



**INVISIBLE LIVES:**  
UNDERSTANDING  
YOUTH LIVELIHOODS IN  
GHANA AND UGANDA

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“The research highlights the absence of formal employment opportunities facing millions of young Africans, as well as the complexity they face in establishing sustainable and productive livelihoods.”

-Lindsay Wallace,  
Director, Learning and Strategy,  
The MasterCard Foundation

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# EXECUTIVE SUMMARY

African youth lead varied and complex lives. They face diverse situations and opportunities. The recurring theme is one of challenge. On one hand, Africa is experiencing unprecedented population growth, with limited formal sector employment prospects.<sup>1</sup> Despite new economic opportunities, formal jobs and wage employment remain elusive.<sup>2</sup> On the other hand, investments in primary education have created better access to education and have contributed to a new era of prosperity and opportunity across Africa,<sup>3</sup> yet opportunities for youth are uneven across the continent. It is within this context that Africa's young people are pursuing opportunities that embrace a mix of livelihood activities.

Development programs that fail to acknowledge these young people's realities risk being limited in scale and impact. Frequently, solutions to youth under- and unemployment have focused on employment growth in the formal sector and training young people for specific jobs that may not exist, mainly owing to the private sector's limited capacity to absorb all potential job seekers.<sup>4</sup> Much of our collective research and knowledge on youth unemployment is drawn from these interventions, without a complete understanding of young people's livelihoods. But what kinds of livelihoods do young people actually pursue? How does access to economic opportunity vary between young men and young women, and between different countries and diverse regions? How can we best design interventions for disadvantaged young people in Africa?

Drawing on research with young people from rural Ghana and Uganda, aged 18–24, this report documents how rural young people pursue “mixed livelihoods” to generate income, combining temporary and seasonal work in the informal and formal sectors by working for themselves and others, in household agricultural production, and on social and reproductive activities, such as looking after children, cooking and

cleaning.<sup>5</sup> Conducted using a diaries approach, whereby young people met regularly with youth researchers over a year-long period, the research ensured a robust longitudinal understanding of livelihoods, cash flows, and the nature of rural work. This research cohort included more than 240 young people, evenly split between sexes. The inclusion of two countries allowed for the examination of similarities and differences across contexts and economies.

## A. SUMMARY OF FINDINGS

### **Young people have diverse livelihoods.**

Both young Ghanaians and Ugandans who participated in the research undertake a mix of informal sector employment, self-employment and agriculture-related activities to sustain their livelihoods.

### **Agricultural production is central to rural young people's livelihoods, but agricultural incomes were meagre.**

The young people were nearly all engaged in small-scale agricultural production, were constrained in both the formal and informal marketplace, and ran small enterprises that could be easily started, stopped and restarted as needed. The most successful young people in both Ghana and Uganda diversified their income and risk by growing multiple crops, raising different kinds of livestock and pursuing a wide variety of additional activities.

### **Both formal and informal wage employment is rare and sporadic, or elusive.**

There is a shortage of formal employment opportunities in both Ghana and Uganda, and particularly in rural areas. While the informal sector provided more wage employment opportunities for young people, they were by

no means abundant. Those who did have paid informal sector work typically found it doing casual labour or by working in small businesses.

### **Entrepreneurship offers opportunity and risk.**

Entrepreneurship and self-employment remains an important economic activity in both countries. The businesses that young people did engage in were characterized as patchwork, and pursued in reaction to various immediate opportunities. Youth-owned businesses were not capital-intensive, meaning they could be started and stopped relatively easily, and did not require sacrifices such as declining other income-generating activities.

The research found that mixed livelihoods allow for risk mitigation and help to maximize young people's economic opportunities within vulnerable geographic areas. Mixed livelihoods are therefore a logical choice and may be the most economically viable course of action for many disadvantaged rural young people in Africa.

### **Support networks are critical for young people.**

This research confirmed that support networks play an extensive role in young people's lives, not only providing support in the form of advice regarding where to look for and how to find employment, skills development and business guidance, but also proving instrumental in accessing financial resources needed in the form of monetary gifts, remittances, scholarship support and spousal financial support. Networks were seen as important sources of social capital for young people at the community level—and those without them might face additional challenges when building economic pathways.

The young people featured in this report may be largely “invisible” to many development programs and policies. Over the year-long period,

virtually no research participants benefitted from private or public development interventions. Without training programs or extension services, these young people diversified their livelihood activities and reported a preference for this diversified approach. Acknowledging the complex relationship between education and skill-building is key to understanding how mixed livelihoods unfold for young people, and for creating realistic interventions that match the needs of young people pursuing a variety of activities at the same time. The report suggests that the reality of young people's mixed livelihoods may have implications for programmatic approaches that emphasize or encourage specialization in a particular skill or crop.

By using this report and its conclusions, policymakers and development actors can make better-informed decisions on how targeted interventions could improve the lives of millions of Africa's vulnerable young people. Although current approaches have been effective on a smaller scale, practitioners, implementers and policymakers in the youth sector still seek scalable programs to create positive change. Interventions have improved the lives of some, but largely, youth programs have yet to fundamentally alter outcomes for the millions of unreached youth on the continent. For those young people who do access training or secure employment, their futures may yield more opportunity. Yet for millions of other youth—the invisible majority—livelihoods are assembled through a multitude of jobs, home-based work, agricultural production and entrepreneurial activity.

Fundamental change in Africa will only be achieved through mass-market solutions that reach a substantial proportion of youth. Understanding young people's daily lives is key to designing realistic, timely and effective interventions that are sustainable and help to improve their livelihoods.

# I. INTRODUCTION

## A. THE REALITIES OF MIXED LIVELIHOODS

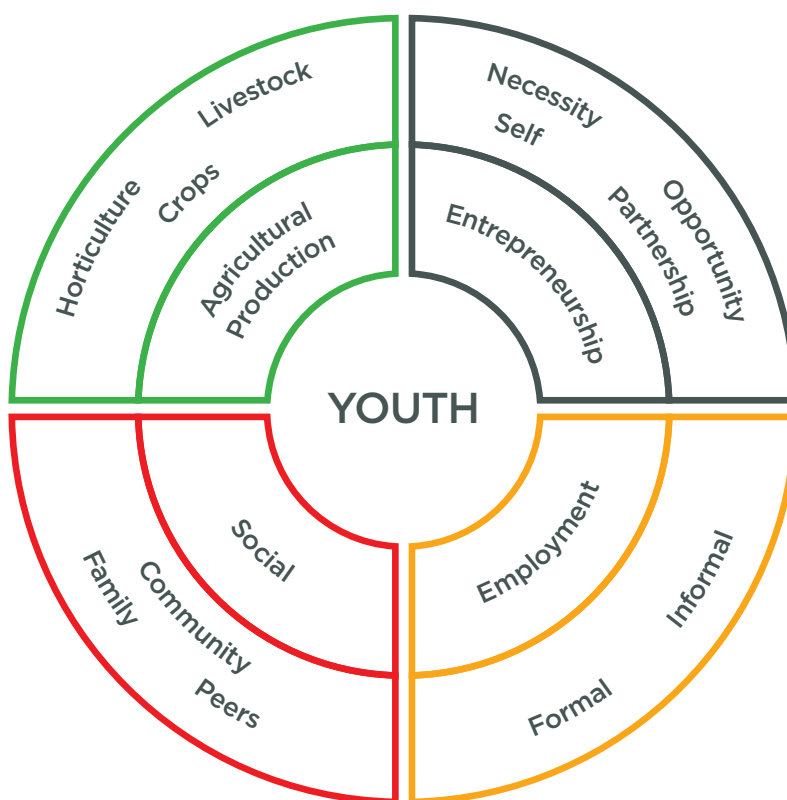
Economic opportunities exist across Sub-Saharan Africa, but formal jobs and waged employment are still largely elusive.<sup>6</sup> In past decades, development programs have tended to focus on employment growth in the formal sector, training young people for specific jobs that may not necessarily exist, mainly owing to the private sector's limited capacity to absorb all potential job seekers.<sup>7</sup> The reality is that few of Africa's young people currently find wage employment in the formal sector; the vast majority undertake a mix of informal sector employment, self-employment and agriculture-

related activities. In this report, we refer to this combination of livelihood activities as “mixed livelihoods”. This approach to income-generation illustrates the employment and livelihood patterns that many African youth encounter.

As demonstrated in Figure 1, we interpret mixed livelihoods as entailing four main components: agricultural production, entrepreneurship, wage employment and social activities. This report describes each component in more detail, drawing upon data collected over the year-long research study with young people in Ghana and Uganda.<sup>8</sup>

FIGURE 1

Mixed Livelihoods Approach in Practice





**Agricultural production** is a fundamental pillar of rural young people's mixed livelihoods. Agriculture continues to be the largest employment sector in Sub-Saharan Africa, with the greatest potential for major economic development. Much of the agricultural production consists of farming on small plots. From an early age, young people contribute to household earnings through their assistance on the farm. This early connection with agricultural production can help to provide household support for consumption needs when other economic and educational prospects fade. Increasing attention is placed on finding opportunities for young people in agricultural value chains or markets outside of production activities. Despite its unfavourable image, agriculture plays an important role in young people's lives, and must therefore be considered when designing interventions aimed at improving their livelihoods. In the context of this report, agricultural production is understood as the primary production of crops and horticulture and the rearing of animals.

**Entrepreneurship and self-employment** are also critical components of mixed livelihoods. There are two different types of entrepreneurship and self-employment: those based on opportunity, in which an entrepreneur sees a recognized business opportunity and plans to exploit it to grow his or her company; and those based on necessity, whereby the household/individual requires a source of income, but there is no other option than to engage in informal enterprise. Necessity entrepreneurship continues to dominate for the vast majority of young people. The training and interventions designed around these two types of entrepreneurship look

fundamentally different—the former is more engaged in network-building, specific business skills training and capital investment; the latter is characterized by basic literacy, numeracy and business skills development, financial literacy and financial inclusion. Necessity entrepreneurship is typically centred on the informal sector, with young people establishing, maintaining, discontinuing, and reviving these ventures with fluidity. Both categories have their place in a mixed livelihoods approach; however, entrepreneurship of necessity is far more common among younger groups of young people (under the age of 20). While the definition of a business can vary widely, this study reports on how young people themselves conceive entrepreneurial activity in their lives. These businesses, which tend to be associated with self-employment, are often characterized as being small scale, intermittent and attracting limited investment. This definition is consistent with that of the World Bank, which describes household enterprises as “unincorporated, non-farm businesses owned by households. They include self-employed people running businesses that may employ family members without pay, but may also employ less than five non-family workers on a continuous basis.”<sup>9</sup>

**Wage employment** is also a key component of mixed livelihoods, only for those fortunate enough to find it. Wage employment may be in the formal sector, but more often, and especially in rural areas, it is in the informal sector. The informal sector retains the bulk of economic participation, from street trading to temporary work for small businesses for young people across Africa. The International Labour Organization found that in a sample of 20

developing and transitional countries worldwide, 75 percent of people aged from 15 to 29 are actively engaged within the informal sector.<sup>10</sup> Furthermore, the African Development Bank estimates that the informal sector generates 55 percent of GDP and constitutes 80 percent of the entire labour force.<sup>11</sup> The transitory nature of the informal sector increases its complexity: young people do not simply stay in informal sector employment for years; they move in and out regularly, owing to a number of factors. Seasonality or local economics play an influence, as do family issues that encourage or discourage their participation in the sector.<sup>12</sup> In discussions regarding generating economic activity, jobs and transforming the equation for young people, the informal sector's importance remains crucial.

**Social activities** make up the final quadrant of mixed livelihoods. Far from just representing leisure, social activities in this context refer to the range of social relationships and reciprocal arrangements in which young people engage. Social networks may translate into investment from a relative into a nascent business or agricultural activity. At the same time, social obligations may require young people to provide funds, labour or other services to family members or others in their social network. Young people participate in these complex interdependencies as do other members of their household. By the time they reach late adolescence or early adulthood, social obligations and opportunities compose a critical component of mixed livelihoods.

Young people tend to combine mixed livelihoods with education and training if time and money allow. Young people see education, training and certification as important, and will invest in developing their skills as they mature. Skills development leads to more opportunities and increased options for income generation. As much as youth are fluid in their entry into and out of the informal sector, youth also do not feel constrained by placing themselves in or out of school. Many young people complete some schooling, quit to go to work and develop skills, then return to school to refine these skills and find more lucrative economic opportunities. Acknowledging the complex relationship between education and skill-building is key to understanding how mixed livelihoods play out for young people, and for mapping realistic interventions that match the needs of young people to work, earn and continue learning at the same time.<sup>13</sup>

Emerging research indicates that a significant number of young Africans use mixed livelihoods to generate a living, therefore making it an essential premise in program design and implementation.<sup>14</sup> Policies and approaches that address the economic reality of vulnerable people in Africa recognize the transient qualities of employment. Approaches that adopt mixed livelihoods as a guiding principle recognize that short-term approaches to saving, earning and education should be combined with long-term development of support mechanisms, networks and asset management.<sup>15</sup>



The growing youth population in Sub-Saharan Africa represents both challenges and opportunities to all stakeholders, from policymakers to the young people themselves. As this generation matures and confronts the trials of securing a stable and sustainable lifestyle, the issue of youth under- and unemployment is thrust into the spotlight.

The UN's Sustainable Development Goals acknowledge the significance of this challenge by prioritizing the eradication of poverty

through economic growth and improved social and employment outcomes. While only some goals focus on youth specifically<sup>16</sup>, many—if not most—goals and targets will nonetheless affect youth livelihoods, in particular those around poverty reduction, food security and agriculture.<sup>17</sup> To understand these shifts, detailed data and informed conclusions regarding youth underemployment, unemployment and mixed livelihoods are necessary.



Wepia, working in an electrical repair shop in Ghana.

## II. CONTEXT

### A. YOUTH IN GHANA

In 1957, Ghana became the first Sub-Saharan African nation to gain independence. Since then, relative political stability has led to considerable economic growth and increasing development progress. By 2010, Ghana had achieved middle-income country status owing to its diverse economy that centred around agriculture, services, industry and petroleum production.<sup>18</sup> From 2000 onwards, economic growth gained steam. During this time, agriculture—dominated by cocoa production—saw a decrease in its share of GDP, as the services and industry sectors gained traction. Highly connected, Ghana's ICT and mobile penetration rates, as well as access to international markets, support a services sector responsible for 50 percent of GDP.<sup>19</sup>

Economic gains have translated into social gains in Ghana. The country has steadily improved across an array of Human Development Indicators: life expectancy; mean number of school years attended; enrollment in primary education; usage of improved water sources; and per capita gross national income have all increased. Meanwhile, poverty rates, levels of hunger, infant mortality, and child stunting levels have all decreased.<sup>20</sup> Nonetheless, regional differences still exist, and these positive changes have not been equally distributed across Ghana. Northern Ghana has seen less development than southern Ghana, and less investment in the region has made it unlikely that northern Ghana will be able to match improvements in the near future.

Despite Ghana's growth, challenges still remain. Overall, citizens cite a lack of ability to participate in decision-making and planning, despite decentralization. Institutions at the local and national level tend to be hierarchical and driven by adult males. Ghanaians worry that

the government is mismanaging the economy, leading to slow economic growth.<sup>21</sup> A perception of increased levels of corruption, present in most government institutions, is another key concern for the majority of the population.<sup>22</sup>

Ghana, like much of Sub-Saharan African, has an incredibly young population—over 58 percent of Ghanaians are under the age of 25.<sup>23</sup> Although the population growth rate is slowing, the United Nations predicts that Ghana's population will reach 73 million by 2100.<sup>24</sup> This demographic trend, alongside the economy's capacity to generate employment opportunities for young people, will guide the course for Ghana. Although the swell of young people has led to increased pressure on land for farming and rural-to-urban migration, there are also benefits to be realized by the influence of a more tech-savvy and innovative demographic.<sup>25</sup>

Young people, while better educated than previous generations—with literacy rates of over 80 percent for both male and female<sup>26</sup>—still face enormous hurdles in finding and keeping work; a shortage of formal jobs has often forced young people to enter the informal sector. Although agriculture has the potential to create sustainable economic opportunities for young people, engagement in the sector is curtailed by issues of land tenure, lack of networks and support systems, and access to markets and finance. Moreover, despite considerably high literacy rates at the national level, many young people lack the skills sought by the private sector. This issue has also been noted in vocational and technical schools, where training has not kept pace with advances in the private sector. Entrepreneurship and business skills are being introduced into curriculums, particularly focusing on potential growth sectors, but insufficient financing has curbed efforts.

Ghana's history of a vibrant civil society, participatory democracy and free media has benefitted the well-being of its young people. Nonetheless, and despite the power of the young voters, many feel left out of political decisions, whether owing to sex, class, education or geographic location. Empowering these disenfranchised groups will be key to promoting equitable growth within Ghana. Young-people policies and frameworks have been developed, but the capacity of leaders to deliver on strategy is low, and requires greater efforts in implementation and empowerment.

Young people in Ghana are not idle, and are increasingly in a position to create change. Numerous initiatives and policies that encourage youth leadership and employment have been incorporated into Ghana's National Development Plan. Young people have a voice in these initiatives, but national and regional policies still fail to adequately address the numerous demographic and economic challenges facing the country.<sup>27</sup> Numerous youth leadership groups have supported the call for greater engagement, resource management and responsibility; however, it remains to be seen how effective this generation can be in turning popular demands into tangible results.

## B. YOUTH IN UGANDA

Uganda gained independence from British colonial rule in 1962. Prior to colonialism, various small kingdoms made up Uganda; post-colonialism, these kingdoms comprise the divergent cultures and diversity found in the modern state. Past decades have been marked by relative stability and economic growth, coinciding unfortunately with single-party rule, the abolishment of term limits, and uneven playing fields that restrict political expression.

With the youngest population of any country in the world, Uganda's young people will determine how the gaps between politics, stability and growth are bridged.

Uganda's economy has experienced rapid growth in recent years (by 6.5 percent in 2015). Trade through the East African Community has increased and the poverty rate has declined (from 56 percent in 1990 to 20 percent in 2012).<sup>28</sup> Universal primary education was introduced in 1997, and the youth literacy rate now hovers around 87 percent—almost all Ugandans (outside of northern Uganda) have access to primary schools. Infrastructure and healthcare investment have increased as part of Uganda's Poverty Eradication Action Plan. Nonetheless, Uganda still ranks low on many development indicators, indicative of an extremely low base level, and the economy—especially with regards to government services to citizens—is heavily financed by foreign aid.

Population growth rates in Uganda are among the highest in the world; the UN estimates that Uganda's citizens will number 203 million by 2100.<sup>29</sup> Currently, 78 percent of Uganda's total population is under the age of 30. These young people also constitute 80 percent of the unemployed in Uganda. These two factors will deeply influence the country's future—as nearly all national issues affect young people. The current and future generations will face significant and specific challenges. Solutions need to be comprehensive and sustainable.

Although the demographic boom will provide new opportunities for markets and innovation, it also places stress on land usage. The vast majority of Ugandans already work in agriculture (70 percent of the work force), although the sector accounts for less than 30 percent of

GDP.<sup>30</sup> Nonetheless, agriculture may be the key to absorbing most of the youth-oriented jobs, as over 70 percent of land is suitable for agriculture. The sector offers labour to both skilled and unskilled workers and has ample room for growth. The World Bank notes that agricultural production has not yet reached its full potential, and it may fall on the next generation—if they work in agriculture—to increase outputs.<sup>31</sup> However, Ugandan young people face a number of agricultural barriers that require innovative solutions and implementation. Climate change must also be acknowledged as a potential game changer as typical weather patterns alter, growing seasons shorten and unpredictability enters the market. Agriculture in Uganda is likely to continue to be the sector that absorbs the most youth seeking livelihoods.

Addressing these issues is therefore at the heart of multiple development initiatives and strategies, and is supported by the government, international donors, youth groups and traditional leaders.

The introduction of universal access to secondary schools has increased enrolment rates, now reaching 30 percent.<sup>32</sup> Young people and employers are focusing on the practicality of formal education and how to ensure that it teaches the necessary and relevant skills. Young people report some success with technical vocational education and training programs, but note that there is a mismatch both between the private sector and institutions of learning, and between the traditional skills taught and those demanded by employers. A question looms over how education and skills training will address the needs of the youth cohort, and how to encourage and incorporate agricultural skills into the curriculum.

Uganda's relatively low unemployment rate of 6.8 percent in 2014 masks the disproportionately high youth unemployment rate, as well as its rates of underemployment and working poverty.<sup>33</sup> Jobs in the formal sector tend to be scarce, leading young people often to find work in the informal sector, which may mean little to no protection, chance of advancement or other benefits. Outside of agriculture, almost 90 percent of employed young people work in the informal sector.<sup>34</sup> Although multiple stakeholders work on increasing job growth potential in varied formal sectors, the reality is that the informal sector is the largest workplace outside of agriculture. In both the informal and formal sectors, Ugandan youth face a myriad of obstacles to finding and retaining employment: nepotism and corruption, lack of access to information about labour markets, limited education or skills, and a lack of access to finance are often cited as the main reasons. These setbacks may frustrate the nation's young, and will need to be addressed to create better markets and more inclusive employment options.

The challenges facing young people in Uganda, and their responses, are what will determine the future of the country. In particular, rural areas face issues of high under- and unemployment, scarcity of capital, reliance on agriculture, lack of access to markets and education, and difficulty in adapting to climate change. Ugandan youth are negatively affected by these stressors, and they lack the safety nets, networks, social and financial capital, and experience to overcome these problems easily. In many rural areas, once young people have left school, parents no longer view them as dependents, increasing the pressure on young people to meet their daily living costs. Although many young people report that they do see themselves as farmers

in the future—not simply farmers producing for household consumption, but “agripreneurs” who make farming a business—they have few savings to invest in businesses, or are reluctant to do so if it involves risk.

Uganda’s young people are not a demographic in search of handouts. They are a vibrant and varied group, which ranges from the youngest politician in Uganda to a female head of household farming rice. Eastern Uganda’s young people have the highest participation rates in politics and youth leadership groups, the second-highest level of skills across age cohorts in the country, and almost 22 percent of them are involved in small businesses. They also reported that they want fewer children so they can adequately support them. Overall, Ugandan youth strive for a “successful” life—attempting to secure livelihoods, finish education, and earn the respect and recognition of their communities.<sup>35</sup> These goals should be attainable, but they require a mixture of policy, implementation, stakeholder buy-in, and increased and effective youth participation.

### C. RESEARCH PURPOSE

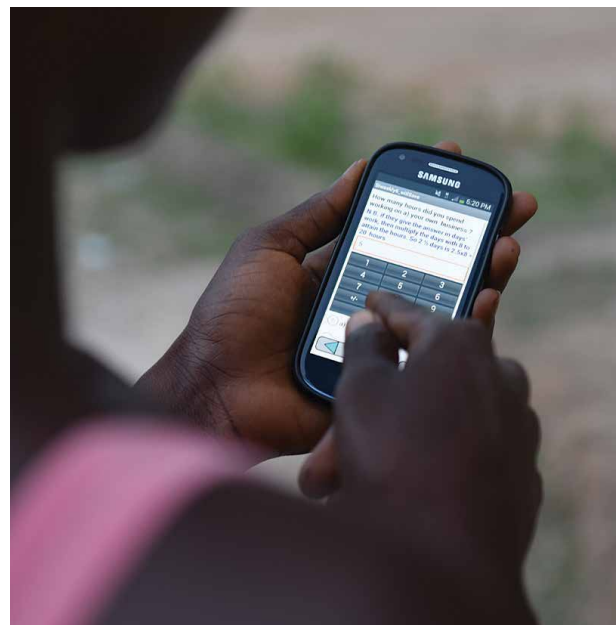
This research explores the nature of mixed livelihoods as pursued by young people. Although mixed livelihoods represent one form of entry of younger generations into the economy, questions remain, including:

- How are mixed livelihoods integrated into young people’s lives?
- What are their priorities?
- What challenges does this approach pose?

These initial questions formed the basis of this research, which also sought to answer the following research questions:

- What livelihood approaches do young people use in their day-to-day lives?
- How does access to economic opportunity vary between young men and young women, in different countries and diverse regions?
- Given these livelihoods, how can we best design interventions for young people?

This report begins to answer these questions. The findings unveil a complex picture of how young people balance the different activities that compose mixed livelihoods in their daily lives, and surface questions about how development interventions can best improve their livelihood opportunities.



Youth Livelihoods Diaries data collection tool.



## D. METHODOLOGY

This research uses a diaries methodology, which documents activities through regular and systematic data collection. Financial diaries, when first used in Portfolios of the Poor,<sup>36</sup> allowed researchers to gain a better understanding of the economic behaviour of people living on low incomes—through this knowledge, more effective and comprehensive interventions were designed.<sup>37</sup> Livelihoods Diaries, much like financial diaries, focus on the systematic and regular collection of data. Instead of financial transactions, data points in this research include questions on behaviour, income, economic activities and time-management of young people. Through this regular data collection, the complexity of the means by which young people support themselves is revealed across a one-year period.

Low-Income Financial Transformation (L-IFT)—a research company that specializes in diaries research—in partnership with The MasterCard Foundation, implemented the Youth Livelihoods Diaries research in Uganda and Ghana. L-IFT was responsible for all aspects of data collection and analysis. Youth researchers were identified and recruited with the assistance of youth-focused organizations in each country. These youth researchers in turn recruited participants for the research study. The youth researchers visited the participants on a biweekly (every two weeks) basis, administering a standard questionnaire regarding livelihood and financial activities. During the second part of the interviews, researchers conducted theme-based surveys that varied per visit in order to discuss additional topics or trends. Smartphones equipped with dedicated software were used for the data collection, which ensured high-quality, consistent data collection and management.

Participatory photographs, where respondents were asked to take a photo of something that they would like the other respondents to know about, were also gathered with the smartphones. Moreover, each youth research team participated in an online group chat through a mobile platform where they could share data, photos, progress and narration of findings. Data was collected between April 2015 and April 2016.<sup>38</sup>

### Youth researchers engaging with youth participants

To better understand youth issues, it was important to engage local young people as researchers. Young researchers were integral to conducting the data collection.

This group of young men and women not only spoke the local languages and knew the local culture, but also were able to develop a strong rapport with participants across the breadth of the interviews. Participants were more open with young researchers as they were part of a similar age and societal demographic and could intuitively understand issues affecting the community that outside consultants may have not been able to capture. The researchers formed strong bonds with participants, which enabled them to engage on a deeper level. In addition, these young researchers gained valuable research and mentorship skills, as well as work experience.



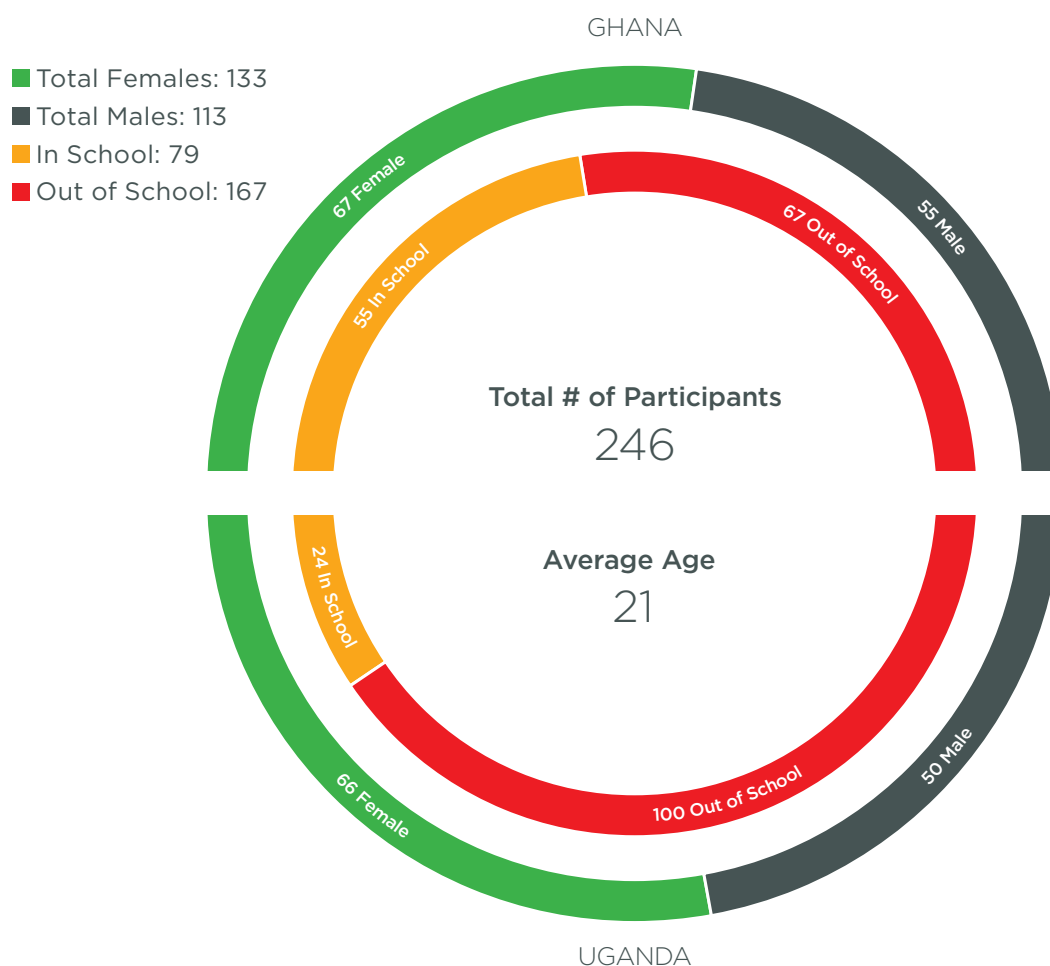
## E. PROFILE OF DIARIES RESEARCH PARTICIPANTS

In order to gain a better understanding of young people within both Ghana and Uganda, the research used purposive sampling to account for various characteristics critical for marginalized young people in rural areas. In total, 246 youth, aged 18–24 completed the research study, of which 122 were from Ghana and 124 from Uganda. The youth participants were recruited through community engagements where the nature and purpose of the research

were presented and those who were interested were asked to sign up. Participants were self-selected and then screened based on criteria of suitability for diaries (e.g., permanent resident, having time available during working hours, being comfortable discussing personal issues). A balanced representation of men, women, age groups, and those in school and out of school was also ensured. The data collection process was designed to be of minimal burden on participants, and the study experienced very little attrition/dropout over the course of the year-long study.<sup>39</sup>

FIGURE 2

Youth Participants in Study





Waiswa, a research participant in Uganda, laying bricks.

The economic and educational background of participants was also taken into consideration. A minimum of 70 percent of participants came from households focusing on agricultural production (consistent with the demographic profile of the regions) and the remaining 30 percent came from non-agricultural backgrounds. In terms of education, one-third of participants had no more than four years of primary school training; one-third had at least five years of primary school education but had not completed secondary; and one-third had completed secondary education or higher. Finally, the sample was taken almost exclusively from rural households to reflect the fact that the majority of young people in both Ghana and Uganda live outside of urban centres.

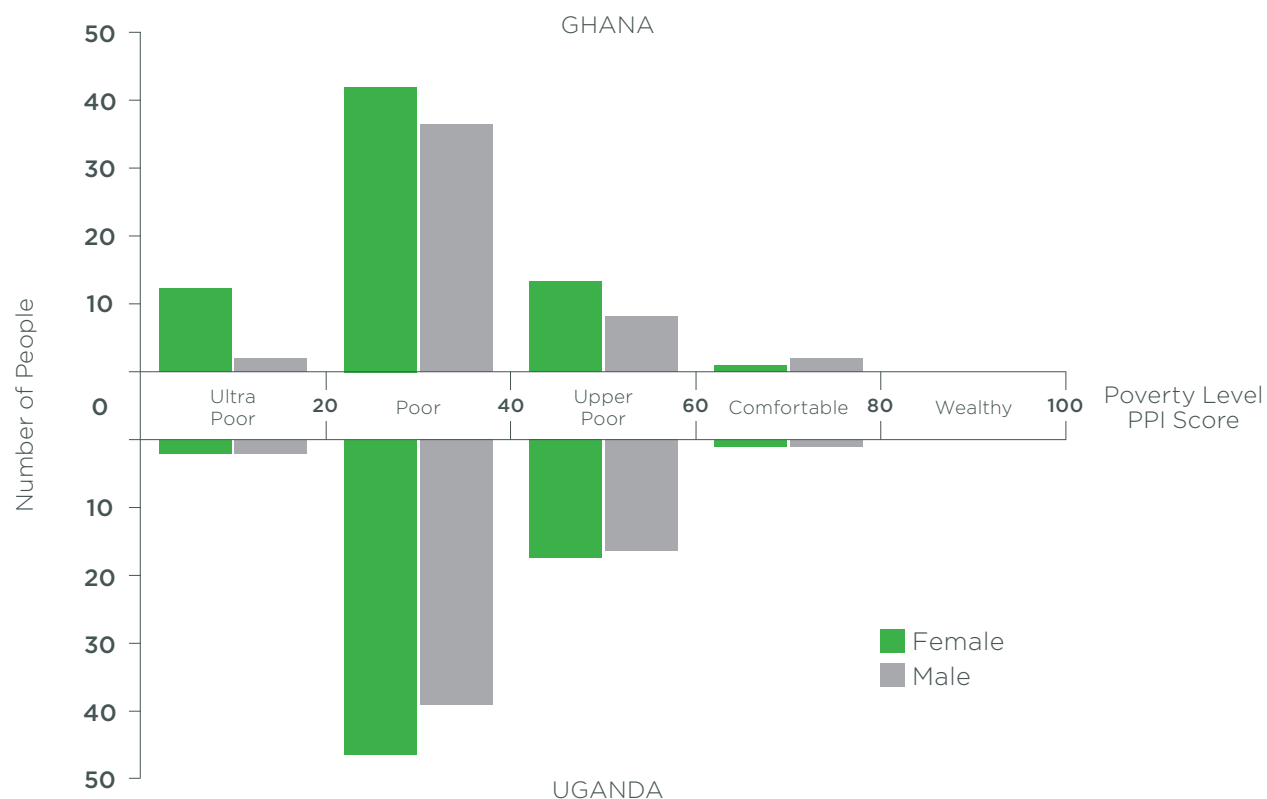
In Ghana, research took place in the Upper East Region, in and around Navrongo, close to the border with Burkina Faso. Almost all of the Ghanaian youth were raised and continued to live in rural households, where agriculture is the predominant source of food and income. Female participants slightly outnumbered male participants, and the average age of respondents was 21.

The research in Uganda took place in the Lake Victoria area, in the Jinja, Iganga and Mayuge districts of the Eastern Region. Here again, youth were mostly from rural, agricultural households residing in a village. As in Ghana, slightly more women than men participated and the average age of respondents was 21.

Researchers conducted an intake questionnaire with participants in both Ghana and Uganda at the start of the project to provide baseline demographic data. This questionnaire included the Progress out of Poverty Index (PPI)<sup>40</sup> tool, consisting of 10 short questions to assess the basic poverty level, as well as questions such as age, marital status, and if they have children. The questionnaire helped researchers to better understand the demographic characteristics of the participants. Findings indicated that most participants fell in the range of “poor” to “upper poor” (1–20 PPI score and 21–40 PPI score).

FIGURE 3

### Youth Participants by Poverty Level



In Ghana, over half of participants were out of school and the majority were still living with their parents. In Uganda, most participants had left school and were also living with their parents, but more youth were either living independently

or with their partners. In Uganda, 57 out of 124 respondents (46 percent) were parents themselves; while in Ghana 37 out of 122 (30 percent) were parents.

### III. FINDINGS: LEARNING FROM YOUNG PEOPLE

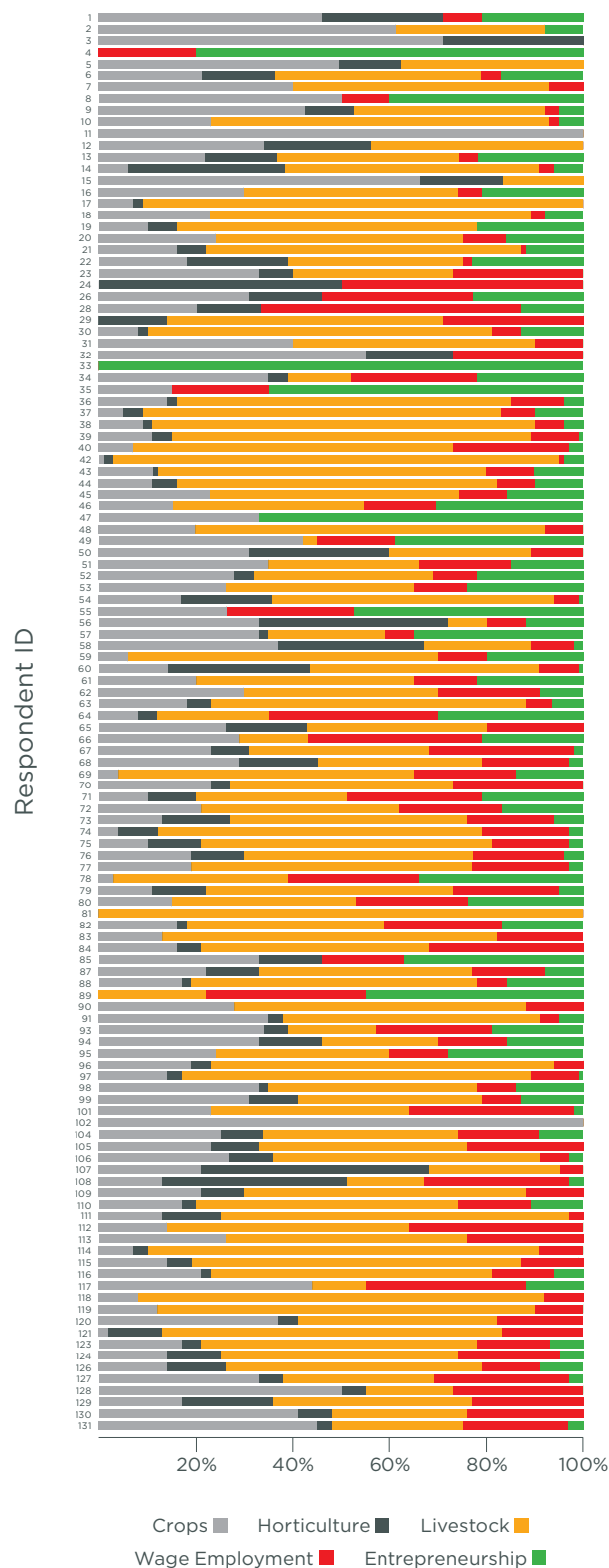
#### A. YOUNG PEOPLE HAVE DIVERSE LIVELIHOODS

This research sought to understand the daily livelihood activities of a group of young Ghanaians and Ugandans over a year-long period. The findings were clear: young people in both countries faced considerable difficulties in finding consistent activities to generate income. They reported struggling to find ways to remain economically active, amid acute fluctuations in the availability of paid work—either formal or informal—that affected their earning capacity and ability to build a sustainable life. Young people could not rely on steady employment and were in a constant state of flux, distributing their time among agricultural production activities, informal and formal work in other sectors, entrepreneurship, and social interactions in their community and at home.

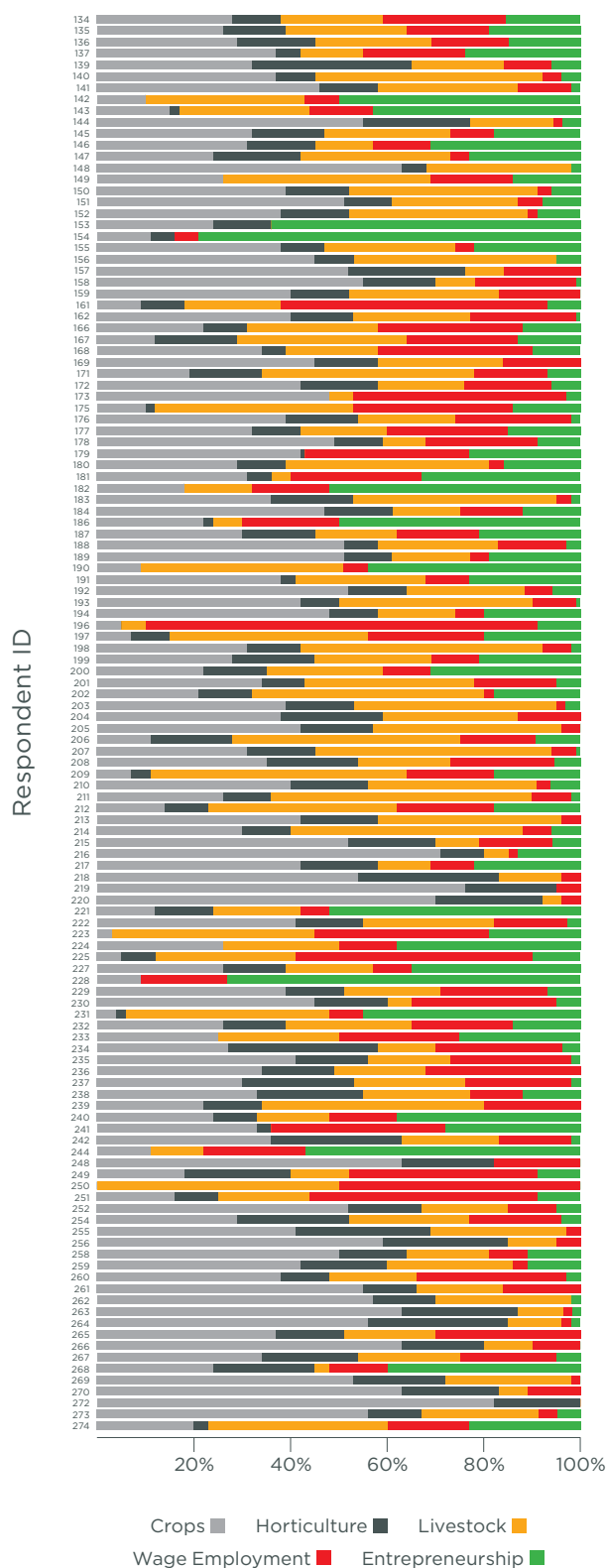
The figures below demonstrate the variety of livelihood arrangements reported by research participants. The individuals in the study are each represented by a bar, with the percentage of reported activities contained in the vertical axis. The graphs highlight that youth participants reported a significant mixture of agricultural production, including crops, horticulture and livestock, as well as entrepreneurship and wage employment activities. Although the degree of livelihood mixing varied among individuals, nearly all demonstrated at least some mixture of livelihood activities. In Uganda, all of the participants practised mixed livelihoods, while in Ghana, 118 out of 122 did so.

FIGURE 4

Mix of Activities by Respondent – Ghana



**FIGURE 5** Mix of Activities by Respondent - Uganda



Despite the uncertainty that these young people faced regarding employment and income, they remained resilient and demonstrated nuanced and sophisticated approaches that enabled them to strive and manage complex and demanding relations in their households and communities. The mixed livelihoods approach is used to smooth income, manage risk, and build pathways into adulthood. The prevalence of this approach is reflected in the number of research participants who engaged in mixed livelihoods. Evidence from other countries across the continent demonstrates that this is not an isolated pattern, but reflective of larger trends and realities for young people's livelihoods.<sup>41</sup>

## B. AGRICULTURAL PRODUCTION IS CENTRAL TO RURAL YOUNG PEOPLE'S LIVELIHOODS

Contrary to the widely held belief that young people are not interested in agricultural production, the Livelihoods Diaries research found that young people are not only interested in, but also already engaged in on-farm activities; whether it be helping at the family farm, being employed as casual labourers on other people's farms or even in informal work selling agricultural products. Nearly all participants—across countries, sexes and age cohorts—engaged in some form of agricultural production. For young people in these countries, engagement in agriculture was understood as a combination of crop production, horticulture or garden activities, and livestock-raising. Often these three different types of agricultural production were pursued simultaneously.

Despite the demonstrated participation in agricultural production, none of the young people in the research focused on agricultural production exclusively and nearly all of them reported that this production was focused on household consumption. Agricultural production was rarely the main source of income for young people, yet it remained an important economic activity that helped to ensure household consumption needs were met on a regular basis, provided benefits to the household, and generated a small income.

Agricultural production yielded enough positive benefits to figure centrally in youth livelihoods, but participants did report a number of drawbacks; youth said it was a highly risky activity, which helps explain why young people would seldom rely completely on a farm-based income and why they avoided focusing their efforts solely on cash crops. Moreover, participants perceived income from agricultural production to be sporadic or unstable, requiring them to engage in additional economic activities to generate enough income to meet regular needs. Barriers such as limited access to land and capital, antiquated farming techniques and difficulties accessing stable markets were some of the factors identified by these young people as limiting their further engagement and earnings from agricultural production activities.

#### Beatrice, Ghana

I sell roasted groundnuts [peanuts] at my husband's bar. . . [and] I farm as well to get more income. I do two jobs because when one fails, I can rely on the other for income. I also get foodstuff from my farm so I don't have to buy food from the market.

I prefer working for myself than for others or getting a job that pays monthly.

[The] kind of work I do now won't permit me or give me the chance to take up another job in order to make an additional income. Processing the roasted peanuts and farming requires so much of my time, so combining my little business with another job would be difficult for me.

Secondly, I can't inject more money into my business because profit from the peanuts is sometimes used to purchase insecticides, pesticides and fertilizer, which are used for the crops on my farm when there's an outbreak of diseases.

I did all this while I was still in school. I was able to help pay my fees from the little I got from selling peanuts and after school I just continued working hard to support myself.

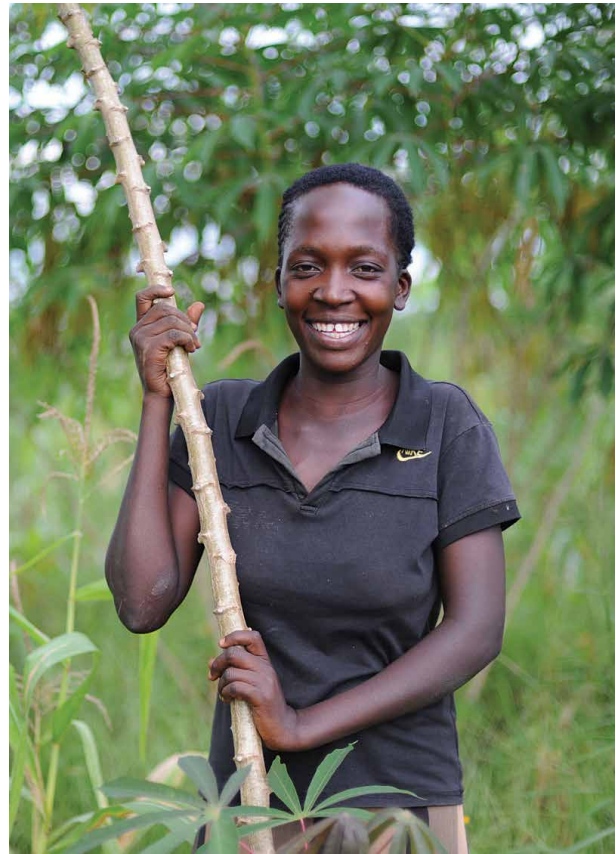
*As told to The MasterCard Foundation, 2015. This interview was not conducted as part of the research.*



Specialization of agricultural production is usually associated with increased profitability and efficiency.<sup>42</sup> Agricultural production for young people in this study rarely involved specialization. Diversification as part of mixed livelihoods was actively used as a tool to help manage seasonality, income fluctuations and risk. A diversified portfolio of crops and livestock ensured that young people minimized any risk of devastating losses and also helped them manage price risks—on the assumption that not all products will suffer low prices at the same time—and it enabled them to meet the demand for both cash crop and food production.

Diversifying crops and livestock was found to be a consistent approach of young people in both countries, regardless of sex and age. The vast majority of respondents in Ghana (72) and Uganda (105) reported participating in three types of agricultural production: crops, horticulture and livestock. Within those three types, many young people further diversified, and very rarely did a young person specialize in just one crop or livestock type. In Ghana, on average, young respondents cultivated 3.45 different types of crops and kept 4.21 different types of livestock. Uganda's high-yield soils and greater connections to marketplaces may explain the even larger variety of crop and horticultural types cultivated on average (5.81

and 3.23 respectively). Diversification extended to most aspects of agricultural production, yet certain crops were more common and saw more time and attention invested than others. In Ghana, maize, rice, millet and green vegetables in particular stood out, while in Uganda, pulses, plantains and potatoes were most common.



Naiwumbwe, a research participant in Uganda.

FIGURE 6

Number of Agricultural Activities<sup>43</sup>

	Average	GHANA		Average	UGANDA	
		Male	Female		Male	Female
Crops	3.45	3.91	3.07	5.81	5.40	6.17
Horticulture	1.34	1.75	1.01	3.23	2.91	3.50
Livestock	4.21	5.62	3.06	2.42	2.45	2.39

Cultural norms may be one of the reasons for the differing levels of diversification seen between men and women in the two countries. Ghanaian men focused more on livestock than did their female counterparts. In Uganda, women tended to be responsible for crop production. Across both countries, however, both men and women varied their agricultural production activities and crops to diversify risk, ensure household consumption needs were met and provide some livelihood security.

Although the wider focus on agriculture in Africa is moving beyond agricultural production to include value chains and other opportunities within the wider agricultural sector, the youth in this research reported agricultural activities that were concentrated primarily in production. Small enterprises were sometimes focused on agricultural products, but again this mostly consisted of raw agricultural products from their farms and fields rather than products of higher value.

### C. AGRICULTURAL INCOMES WERE MEAGRE

Young people often face pressing financial responsibilities that at times require their urgent attention—such as providing family support, paying for school fees, taking care of parents and/or siblings—but tend to have fewer assets and financial resources than adults. As a result, young people often need access to “quick money” to cover their expenses. While the seasonal nature of agriculture is not particularly conducive to this earning pattern, young people have found a partial answer to their needs through diversification of agricultural production activities. Horticulture and livestock keeping were seen as effective means to gain access to “quick money”. Horticulture’s shorter harvest periods and relatively easier farm-to-market process helped young people earn income on an ongoing basis. Similarly, livestock keeping was also seen as a way to gain easy access to cash, as a goat or chicken can be brought to market when needed. Furthermore, these activities tended to provide higher income than cash crops, highlighting the importance of a diversified portfolio of agricultural products.

Over the course of the year, researchers asked the youth participants every two weeks about their income from agricultural sources. Participants reported income primarily drawn from agricultural production activities, and the findings indicate that this income varied widely. In Ghana, the majority of participants reported high negative net incomes from agricultural crops, meaning that more cash income was invested in the agricultural crops than was derived from its sale, suggesting that the crops themselves were for consumption purposes.<sup>44</sup> By contrast, reported net positive income for livestock in Ghana was relatively high, generating positive cash flow from investments in livestock. In Uganda, the majority of female respondents reported a total net positive income across all three types of agricultural production, yet male participants had negative net incomes associated with agricultural crops. Despite reported negative net income, the consumption nature of agricultural production makes expenditure in this area important for young people, as it provides food for their households.

Seasonality was clearly reflected in participants' responses on activities in both Ghana and Uganda. (Northern Ghana has one agricultural period that aligns with its single rainy season; Uganda's two rains [agricultural periods] reflected similar patterns of work availability corresponding with agricultural periods and conducting other activities in between seasons.) While the agricultural season marked a period of intense activity, with many participants keeping busy in the fields, the non-agricultural season saw an increase in social activities and reproductive work, such as cooking, cleaning

and child care. Towards the end of the year of research in Ghana, which aligned with the slow season for agricultural work, Ghanaian young people spent nearly two-thirds of their time on non-income-generating activities, particularly reproductive work and social activities. This was also true for Ugandans, yet some participants reported an increase in self-run and co-owned businesses during that time. Some young people were able to transition to informal work outside of these agricultural seasons, but many found themselves without steady income—or any income—during these periods.

#### Joseph, Uganda

I ride a motorcycle for hire. I also blast some stones, I do farming, I look after animals, and I do business. That is how it is. You earn money here and there.

Because with farming it is not instant, as you know, there is no problem at all because I start very early in the morning and I start with farming up to about 10 o'clock. Then I come to set here at the quarry. I even make some savings. I save some money with a cooperative. I also keep some at home for daily use. By the time I get finished, I should have some wealth.

*As told to The MasterCard Foundation, 2015. This interview was not conducted as part of the research.*

#### **D. FORMAL WAGE EMPLOYMENT IS RARE AND SPORADIC, INFORMAL WAGE EMPLOYMENT ALSO REMAINS ELUSIVE**

The lack of consistent work reflected the shortage of formal employment opportunities in both Ghana and Uganda, and particularly in rural areas such as those in this research project. For the research respondents, formal employment was understood as paid work conducted with formal business or organizations.<sup>45</sup> The absence of formal employment was striking. In Ghana, only three respondents mentioned obtaining formal employment, and only reported this type of work in a scant five interviews over the year-long research time frame, indicating that formal employment was not only highly scarce but also short-term. In Uganda, only nine respondents reported formal employment during more than two interviews over the year, while 16 other individuals noted formal employment once or twice at most. Despite these low numbers, the majority of respondents reported that they would have preferred a greater degree of formal employment.

Gender also played an important role in labour dynamics. In Uganda, the formal employment opportunities were heavily biased towards men—and these men typically earned four times as much as women from formal employment. In Ghana, however, only women reported obtaining these relatively rare formal opportunities. In both countries, women reported that employers held misconceptions about employing young women—women often faced discrimination in the labour market owing to their household and childbearing responsibilities—and these played against young women's ability to find and secure employment.

Given that formal employment opportunities were scarce, spending time seeking formal employment was not a primary activity for the young people in the study. Findings show that few Ghanaian (3.6 percent) and Ugandan (6.5 percent) respondents actively sought formal employment in any given two-week period. Interestingly, in Ghana, young men reported spending the same time as women looking for formal employment and spending twice as much time as women looking for informal employment—yet the few young people who did have formal employment over the year were women. In Uganda, men were more likely than women to both seek formal and informal employment and to find it.

While the informal sector provided more wage employment opportunities for young people, these were by no means abundant. Those who did have paid informal sector work typically found it doing casual labour or by working in small businesses. Non-agricultural production employment opportunities were slightly more reliable in Uganda, probably due to the size of and proximity to local and regional markets. Casual labour and working for a small informal business generated more income for those involved. In Ghana, casual labour participation rates were still quite low, mainly due to lack of work availability; only 62 respondents reported casual labour over the year. In Uganda, 61 respondents had participated in some type of casual labour and 28 respondents conducted this activity for more than two interviews. As with formal employment, the number of males involved in casual labour highly outnumbered females, perhaps due to cultural norms and attitudes or the physicality of the work, and those males involved tended to earn considerably more than females.

Few Ghanaians participated in employment with a small business—only 21 participants mentioned this type of activity, and the majority of respondents reported this employment type only once within the year. In Uganda, small business employment is relatively common—around 56 respondents noted this activity—though recurring and regular employment is rare, as only four respondents noted this activity at several times (more than a few interviews) throughout the year. Though work itself was scarce and sporadic, across the full year of the study, only seven respondents in Ghana and three in Uganda reported having no wage employment at all. Thus, for nearly all participants, wage employment was part of their livelihoods. It was evident through this research that young people sought and desired more of these types of opportunities.

## E. ENTREPRENEURSHIP OFFERS OPPORTUNITY AND RISK

Sub-Saharan Africa has often been characterized as having a significantly higher proportion of potential young entrepreneurs than any other region, and Ghana and Uganda are no exception. Entrepreneurship and self-employment remains an important economic activity for a majority of research participants in both countries, either alone or in partnership with someone else. Young people identified local economic opportunities and were confident in their ability to create and manage new businesses. While young people in Ghana and Uganda often turned to self-employment out of necessity, entrepreneurship is a chosen opportunity for some. When asked if they would prefer to have a formal permanent job or their own business, the majority of participants across both countries reported that they would prefer to have their own business.

The businesses that young people did have were characterized as being a patchwork of little subcomponents undertaken in reaction to demand, without a clear strategy of what type of business the person was trying to build. Youth-owned businesses were not capital-intensive, meaning they could be started and stopped relatively easily, and did not require the refusal of other income-generating activities. This is especially important to young people who are often involved in seasonal work within a rural agricultural context; sowing and harvest seasons saw a drop off in time spent on entrepreneurial activities. This approach also meant that businesses were difficult to grow and at times lacked the necessary inputs and capital to turn them into more successful ventures.



Nakabugo, a cook and research participant in Uganda.



Youth reported that many of their businesses are in easy-to-enter sectors, such as establishing a market stall, restaurant, bar or shop, and required low levels of skill—since young people tended to lack the experience, expertise and capital necessary to build complex businesses. When asked about the kinds of activities they did to support these businesses, most of these young entrepreneurs reported selling and customer care, alongside bookkeeping and buying stock. Many respondents reported facing some of the same problems that more established businesses face in challenging business environments: spoiled goods, late deliveries, stock running out, and getting cheated by clients were the most common reported problems. Many of these young entrepreneurs lacked the prior experience, knowledge and managerial skills, which can have a significant impact on the success of a business. They also had limited or no access to the networks and social capital necessary to grow and nurture their businesses.

In Ghana, 47 respondents reported having their ‘own business’, and interestingly, women were more active as entrepreneurs than men. In Uganda, 73 respondents said they had their own business. Contrary to the Ghanaian experience, Ugandan men were more likely to be engaged in entrepreneurship than women. Young people in both countries reported a mix of sole ownership and partnership models. The incomes for the two types of ventures varied by country. The average biweekly gross income<sup>46</sup> for Ghanaian sole ownership and partnership was US\$164.86 and US\$165.54 respectively. In Uganda, the experience was different, with sole ownership generating income of US\$379.08 as an average biweekly gross income, while partnership brought in only US\$167.80.<sup>47</sup>

Starting a business can often be an overwhelming activity for a young person, due to the technical expertise, capacity, financial resources, and networks it requires. Partnerships often allow young people to pool limited financial resources, knowledge, and experience in running an enterprise, increasing chances of success. While partnerships can help in dividing responsibilities and labour, they can also increase complications. The topic of type of ownership is one that needs to be further developed and explored, as we need additional evidence to better understand how the relationship between different factors affect the chances of young people starting and sustaining a business.

The results also shed light on sexual bias for men and women in both Ghana and Uganda. Ghanaian men earned much more than women did either through their own businesses (52 percent more) and those owned in partnership with someone else (91 percent more). Ugandan women also earned less than men from both types of ownership, with average biweekly income 112 percent higher for males with their own businesses and 75 percent higher for males in partnership, as compared to Ugandan females.

Overall, the income produced through businesses was considerably higher than income from other activities, but it also meant increased risks. Some participants reported negative income (losses), in some cases in excess of US\$200 over the course of the research year, which seems to indicate that some young people were relying on gifts and family support to operate their businesses and/or were taking larger risks than expected.



## F. SUPPORT NETWORKS ARE CRITICAL FOR YOUNG PEOPLE

As the findings have shown, securing work is difficult for a number of young people. Yet they do not spend their time outside of work idle. While respondents reported having a rich social life, which included social, community and religious activities, the largest amount of time was spent on what we know as reproductive activities.<sup>48</sup> Young women in both countries spent a considerable amount of their time in reproductive work: such as looking after children, cooking and cleaning. On average, women reported undertaking these activities more often than men.

Reproductive work, while unpaid, is often seen as a form of compensation for the support received from parents in terms of food, accommodation, and school fees. Young people contribute to their households by helping with labour and reproductive work. This contribution does not end when young people move out of the home, but it changes. As young people get older, they start shifting their type of support, from in-kind support—providing labour and reproductive work—to monetary support. Being able to support their households is important for young people and the majority of them report feeling “proud” and “honourable” about their ability to contribute tangibly to the household.

Despite their many responsibilities managing a complex mixed livelihood portfolio of activities, young people were still considerably active socially. Ghanaian young people quite often reported attending village meetings, helping

other households or participating in community events. Ugandans attended more religious activities and demonstrated similar types of community engagement. These non-income-generating activities absorbed a considerable amount of young people’s time over the biweekly period. However, they were seen as important as they supported young people beyond their income—developing the social capital and networks were cited as critical to their wider livelihood activities.

Perhaps because of these larger community and familial connections, this research confirmed the extensive role that support networks play in young people’s lives. These networks not only provided support in the form of advice regarding where to look for and how to find employment, skills development, and business guidance but they also proved to be instrumental in accessing financial resources needed in the form of monetary gifts, remittances, scholarship support and spousal financial support. Networks were seen as important sources of social capital for young people at the community level—and those without them might face additional challenges when building economic pathways.

The highest reported income for women from both Ghana and Uganda came from spousal support. Women tended to take the responsibility for the bulk of reproductive work, which limited not only their time but also their earning ability, and provided greater opportunities for their male partners to seek work. For Ugandan men, gifts were the main source of other income, while for Ghanaian men remittances were the main source.

As expected, access to support networks—and their resources—varied widely from respondent to respondent. Some respondents had access to larger, more developed, influential, or affluent networks. These networks provided them with financial support, gifts (usually money to spend or invest) and/or remittances, all of which were important sources of capital. Through their networks, some young people were also able to influence important community decision-making, secure a reference for a job, or a guarantor for a loan. Networks can also provide young entrepreneurs with the business experience, training and contacts needed to start and grow a business.

These familial and community networks compensated for the financial resources, knowledge, and experience that these young people typically lack. For the majority of young people without access to these networks, and without access to programs that may increase their opportunities, they would be highly unlikely to escape poverty, even through a mixed livelihood approach. Understanding the underlying reasons for this phenomenon can help us to develop better strategies, programs and policies that can assist young people in their efforts to boost their incomes and move out of poverty.

## G. WHO WAS MOST SUCCESSFUL AND WHY?

The young people who participated in this study demonstrated a mixture of livelihood activities over the course of the year. Some youth reported higher incomes than others, leading to an exploration of who was most successful and why. Youth themselves cited the mixed livelihood approach as their best option for obtaining income and maximizing their available opportunities. Did this prove true in their efforts to move out of poverty and create sustainable livelihoods?

When considering incomes, the young people in the study reported a wide range of annual income flows. As indicated, many agricultural activities were consumption focused and not fully accounted for in the youths' financial flows. Thus, income figures do not necessarily represent the full economic situation of a given young person or his/her household. Nonetheless, participants did report cash needs for various purposes beyond basic consumption, including education, transportation, cell phones, and contributing to family or household needs. Young people themselves desired more cash income, and their livelihood activities were attempts to maximize the income available to them.

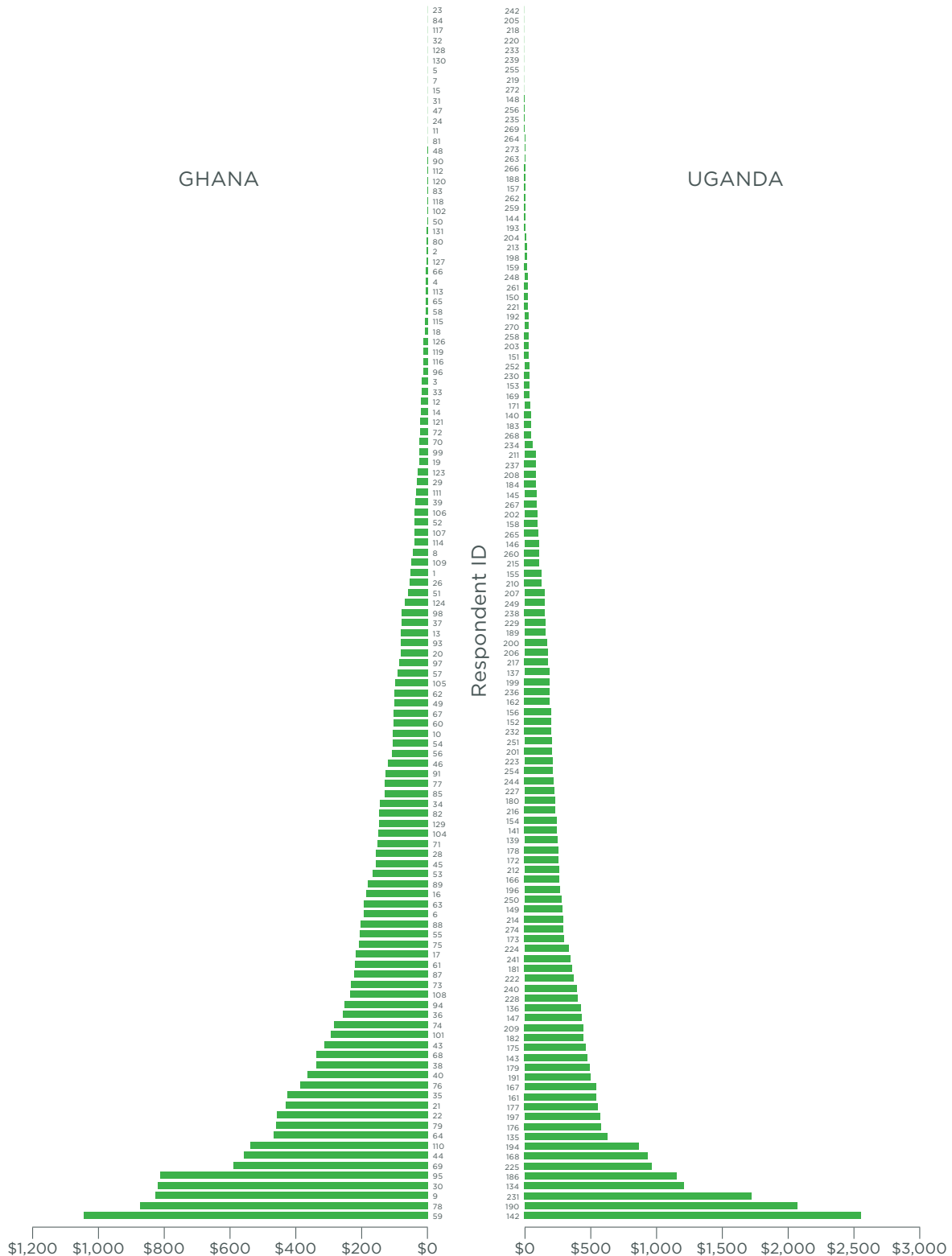
FIGURE 7

Most Profitable Activities

GHANA		UGANDA	
Male	Female	Male	Female
Co-owning a business	Co-owning a business	Casual labour	Informal wage employment
Owning your business	Formal wage employment	Formal wage employment	Formal wage employment
Casual labour	Owning your business	Informal wage employment	Co-owning a business

FIGURE 8

# Annual Gross Income by Country (USD)



The annual incomes reported by the youths were extremely low. The figures ranged from a gross annual income of less than \$50USD to a few individuals who generated over \$1,000USD for the year. Interestingly, the distribution of income for the year followed a nearly identical pattern in Ghana as in Uganda. Other youth almost broke even for the year—investing nearly as much in their agricultural activities and enterprises as they realized financially—

and for a few youth, they managed to gain a few hundred dollars for their year of effort. The youth who had the highest incomes varied their livelihood activities, combining various types of agricultural production with wage labour and small businesses. However, for most youth, annual gross income was extremely low, and the lowest income earners were focused nearly exclusively on agricultural production activities. These figures are consistent with the

FIGURE 9

### Reported Activities for One Participant - Ghana

Respondent #1  
Country: Ghana  
Age: 23  
Gender: Male  
Grew up in: Village



demographic profile of the youth participants, most of whom were categorized as “poor” or “upper poor”, according to the Progress out of Poverty Index. The figures demonstrate that most youth in the study lived below the \$1.25USD/day poverty threshold.

In summary, the research shows the nuance behind the four quadrants described. Agricultural production involves a variety of

activities, including crops, horticulture and livestock. Wage employment is conducted in both the formal and informal sectors. Entrepreneurship can be conducted by oneself or in partnership, and may be undertaken out of necessity or to capitalize upon an opportunity. And lastly, social networks consist of family, peers and community, all of whom may interact with a young person’s livelihood activities.

FIGURE 10

### Reported Activities for One Participant – Uganda

Respondent #2  
Country: Uganda  
Age: 22  
Gender: Female  
Grew up in: Village



## IV. IMPLICATIONS FOR THE YOUTH LIVELIHOODS SECTOR

The findings from this research show that the majority of young people in Ghana and Uganda incorporate mixed livelihoods for income generation. Young Ghanaians and Ugandans conduct a variety of income-generating activities owing to a number of factors: fluctuations in market supply and demand; seasonality; familial, social, and community demands; personal interest; and opportunity costs. This study supports the idea that youth engagement in mixed livelihoods is one way to mitigate risk in uncertain economic environments. Research conducted by the United Nations Capital Development Fund and others in partnership with The MasterCard Foundation indicate that this is not an isolated issue for Ghana and Uganda, but a pattern among young people across sexes, countries, and regions.<sup>49</sup> The prevalence of mixed livelihoods for generating income should be taken into consideration when designing and implementing programs and policies for young people.

### A. WHO ARE WE REACHING?

The reality remains that in terms of youth programming, the vast majority of youth have no access to development interventions or programs. Youth programs have the potential to transform an individual's life—those who do access these programs are the lucky ones, even if positive outcomes are far from assured for every participant.<sup>50</sup> The positive benefits associated with a training intervention can be transformative for a young person, yet the numbers reached through such interventions remain small.<sup>51</sup> This also holds true for many government-sponsored extension and education services that simply do not reach the vast majority of young people; either the government lacks the capacity to provide services for young people, or these

young people are unable to access the services, whether due to distance, time, financial capacity, and/or missing prerequisites. The youth in this study were largely invisible to both development organizations and their own governments, and did not have any access to support services, training, or finance capital.

Specific targeting is critical to ensure that programs reach the most vulnerable and excluded youth. Even so, many programs may target young people who will perform well in the program and thus allow easier attainment of outcome targets. These youth may have already benefitted from prior programs, have higher levels of education and social support, are more financially secure, and are more experienced and understand how to engage in the given activities.

Programs should examine whom they are targeting and reaching, to ensure that young people who remain on the margins and those who would most benefit from assistance, are included. These invisible young people often lack many of the basic skills and/or knowledge needed to access varied educational and extension services. They may have been unable to finish school, may suffer from low levels of literacy and numeracy, and/or live in remote areas, and therefore may be more difficult to invest in and reach. The young people engaged in mixed livelihoods may also be the ones with the least capacity to manage the complexities of mixed livelihoods. Yet they remain the target population with the least opportunity and the most in need of training and extension services. This is especially true when considering programming locations—program design must take into account access for young people who are hardest to reach. Remote areas typically have fewer options for young people to connect



to marketplaces, secure income, or access inputs, and they are difficult to engage due to distances from regional centres, programming headquarters, and major cities.

Access and inclusion can help transform the reality of these marginalized youth and their communities. Providing these young people with financial literacy, business development, and critical interpersonal or soft skills that enable them to better manage a complex portfolio of mixed livelihoods will help to expand their economic opportunities and ensure that they build sustainable livelihoods for themselves and their families. The development community must be aware that to create social and economic change will require a long-term investment of time and resources.

## **B. INCORPORATING MIXED LIVELIHOODS**

Many youth livelihoods programs focus on providing training, employment, or business opportunities within one specific sector or area. They emphasize preparing young people for the labour market. In these programs, including those of The MasterCard Foundation, young people are often asked to choose a trade or a pathway and are supported in doing so. However, as this Livelihoods Diaries research indicates, the young people with higher incomes diversified their livelihood activities, whereas the lowest incomes were among young people who focused on agricultural production.

In order to be more effective at addressing young people's mixed livelihoods, programs may need to consider new approaches, such as decreasing their focus on building a single livelihood and instead supporting the management of a portfolio of income-

generating activities. Programs could potentially have greater impact by assisting young people with how to successfully navigate these multiple sources of income through a range of skills and tools. This is particularly true in more remote and rural areas, where a single livelihood may not be feasible for most young people. In these contexts, specialization at a rural, low-income level may be seen as extremely risky by young people, particularly for those already living at or below the poverty level, as it does not provide sufficient protection against the financial and external shocks to which they are often exposed. The notion of the formal job being the only viable pathway is beyond the reach of many young people. Though a more complex approach, mixed livelihoods instead offer a range of paths to more stable and sustainable livelihoods for young Africans.

Understanding and managing risks is critical to mixed livelihoods. The research findings confirm that respondents use various risk-management strategies in order to reduce or mitigate them. Building different streams of income enables young people to diversify their livelihoods, face unforeseen challenges and handle external shocks with surprising versatility, making them thriving risk managers. Yet most young people are using these strategies in an ad hoc manner without much knowledge or guidance on how to manage or overcome the different risks that they face. Tailored programming could provide young people with the skills and tools they need to prosper.

Many programs targeting young people tend to require significant commitments from participants. However, for young people undertaking mixed livelihoods—juggling multiple activities and responsibilities at once—setting

aside the time needed to join a training or education program is a luxury they can't afford, as it takes time away from other activities crucial to their subsistence. The youth who are able to commit time and/or funds to a training program may be the very youth with the most household and social support to enable this risk—and thus may not be the most vulnerable and difficult to reach youth who are least able to take this type risk. Programs that require a high-time investment may not be cost effective for young people. They may be better served by programs with flexible approaches that allow them to learn and earn concurrently.

Programming must also respond to the demands of mixed livelihoods. Young people are in need of hard and technical skills, but they also require soft skills as they move from activity to activity. The most effective programming acknowledges this interaction—a young person who works in a shop on a temporary basis needs to know numeracy and bookkeeping, but also how to relate to customers, how to find other jobs, and how to maintain good relations within his/her network. Soft skills can even be seen as an aspect of risk mitigation, since skills can be transferable between sectors and across livelihood activities.

### C. REACHING SCALE

Scale and reach at the rates necessary to create fundamental change in Africa will only be achieved through mass-market solutions that reach a substantial proportion of youth. Agriculture, as practiced throughout rural areas, remains a crucial pillar in young people's lives. However, despite its potential to generate wider income, young people still focus on rudimentary agricultural production for household consumption. Governments, the private sector, and the development sector should focus on increasing access to

enhanced agricultural practices, technological advancements, and showcasing the potential of agriculture as a business. Through concerted and sustained efforts, the next generation of African agricultural entrepreneurs can emerge. Expanding agriculture from household consumption to a more market-oriented approach could also help uncover other higher income-generating opportunities in the sector. Up-skilling agricultural extension agents, training, connections between businesses and farmers, building high-return value chains—these are all methods whereby changes can be made on a structural level to increase the reach and scale of an activity in which young people are already taking part.

Access to effective financial instruments is another area that can help achieve scale and reach of youth enterprises. The data indicate that those youth with access to capital through their social networks and support were better able to weather external financial shocks or make their businesses prosper, and afford investment when necessary. Access to capital also seems to afford some young people the flexibility and capacity to take on larger risks compatible with their portfolios. This extra influx of cash also enables some respondents to absorb losses in their business. While it might be difficult to influence the structure of many of these networks, often formed through family ties and marriages, young people who lack access to these types of networks could be supported through more comprehensive and effective financial inclusion programs and policies.

Further collaboration between policymakers and the relevant stakeholders on issues related to regulations and access to capital requirements can help to deepen financial inclusion, and to provide the financial capital that young people need. As highlighted in previous research,

policies that promote financial planning, including managing and saving money, have the potential for positive impacts on young people.<sup>52</sup> As a result, broad engagement with financial service providers, regulators, national policymakers, and civil society is needed to achieve financial inclusion for all young people and their households.

#### D. IMPACT THROUGH SYSTEMS AND MARKET TRANSFORMATION

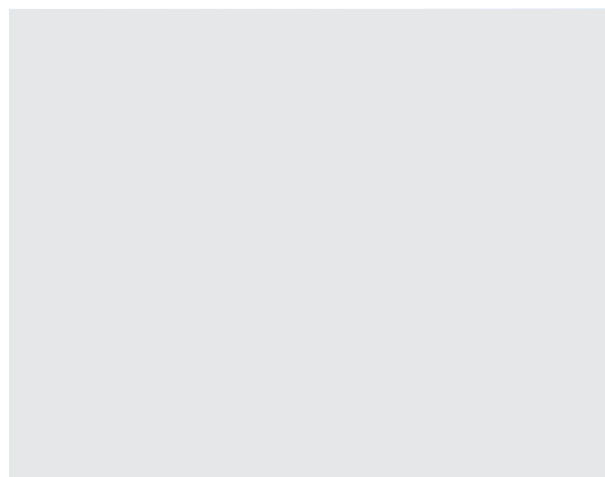
For the vast majority of Africa's young people, improved livelihoods will not come through a program or project but through improved social, educational, and economic systems. These systems should build upon the knowledge and experience of youth programs—testing what works best to improve young people's livelihoods based on a wide range of evidence—to promote structural change.

Education systems are a key factor in regards to the delivery of structural change. As African countries continue to think about reforming and improving their education and training systems, they should consider incorporating some of the key findings from this research on the prevalence of mixed livelihoods. Curricula should be developed taking into account how young people build and structure their portfolio of livelihoods, what young people's perceptions of and reactions to risk are, and the type of skills and training that they will need when managing a complex stream of incomes. Curricula roll-out and implementation will only be possible through highly qualified and trained teachers who are able to understand and support the diverse needs of their students. As much as possible, education and training systems should be built to provide flexibility to students, enabling them to learn while earning, without necessarily having to give up on education due to their need to sustain themselves and/or support their households.

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## V. LOOKING TO THE FUTURE

The development community, policymakers, and other relevant stakeholders need to provide youth with the right opportunities that will spark economic growth, expand options for the most vulnerable and marginalized, and deploy solutions for scalable interventions with tangible impact. The time for investment in youth in Africa is now—their dedication and resilience demand our attention.



Gloria, a research participant in Ghana, sells groundnuts to generate income.

# END NOTES

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38. For further information about the methodology, please see the Methodology Annex at [www.mastercardfdn.org/yldmethodology/](http://www.mastercardfdn.org/yldmethodology/).
39. There were only 22 youth who dropped out of the study; four from Ghana and 18 from Uganda. Many of the drop-outs were due to youth migrating to other areas of the country.
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43. Average of number of activities divided by number of study participants.
44. Young people were regularly asked about their gross income from various activities as well as associated expenses (to purchase seeds, for example, or small livestock that they would then raise). While gross income figures were reliably reported, the data indicated some inconsistencies in reporting expenses. Thus, this report relies primarily upon gross income figures. The research also found that the youths' reported income often did not factor in how much is saved by producing for household consumption. The respondents likely underestimated the financial value of the crops consumed in the household.
45. This definition did not include having a formal contract or employment agreement.
46. Excluding outliers.
47. Average net income figures (income less expenses) were quite a bit lower. In Ghana, \$84.49 for sole ownership and \$114.98 for partnership ventures. In Uganda, the net income was \$67.13 for sole ownership and \$43.95 for partnership.
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