Improving the Level of Economic Development and Social Welfare in Rural Areas for Young People

Fuad Jafarli*

Agricultural Economics Program, Azerbaijan State Agricultural University, Azerbaijan

ABSTRACT

One of the three global goals set by states is to eradicate poverty and ensure economic and social progress for all.

Young people in many low- and middle-income countries face exceptional challenges in finding their place in a globalizing economy. Integrating hundreds of millions of young people into the labor market is one of the greatest global development challenges for decades to come. Rural populations all over the world are aging. The role of young people as drivers of change in agricultural and food systems and their place in rural labor markets is receiving increasing attention at the global level, especially as a result of increased global migration flows. How can this problem be transformed into a “youth” driving force for rural development?

This paper argues for leveraging growing demand for agricultural products and recent advances in the agricultural sector to expand youth employment opportunities and promote attractive decent jobs, especially green jobs, in rural areas.

The paper analyses the situation in our daily life, in which the proportion of the worldwide countries are dealing with the problem related to the economic development and social welfare in rural areas. The paper includes the following issues such as the attractiveness and creation of opportunities for youth and consideration of them as the main partners in rural areas play a crucial role nowadays. Moreover, green jobs as well are effective and efficient in enhancement of both productivity and sustainability of agricultural sphere. The question is how to transform this challenge into an opportunity and harness the energy of young people as a driving force for development. The role of young people as drivers of change in agro-food systems and their place in rural labor markets is receiving increasing attention at the global level, especially as a result of increased global migration flows.

A top priority for developed and developing countries is to systematically mainstream youth rural decent employment issues into pro-
grams and investment projects in agriculture, value chains, agro-industry development, rural transformation, and sustainable food systems. This paper argues for expanding employment opportunities for youth through the creation of decent jobs, especially green jobs, in rural areas.

**Keywords:** young people, social welfare, countries, economic development, agriculture.

### Introduction

In the decades ahead, national and global nutrition and food sustainability will face serious barriers. By the year 2050, it is expected that global food demand will have dropped by roughly 70%. Growth of population, changing nutritional demands of a much more affluent and progressively social growth, and increased competition for food between fruit, feed, fiber, and biofuel feedstock production can all result in increased demand. Prospects for achieving these increases in agricultural output will be impaired by deteriorating soil quality, decreasing availability of fresh water, and industrial farming’s high dependence on fossil energy sources for mechanization, pesticides and fertilizers (IAASTD, 2009). The agriculture sector will need to affordably nourish nine billion people worldwide by 2050.

There is evidence suggesting that a successful green transformation of the agricultural sector could meet global food needs while also contributing to the mitigation of Greenhouse Gas (GHG), improving the conservation of biodiversity, water and land resources, slowing the pace of rural to urban migration and improving farmers’ adaptation to climate change impacts (Pretty et al., 2006). The growth of the world population leads to the problem of the creation of new workplaces. The human factor is a key element of this complex system of interconnections, which must be duly taken into account in the design and implementation of comprehensive employment policies. Transitioning to more productive agricultural practices is essential to feed our rising population, and it can also function as an economic growth force, creating jobs and prosperity in the now-poverty and inhabited rural areas.

The global agriculture sector, including forestry and fisheries currently provides over 1 billion jobs (World Bank, 2018) and 4% of the global GDP (World Bank, 2018). In many developing countries, agriculture provides between 20% to more than 50% of national GDP (WDI, 2009). There is a wide disparity between developed and developing countries with regards to the proportions of their work force that are involved in agriculture (e.g. 6% in the EU versus 56% in Africa) (FAOSTAT, 2010). The majority of the world’s poor live in rural areas and their incomes are predominantly based on agriculture. It should also be recognized that most small holder farmers are primarily focused on producing sufficient food for their families, and, once subsistence has been achieved, on marketing any surplus production for cash income. In considering the full impact of agriculture on GDP it is necessary to recognize that the value of food directly consumed by farmers and their families is often not taken into account when evaluating agriculture’s contribution to national GDP and overall economic output levels.

Significant investments are needed to make the transition from both the industrial farming practices of the developed world and from the more traditional, low productivity practices common in the developing world to more sustainable and equitable food production systems. Neither industrial nor traditional farming practices are projected to be sustainable over the long term (i.e. through the end of this century). This paper intends to provide an initial investigation of whether the implementation of greener farming practices (including, among others, organic and ecological agriculture) would result in a productive and sustainable agricultural sector that also creates new and rewarding jobs across the entire food system.

**Lack of Decent Jobs In Agriculture Is A Constraint To Investment, Productivity and Sustainable Economic Growth**
Globally, youth unemployment is, on average, three times higher than adult unemployment, and four to five times higher in South Asia, Southeast Asia and the Arab States. Young people (aged 15-24) account for only 15% of the global employment and 35% of the global unemployed. Even among those in employment, youth make up 24% of the global working poor. In many low- and middle-income countries, population growth has outpaced job growth. Employment opportunities in non-agricultural sectors, especially in rural areas, are limited. As a consequence, the agricultural and related sectors often provide the only employment opportunity for a large proportion of young people. However, young people living in rural areas are increasingly reluctant to work in agriculture, as work in this sector is perceived in most cases as a dangerous low-paying occupation with no career prospects, and thus do not participate in its possible modernization. In order to create attractive employment opportunities for young people and thus the well-being of their communities as a whole, rural attractiveness must be increased.

According to the International Labor Organization, workplaces should provide people with work in conditions of freedom, equality, security and human dignity. Unless rural work generates sufficient and stable income or restricts workers’ opportunities and violates fundamental human rights due to their unfair or even dangerous conditions, employment rates will not be sustainable.

At present, work in the agricultural sector in developing countries is often largely informal and formal employment in the sector is rare. In addition to the fact that workplaces in rural areas generally lack consistent health and safety regulations and investment in human capital and production capacity in rural areas is low, agricultural workers have the highest poverty rates and wages are extremely low. Over the past 30 years, in most developing countries, the level of private and public investment in agriculture and rural areas has remained the same or declining. There is a growing need for investments that meet the needs of local, regional and international markets, that take into account food security and environmental protection and that aim to create decent jobs for young people. In order to make rural areas more attractive to young people, it is critical to secure investment in agriculture, post-harvest activities and agro-industries, and to develop human capital.

A Territorial Approach to Development Will Improve the Attractiveness Of Rural Areas And Create Opportunities For Decent Employment

Approximately half of the world’s population lives in small towns and settlements and the surrounding rural areas, referred to in this document as “territories”. A territory is a geographic space where environmental, social, political, cultural and economic processes interact. It is the space in which human activities and investments are managed. Territories are managed and influenced by a community of structures dealing with common problems. These structures should define the necessary policy actions and take appropriate actions. The territory is not limited by administrative boundaries, since its center is functional spaces aimed at solving certain development problems. Thus, the boundaries of a territory can be defined on the basis of natural, social, economic, cultural or administrative parameters.

Against this background, development, including the development of agriculture and rural areas, is the cumulative result of the impact of many forces and factors on the economies of both rural areas and agriculture, including urbanization, globalization, climate change, information and communication technologies (ICT) as well as the endowment of territories with human, social, economic, environmental and organizational resources. Thus, the systems approach provides a more appropriate framework for understanding the development potential of territories and the variety of possible responses to the same development goal, policy and shocks.

However, the potential and needs of these territories often go unnoticed by politicians and the private sector. Despite the fact that the rural economy is known to develop at a faster pace and in a more inclusive manner when it is integrated with the economy of small urban settlements, public and private investment is mainly concentrated in large cities.
The territorial approach seeks to meet the needs, interests and values of people of all generations living in these "territories" through the introduction of effective and equitable governance mechanisms and the development of local strategies. The territorial approach takes spatial diversity at the heart of any development effort, and applies methods for natural resource management, development planning and employment policy, taking into account the specifics of different territories and geographic areas.

The territorial approach also implies a more active bottom-up approach within the territory. For youth to become agents of change, a human rights-based approach must be adopted that actively promotes the inclusive and collective participation of local communities in governance and empowers young people to express their opinions. This approach also takes into account the interconnections and interdependencies between social systems and ecosystems and the need for cross-sectoral consideration of rural development issues.

This approach, based on interdependencies between systems, involves closer coordination of multilateral and cross-sectorial activities at different spatial levels (local, intermediate, national and global) to conduct in-depth analysis and overcome the traditional opposition of different aspects of agricultural development, for example, rural / urban, local / global dividing factors and dividing factors in intergenerational relations, i.e. those factors that are rapidly changing due to, for example, migration from rural to urban areas, decentralization processes, climate change or networking based on new technologies. In this approach, territorial linkages are a key element, for example through inclusive value chains connecting small producers to small-town markets, developing territorial markets, strengthening and linking cooperatives / consumer and producer organizations within territories, or facilitating inter-ethnic exchanges and professional development preparation between producer organizations of different territories. Engaging young people in these processes and taking into account their needs and interests in these processes and training young people to participate in the growth of the economy of their territories is extremely important for the formation of attractive opportunities in the field of employment.

**Young Workers Are Vital Partners in Rural Service Delivery**

The service sector in rural areas is another aspect that requires attention in the context of job creation for youth in these areas. All those employed in small-scale agriculture, forestry or fisheries face such problems as limited access to information, technology, financial resources; lack of access to markets for both production resources and finished products; unfair pricing; difficulties in meeting quality standards; difficulties in adapting to climate change; limited access to natural resources. Ensuring equitable access to effective services in rural areas, while paying attention to the specific needs of young people, will help address many of these challenges and create new opportunities for enhancing the attractiveness of rural areas. There is an acute problem of gender and age inequality, which requires a disaggregated analysis and application of appropriate approaches to eliminate it.

It is also important to pay attention to shortcomings in the provision of services, such as the inadequacy of the services offered by different providers to the needs or demands of farmers. Addressing service delivery gaps can create opportunities for young people to become service providers or employees in service delivery units of cooperatives and producer organizations. This is especially true for services that require a certain level of education, adaptability and the ability to absorb new technologies. Innovative approaches are helping to address this problem, with a focus on the provision of advisory, financial, business and marketing support services, and equal access to young women and men.

ICTs can make a significant contribution to increasing the attractiveness of rural areas around the world. The widespread adoption and diffusion of ICTs reduces information and transaction costs, increases the level of services provided, contributes to the conservation of resources, generates new sources of income and, ultimately, creates new jobs. There is no doubt that young people are more receptive to ICT
and spend more time online. Globally, 71% of young people aged 15-24 use the Internet, compared with 48% of the total population.

**Green Jobs Are an Effective Foundation for Increasing both Productivity and Sustainability of Agriculture**

In the broader context of decent job creation, green jobs are jobs that help preserve or restore the environment. Examples of green activities in the agricultural sector are ubiquitous and include the work of both a researcher developing integrated pest management and workers in a renovated vegetable processing plant operating on renewable energy sources; both a technician in the field of aquaponics and an artisanal fisherman using environmentally friendly fishing methods; both a push-pull inter-row farmer and a farmer using unmanned aerial vehicles for precision farming. The ILO’s Green Jobs Initiative has already created millions of green jobs in various sectors of the economy, and over the next two decades, the transition to an environmentally friendly economy is expected to generate 60 million additional jobs worldwide. This opens up great employment opportunities for young people. Environmentally friendly forestry and fisheries alone could create at least 45 million new and transformed jobs; environmentally friendly agriculture can also lead to significant increases in employment opportunities for youth by 2050.

There are a number of technologies (both labor-saving and labor-intensive) that create opportunities for well-paid green jobs in rural areas. This is especially the case for young people living in rural areas in low- and middle-income countries. They, like no one else in the world, experience the collapse of hopes for career growth and have the lowest professional qualifications. This means that young people living in rural areas want to work in good conditions, but there are not enough such decent jobs available, and that most of these people are not qualified for such work because they do not have adequate education opportunities. Such training mismatches and career frustrations can be addressed by creating both low-skilled and high-skilled green jobs in the agricultural and rural sectors, provided they are created in parallel with the provision of training opportunities.

For example, some agro-ecological practices, such as push-pull farming in Kenya, require approximately 30% additional labor compared to commonly use local methods. However, this method remains profitable due to lower costs of acquiring agricultural inputs and receiving price premiums, if any. Other labor-intensive methods, such as integrated pest management using skilled labor, have been shown to increase bottom line. Because these labor-intensive technologies require higher educated professionals and ongoing monitoring, the inherent opportunities associated with them will be particularly relevant to low-skilled young people who are new to low-skilled recruits or are newly supported by government employment programs (HPPs). a newly formed small enterprise. Productivity gains are also seen with sustainable agricultural practices based on labor-saving technologies, such as no-till crops, draft animals and mechanized farming. Many green jobs in agriculture, as with green jobs in other sectors such as energy, waste management, construction, are based on innovative clean technologies. As the agricultural sectors increasingly embrace the latest advances in technology, including ICT, it is important that training opportunities are available to rural youth. These efforts are also helping to diversify the jobs available in rural areas and create highly skilled jobs that are sorely lacking in the rural economy. This, in turn, will provide an incentive for highly skilled youth to return to agriculture-related activities. Green jobs for youth are both the driving force behind and the result of increasing the attractiveness of rural areas.

**Integrated Dynamic Analysis of a Greener Agriculture Sector**

Due to the large number of job-creating interventions that have been implemented and the dynamic interconnections that occur between them, this chapter focuses on determining the possible job-creating synergies that can be achieved by coordinated efforts. In order to promote the quantification of impacts and the importance of delays and feedback loops in the agriculture and food industry, an interactive
modeling method was used. It is recognized that this method and paradigm are not exhaustive. The model is important because it tries to figure out how many green jobs will be generated. Despite the lack of documentation, multiple variables (mostly on the supply side) were combined into a single system and analyzed together.

Green agriculture, by extension, ought to be able to fulfill humanity's existing and potential needs for food, fiber, feed and a portion of fuel in a sustainable way that is in harmony with usable renewable ecosystem services. A green agriculture transformation, as the primary source of employment in rural areas and income for the poor, is projected to produce more job opportunities in the coming years, especially green jobs, than will be generated if current Business As Usual (BAU) patterns continue. To assess the potential competitiveness of the green agriculture sector and prospects for developing green employment, an integrated approach based on the System Dynamics "T21-World" model is used.

The primary issues in agricultural production are depicted in the model diagram (Figure 1). Due to a lack of evidence, this model does not specifically simulate the output and interaction of factors affecting post-harvest and field-to-market supply chain of food at this period. When the model measures the population's nutrition rate in comparison to overall food supply, it takes into account some of the factors that influence post-harvest losses, food manufacturing, and point-of-sale loss declines. In T21-World, Figure 1 depicts the key feedback loops that affect agricultural yield and green investment options in the agriculture sector (production of crops). Recognizing that only a few factors can be comfortably quantified, this diagram only displays the model's quantifiable primary agricultural measures and their interrelationships.

![Diagram Key](image)

**Figure 1.** The key factors affecting agriculture crop yields in T21 are depicted in this diagram. Though some variables are absent from this diagram (such as the total resource base: soil, water, and air), the diagram is generalized and only contains variables that can be confidently measured and simulated.

*Source: Food and Agricultural Organization (FAO)*

**Diagram Key:**
- orange: policy variable
- blue: direct factors affecting production (first order)
- grey: other factors affecting production (second order)
Conclusions and Recommendations

Investments in rural development, including agriculture and related value chains, should include a high priority - investment in human capital with a particular focus on young people who are new entrants to the labor markets of the local / national economy. Without a skilled workforce, innovative and efficient technologies will not be fully utilized to increase productivity and added value, agriculture will not be attractive for external investment, and rural areas will remain a place that young men and women want to leave.

In addition, expanding the concept of territorial development to improve rural attractiveness and create local employment opportunities for youth in order to better link policies and investments to diverse territorial dimensions, a territorial approach to agricultural and rural development should be applied. Some evidence suggests that territorial programs can unlock the often invisible development potential of territories and achieve long-term, economically independent rates of development and high levels of employment, provided that local people have the opportunity to participate fully in decision-making and planning, and that favorable conditions have been created to facilitate private investors to invest their funds in disadvantaged areas. This requires the right combination of multi-level management systems, infrastructure development efforts, territorial information systems designed to monitor program implementation, and innovation development activities (both in the social and technological spheres).

References


Lines:
- solid: positive correlation & causality (when A goes up, B goes up -- when A goes down, B goes down)
- dotted: negative correlation & causality (when A goes up, B goes down -- when A goes down, B goes up)