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Impact of participation on income of agricultural entrepreneurs: A case of youth employment promotion programme in Sierra Leone

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Abstract

Income generated from agricultural activities plays an important role in household food security, especially in most developing countries. Agricultural entrepreneurship focusing on commercial and subsistence food enterprises contributes to Gross Domestic Product (GDP) in sub-Saharan Africa (SSA), and is also an important determinant of revenue among rural households in most developing economies. The impact of participation in agricultural programmes has often been studied, however, questions still arise regarding participation of the youth in these programs. This presents a potential for Sierra Leone, with a predominantly young population, to reduce widespread poverty among youths through employment in agricultural enterprises. This study evaluates the influence of the youth employment promotion programme (Business Loop) on the income of agricultural entrepreneurs in three districts of Sierra Leone. Quantitative and qualitative cross-sectional data were collected from 134 youth agricultural entrepreneurs. We use the Heckman selection-correction model to estimate the effect of participation on income obtained from agricultural enterprises. The inverse Mills ratio (IMR) is calculated from the selection equation which adjusts the outcome equation for any selection bias associated with participation, and nonparticipation due to unobservable characteristics. We controlled for demographic and socio-economic factors such as gender, age, household dependants, education and location. The results show that participation significantly increases income. This can be explained through the various components of the program, which include capacity building, for example, training in business planning and accounting, risk management, marketing of products, including technical training. Higher prices were also observed among Business Loop programme participants, possibly due to better access to the market. The analysis shows that participation of the youth in agricultural programmes increases their income from agricultural enterprises, hence contributing to food security. Therefore, policy strategies could focus on enhancing and strengthening agricultural extension advisory services as a pathway to improve knowledge and youth employment in agricultural enterprises. Tailoring such programmes to the needs of the youth would be necessary to improve youth participation in agripreneurships.

Keywords: Agricultural entrepreneurs, Heckman selection-correction model, Sierra Leone, youth employment promotion program