [ageing] agricultural cooperatives and bring new ideas and technologies. This report explores the potential advantages and challenges of cooperative membership for young women and men, and the advantages and challenges for cooperatives to increase youth participation. We also provide recommendations for policy-makers, development organizations and the private sector to increase cooperative membership and participation by youth. These findings are based on an explorative study conducted by a consortium comprising the Royal Tropical Institute (KIT), the Centre for Development Innovation (CDI) and the Young Professionals for Agricultural Development (YPARD), with the support of the Food & Business Knowledge Platform.
WHY THE EXPLORATIVE STUDY?
There is a need to learn more about youth inclusion in agricultural cooperatives. This was clear from scoping efforts by the Food & Business Knowledge Platform and networking meetings on youth in rural areas and agriculture, as well as the experiences of the consortium and partner organizations in this field, such as Food and Agriculture Organisation of the United Nations (FAO) and AgriCord. Furthermore, the extensive literature review conducted for this explorative study highlighted knowledge gaps, specifically with regards to the role of youth in agricultural cooperatives (i.e. youth engagement, youth roles in governance structures, and decision-making of cooperatives). As a result, the explorative study aimed to contribute to current knowledge on youth in agricultural cooperatives by providing insights directly from youth (young women and men, both cooperative members and non-members) in Rwanda, Tanzania and Uganda.

The findings presented in this report take into account gender dynamics at play. The different socio-economic realities amongst young women and men – which are critical in determining how easily and under what conditions they can access key resources, such as knowledge, land, and finance – are also highlighted. In fact, it was clear from the explorative study that these resources, in particular land and finance, are difficult to access for youth in general, and are even harder for young women to obtain.

EXPLORATIVE STUDY APPROACH
The explorative study was based on a qualitative approach, grounded in relevant literature. Steps in the research process included:

- Literature review – a total of 84 documents were reviewed (42 academic articles, 17 reports and 25 working papers) in order to identify the current knowledge base, recurring themes, topics, and potential knowledge gaps.
- Stakeholder consultations – interviews with five key stakeholders and relevant experts (i.e. researchers, representatives from various development organisations) were carried out in order to collect further knowledge from their field.
- Preparation of field work – collaboration with local partner organizations (Agriterra in Rwanda, Heifer in Tanzania and YPARD in Uganda) was key, and enabled the selection of members of six cooperatives who were surveyed.
Data collection – consisted of the following methods:

- A total of 18 focus group discussions were carried out with groups of young women, young men, and mixed, both cooperative members and non-members. For this explorative study, youth included young women and men between the ages of 15 to 35. In total, 198 youth took part, of which 99 were women and 99 were men; 115 were cooperative members and 83 were not.
- A total of 21 interviews were carried out with cooperative board members, management team members, and, where possible, with the youth representative in each of the six cooperatives.

Analysis and dissemination – Key themes and concepts were coded from the extensive literature review and applied to the findings from the study in order to draw relevant conclusions. The analysis and conclusions are documented in the full report.

Limitations to the study
Although the study aimed for a balanced and representative sample of respondents, time and resource limitations did impact the selection process of cooperatives, as well as of the participants. It is also key to note that both cooperatives in Rwanda and Tanzania were selected through Agriterra and Heifer, as in each country these organisations were already working in collaboration with cooperatives. The advantage for this selection was their existing network of cooperatives and the fact that the cooperatives had already been working with, or intended to work with, youth. The sample of interviewees was initially selected by the local partners, who contacted the cooperatives, informed them of the requirements and agreed on the final selection of participants. This may have created a selection bias.

### Youth & Agricultural Cooperatives Defined

**Who are youth?**
Youth are often considered to be between the ages of 15-24 (UN definition of youth), and in some cases up to the age of 35 (African Union definition of youth). It is a stage in life when young people are not children anymore, but not yet adults. Youth are often considered as a homogeneous group of people with the same needs, aspirations, opportunities and access to resources and networks (Sumberg & Okali, 2013). However, various characteristics (e.g. age, gender, culture, tradition and norms) of a young person’s life affect their situational factors: access to key resources (e.g. land, finance, knowledge), different opportunities and needs, and the challenges they face (Dalla Valle, 2012; Kristensen & Birch-Thomsen, 2013; Okwany, 2010; Sumberg & Okali, 2013).

**What is a cooperative?**
A cooperative is an “autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise” (ICA, 2018). Depending on legal and local circumstances, the foundations cooperatives are built on vary, from generic principles, such as voluntary and open membership, democratic member control, member economic participation, education and training, and information (Williams, 2007).
AGRICULTURAL COOPERATIVES: WHAT’S IN IT FOR YOUTH?
During discussions with participants from all three countries, access to knowledge and training was mentioned as a key motivation for youth to become members of a cooperative. Peer-to-peer learning was especially highly valued. In the case of Tanzania, intergenerational exchange was also appreciated. Youth seem to be unable to access training opportunities because they are not often organized into groups, nor are they members of agricultural cooperatives [Guilliani et al., 2016]. Furthermore, donors and NGOs tend to work with farmers in groups or cooperatives. This makes management and monitoring of their programmes easier (Rutta, 2012). By joining a cooperative, young farmers are able to access training which would not easily be accessible to them as individual farmers. As well as gaining opportunities to access knowledge from external sources, young farmers also gain access to the generational exchange of knowledge as well as peer-to-peer learning which can be very effective and influential. Young farmers can be role models to each other (inside and outside of the cooperative) in sharing their knowledge.

“A passion for farming is not enough, you need to have the opportunity to learn from others.”
Young female farmer from dairy cooperative IAKIB, in Gicumbi, Rwanda

In all three countries young cooperative members requested mostly technical skills training from their cooperatives. In Uganda, the perceived value of the training differed between young women and men. Young women felt that training gave them the opportunity to meet new people or make them more employable in their sector. On the other hand, men were more interested in training from a technical point of view, in terms of improving the quality and quantity of their agricultural produce. It is necessary to note, that young female members in all three countries mentioned that household responsibilities constrained their mobility, making it harder to attend training provided by cooperatives.

Another key motivation to joining agricultural cooperatives was access to land and financial services so they can engage in agricultural activities and economic opportunities. Membership of a cooperative could provide youth with the possibility to lease land for agriculture-based activities (AGRA, 2015). Cooperatives in Burkina Faso have lobbied village chiefs to convince them to give land to young women in their communities (FAO et al., 2014). In Rwanda, youth talked about having multiple jobs to diversify their income sources, in order to save to be able to lease land. None of the studied cooperatives, however, had successful examples of supporting youth in access to land despite the fact that engaging young people by providing access to land would increase membership, volume of produce, and the sustainability of the cooperative.

Without access to capital, engagement of young farmers in cooperatives is constrained by their capacity to pay cooperative shares, buy or lease land and start up their own agribusiness. Few agricultural cooperatives facilitate access to capital for these purposes. In this explorative study the cooperatives did offer some opportunities for youth to access loans at a lower interest rate. However, according to the young members interviewed, these loans are often not enough to start up their own business; at best the amounts are enough to purchase inputs. In short, youth perceive access to land and financial services as benefits of cooperative membership, when in fact their engagement in cooperatives is constrained by the lack of accessibility to these assets.

From a gender perspective, deep-rooted socio-cultural norms and practices are a main contributing factor to women’s low participation in cooperatives. Due to higher social status and expectations, men dominate public spaces, including more formal groups like cooperatives.
Women’s restricted access to finance and land, compared to men, makes it hard to meet the membership conditions of agricultural cooperatives. A key constraint, mentioned by young women interviewed, was the heavy burden of household work that they faced on a daily basis, often making it harder to join a cooperative. In Rwanda, female respondents expressed that whilst the cooperative did encourage a savings culture for them, they still felt it to be a risk to pay the capital share (a prerequisite for cooperative membership), due to their household responsibilities.

Giuliani et al. (2016) highlighted a considerable degree of mistrust among youth towards cooperatives, due to corruption and discrimination, but also due to general ‘mistrust’ among youth towards their peers (other youth), inhibiting their ability to organise (Rutta, 2012). This was corroborated by the field work. For instance, in Uganda, young men believed favouritism was involved when people were selected to take on decision-making roles within the cooperative.

In Dutch cooperatives, youth councils are established as one way to actively involve young people (Sloot, 2016). They function as a vehicle that can benefit cooperatives and youth in many ways. A youth council provides the following benefits: 1) creating and enhancing member commitment; 2) providing youth with a voice; 3) gaining the vision and opinions of youth on internal cooperative affairs; and 4) creating a breeding ground or a so-called ‘nursery’ for future cooperative leaders (Sloot, 2016). Bijman (2017), however, stated that although setting up youth councils is one very concrete and low-profile way to empower youth in decision-making processes and a good breeding ground for future board members, it is not the only solution and other ways to give youth a voice must also be explored.

Only one of the six cooperatives that took part in the explorative study had established a youth council. In Rwanda, young members perceived a youth council to be an effective way to collectively voice their concerns, while youth council board members saw their positions as an opportunity to develop leadership skills. Youth participants in Tanzania cited the low number of youth cooperative members, difficulties in mobilising themselves, and a general lack of self-confidence as contributing factors to not having established a youth council. In Uganda, none of the cooperatives had youth councils, however they had two youth representatives (one woman and one man), sitting on the cooperative boards in the two cooperatives interviewed.

The cooperatives that were part of the explorative study have not recognised, or have only recently started to recognise, the importance and potential of youth engagement for the functioning and sustainability of the cooperative. Senior members are not always convinced of the benefits of attracting and including young farmers in cooperatives, although in Tanzania youth have been given record-keeping positions because their education level is higher than older generations. However, youth are also often insufficiently aware of the benefits of being a member of an agricultural cooperative. Together, these factors lead to limited membership of youths.

By becoming members, and having greater capacity for innovation and entrepreneurship, youth could be the key to the longevity and sustainability of cooperatives (FAO et al., 2014; MIJARC et al., 2012; Plechowski, 2014). Young people are often more inclined to work with new technologies, and generally have higher levels of education than older farmers. Moreover, the engagement of youths in cooperatives can counter-act the dangerously fast pace at which the farming population is ageing (Mitchell et al., 2008). However, it is still common for agricultural cooperatives to be dominated, managed and led by older men. There is limited to no involvement of young people, young women in particular, in key decision-making processes. Such unequal power relations within cooperatives often leads to youth disillusionment, resulting in the loss of vital youth input (Thomas, 2016).
In all three countries, issues related to perception were a key reason for youth refraining from acquiring membership in agricultural cooperatives. In Tanzania, the term ‘cooperative’ had such a negative connotation that some cooperatives do not even use the term. Heifer Tanzania (2017), for example, makes use of the term ‘hubs’ instead of cooperatives, as this term appears to be more appealing to youth. An interesting finding in Rwanda was the different perspectives of board members and managers compared to young farmers. Youth questioned the honesty of board members and managers and felt that they are not taken seriously. Yet, board members and managers question the dedication of young farmers, seeing them as impatient, only going for quick wins, and not wanting to ‘get their hands dirty’. In line with the literature, the framing of young people’s behaviours as deviant appears to be a common narrative across a range of policy domains and countries including Ghana, Malawi, Senegal and Kenya (Anyidoho et al., 2012). Youth themselves start to internalise such stigmas and see their peers as impatient and lacking dedication (Kleijn, 2018).

“\textit{If you do not train the youth on the fundamentals of a cooperative, they join and go for quick wins. They will tell the board that they should sell off a car for quick wins. If you involve youth from a young age they will also better understand how the cooperative works.}”

Fortune Uwizeyimana, vice president of IABM maize cooperative in Muhanga, Rwanda.

Poor communication and transparency with regards to access to training, inputs, or even assigning paid jobs to specific members has led to mistrust amongst young members, as well as towards board members. In both Uganda and Tanzania this was a key issue with youth mentioning that there is no transparency in the selection process for the training. In addition, in Uganda, young men mentioned that there was poor communication in how financial decisions are made, and how resources are used within the cooperative. In Tanzania, young men expressed that the transparency of the cooperative’s priorities is not always clear and that it frequently matches the priorities or interests of the board members.

**CONCLUDING REMARKS**

An agricultural cooperative is an organizational structure which should offer youth opportunities that they would not be able to access as individuals. Associations, groups, hubs, and networks can also be a way to organize youth, however a comparative study would need to be undertaken on different organizational structures (e.g. cooperatives, networks, associations, groups) to understand whether the advantages and challenges described in this study are specific to cooperatives or can be attributed to other organizational structures as well.

Access to information and training is seen as a key benefit and a main reason for youth to join a cooperative. In particular, peer-to-peer learning and intergenerational exchange are of great value to young members. Cooperatives can also increase the network of young farmers.

With regards to gender balance in cooperative membership, there are socio-cultural norms and practices as well as value-chain specific diversity that have an impact on the quota of young female members and their level of participation. In fact, findings suggest that household burdens often are the main reason why young women are not able to become members in the first place, or even access training and opportunities as members of the cooperatives.

For cooperatives there are clear benefits to increasing youth membership and ensuring they actively participate. Young people can improve the sustainability of the cooperative but they also bring along new and innovative ideas. They may also be more inclined to work with new technologies and more likely to have attained a higher level of education level than the generations before them. Despite these benefits, cooperatives interviewed
in the explorative study have not recognised, or have only recently started to recognise, the importance and potential of youth engagement.

The negative perception that youth have of cooperatives, and their internal governance structures, show that there is a need for improvement. Cooperatives could focus on raising awareness of the benefits of membership if they would like to increase youth participation and engagement. Cooperative also need to explore the added value of youth's engagement and specifically explore their role in supporting youth in gaining access to land and financial services. In terms of improving their internal governance, establishing youth councils within cooperatives is an effective way for youth to collectively voice concerns and is an initial step in creating a space for future cooperative leaders. However, as Bijman (2017) suggested, it is not the only solution for empowering youth in a cooperative. Furthermore, raising awareness among board members and other cooperative members to the benefits of youth inclusion could increase the likelihood that youth will be provided with leadership opportunities to build their self-confidence and mobilize themselves in groups.

To address some of the constraints (e.g. access to land and finance) that limit youth participation in agriculture in general, and in cooperatives specifically, the involvement and commitment of a range of stakeholders (e.g. policy-makers, organizations working with agricultural cooperatives, agricultural cooperatives and the private sector) is key. In the following section we provide a summary of recommendations for different stakeholders to tackle these challenges.
RECOMMENDATIONS FOR INCREASED YOUTH MEMBERSHIP AND ACTIVE PARTICIPATION IN COOPERATIVES

FOR POLICY-MAKERS

- Recognize the heterogeneity and potential of young people and the specific socio-cultural and political contexts that impact their opportunities.
- Implement policies that incentivize quotas or targets for youth participation in agricultural cooperatives (boards), including minimum quotas for young women (e.g. at least 1/3 of the leadership of a cooperative has to be formed by young women).
- Identify solutions to improve access to land (e.g. land registration and land rental).
- Support collaboration among financial institutions and youth by providing guarantees for loans.
- Pre-finance youth entrepreneurship activities through direct input credits, pre-marketing cash advances and, where necessary, guarantees to financial institutions for commercial credit.

FOR (DEVELOPMENT) ORGANIZATIONS AND AGRICULTURAL COOPERATIVES WORKING ON PROMOTING YOUTH ENGAGEMENT IN AGRICULTURAL COOPERATIVES

Access to knowledge and training:

- Carry out training at a household level as a way to involve young female and male farmers in cooperative activities. This form of exposure could raise awareness of how a cooperative functions and the benefits of being a member from an early age. The training could also increase the awareness of young men on the benefits of women’s engagement in cooperatives as active economic actors.
- Offer youth-specific training on good agricultural practices and new technologies. In addition, provide young farmers with trainings in soft skills such as leadership, negotiation and marketing.
- Set up demonstration plots to groups of motivated young farmers where they can learn, implement and practice new techniques.
- Facilitate a peer-to-peer or mentor system where (groups of) older farmers and young farmers learn from each other. In the interviews conducted, young female farmers stressed the need to meet other (female) farmers, to have a sense of belonging and have the chance to share their experiences.
- Utilise new mediums of communication to facilitate peer-to-peer learning through social media channels, such as WhatsApp and Facebook.

Perception of cooperatives:

- Sensitise older members to the fact that younger farmers (in some cases also their children) will take over family farms and that membership can provide their family members with support.
- Raise awareness amongst young farmers of the rights, duties and long-term vision of being a cooperative member. This can be achieved through social media, village and church meetings, sports and games, seminars, school clubs, conferences and so on.
- Facilitate (informal) exchange visits between young farmers who are cooperative members and non-member farmers to increase awareness about cooperative membership.

Access to land and finance:

- Establish savings groups linked to the cooperative, where each member regularly deposits a sum of money which can then be borrowed. This practice is quite widespread in Uganda and strengthens social relations and trust among youths.
- Facilitate meetings with microfinance institutions, local government, banks and young members to discuss the possibility of developing tailored financial services.
Consider providing loans (in cash or in kind) to a group, made up predominantly of young members.

Explore the possibilities for internal lending and pay-back schemes tailored to young members, such as repayment through deductions from supply.

Support land acquisition by cooperatives for lease to young members.

**Communication and decision-making:**

- Facilitate the establishment of youth councils to increase the voice of young farmers, particularly in collaboration with local and regional authorities.
- Explore the possibilities with the youth councils and young members on how young farmers can help in training and knowledge sharing activities.

**Youth employment opportunities:**

- Provide job opportunities (with allowance) suitable for youth within the value chain (e.g. record-keeping, milk transportation, milk marketing and sales).
- Assist enterprise development through combined support in business plan development and access to loans and training (with assistance from NGOs) for groups of young farmers.

**Inclusive membership:**

- Improve the inclusiveness of membership by extending it to spouses (and not just husbands) to enable young women to participate more actively as well.
- Promote young women in leadership positions, by offering them opportunities that allow them to take on decision-making roles and increase their self-confidence, and sensitizing men within cooperatives and at household level.

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**FOR THE PRIVATE SECTOR**

- Identify and/or create specific jobs within market systems suitable for youths (ICT jobs or off-farm services).
- Improve farm-firm relations by training youth cooperative members and assign a mentor from the company to guide youth in service provision (e.g. milk transportation, input traders).

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**FOR RESEARCH AND KNOWLEDGE INSTITUTES**

- Carry out further research on youth inclusion in cooperatives through a social and gender relations framework (e.g. researching young male and female farmers, intergenerational relations, as well as relations within young married couples).
- Build an evidence base on the following questions:
  - Does the input of youth lead to more ICT use in cooperatives?
  - Is there evidence that young farmers are early adopters of new technologies and may influence the speed of adoption?
- Carry out comparative analyses on different organizational structures (e.g. cooperatives, networks, associations, groups) and how they contribute to youth inclusion.
- Identify business opportunities for youth, taking into account their constraints and assets, and develop cost-effective models for supporting youth entrepreneurship.
- Conduct research on best practices of agricultural cooperatives in supporting youth to gain access to land and financial services.
REFERENCES


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