

UNLOCKING AFRICA'S ASCENT: A HOLISTIC, YOUTH-LED INTRA-TRADE GENESIS

The old tractor roars on as it struggles to push through the rugged terrain. It has been a long day of tilling and toiling in the African plains in preparation for the forthcoming rains. Tagona brings the roar to a staggering halt as he kills the engine. Still sitting precariously on the seasoned machine, he whips out a copy of the First New Gazette newspaper from a backpack perched shabbily in a corner. He peruses through the article headings with half-hearted interest until one title that reads, "Africa's Plight: Poverty and Unemployment Continue to Rise" grabs his attention. As he waits for his friend Tinoziva, Tagona immerses himself in this learned piece of writing, frequently nodding to himself in approval. As he finishes reading the piece, he closes the newspaper so he can thoughtfully digest and assimilate the information. In that moment, he sees Tinoziva approaching the silent machine, walking sluggishly while a dejected look sits lazily on his face while he makes no attempt to hide it.

"Another dead end, I take it?" Tagona calls out to his friend as he mounts the tractor and sits right beside him.

"Yeah, same old story", Tinoziva replies taking a deep sigh before continuing.

"Another rejection email... apparently they could only take three graduate trainees from that large pool of interviewees."

"Sorry mate. Your turn will come surely. Do not lose hope." Tagona says trying to console his friend.

"Anyway, how did it go here on your farm? Did you make any real progress?" Tinoziva digresses.

"Nothing to write home about really – this old piece of junk could hardly work the dry earth while the plough struggled to dig into the soil as well. So I barely made any headway to be honest" Tagona relays the day's reality with a resigned look.

"But-" he adds after a little pause

"I have been thinking...I just finished reading an article on Africa's growing youthful population and its effect on unemployment and it reminded me of that African Continental Free Trade Area (AfCFTA) thing that they have been talking about lately."

"Oh yeah I have read about the AfCFTA. Do you think there are any real opportunities for us - young people like you and I or is it just another futile idea peddled by superfluous politicians?" Tinoziva replies

“Actually, I think there are some latent merits to it. They do need proper execution though. I read that Africa is home to at least 1.2 billion people. Nearly 220 million of these are malnourished. They say this number will grow, since the population is likely to exceed the 2.4 billion mark by 2050.¹ With a vast array of land constituting 60% of all arable land on Earth, I think agriculture is the leading solution to these anticipated challenges. However, only 15% or \$100 billion of Africa's Gross Domestic Product (GDP) comes from agriculture.² See, this is where the momentous AfCFTA becomes relevant. I truly believe it can help lessen Africa's import bill on agricultural products through trade capacity building, co-operation in economic affairs and tariff elimination programs,” says Tagona with grave conviction.

“Hmm you make some solid points there. Africa can indeed realise significant economic and social gains that she needs via holistic approaches to agricultural trade through the AfCFTA. Deducing from what you said, I believe a strategic framework hinged on policy and effective support structures and youth-led agricultural technology (Agritech) startups can actualise sustainable agricultural and economic turnaround for the African people. Best of all, we - the young people could be key drivers of this change,” replies Tinoziva, his eyes lighting up with enthusiasm. Still buzzing Tinoziva continues.

“As you know I studied trade and tax policy modules during university. Most of it seemed too theoretical to apply in real life but I think now is a good time to implement these measures. I think we can make sure young people enjoy the agriculture-AfCFTA relationship by fostering trade facilitation measures particularly for agricultural products. If I were an African leader, to initiate trade liberalisation, I would abolish restrictive tariffs and other non-tariff barriers such as licensing regimes and most forms of non-tariff measures in line with the aims of the AfCFTA. I would also introduce a decoupled income support scheme to cushion farmers like you my friend and enable them to focus more on anticipation of demand and profitability. A substantial reduction in export taxes for farming outputs to other African countries would also occur to promote ease of exchange while favourable export subsidies will come into effect. Quality of products will strengthen confidence in intra-African trade. Consequently, I would introduce strict conformity assessment procedures to ensure agricultural products comply with food safety statutory provisions of the Codex Alimentarius Commission.”

“In synergy with other African leaders, I would lobby for market regulatory policies to encourage transparency and eradicate unfair and anti-competitive practices in the African agriculture market. Appropriate competition laws will open the free trade area for all interested parties. Liberalising the intra-African trade space

¹ The Demographic Profile of African Countries, United Nations Economic Commission for Africa (On: 06/07/20)

² THE REPORT, Agriculture in Africa 2019 by Oxford Business Group. (Retrieved On 06/07/20) from: <https://oxfordbusinessgroup.com/blog/souhir-mzali/focus-reports/agriculture-africa-2019-special-report>

will especially help smallholder farmers like you gain traction in this potential money-spinner. For farmers to exploit this lucrative space appositely, a greater share of my country's export processing zones, buffered by a sizeable government financial support package, will be for the agricultural sector. I would give special emphasis to value addition of agronomic products prior to export to increase foreign currency returns.”

“I do realise that core policy provisions on their own are not enough and require inclusive support structures. The majority of intra-African trade including in agriculture is informal with up to 40% of goods smuggled by small-scale players through unsanctioned routes³. The major reasons for these infractions are the high customs duty fees, taxes and substantial costs of business setup. Unavoidably, informal agronomy is a mainstay in Africa's trade space as it provides cheap food to most households. However, introducing incentives for formalisation of businesses, making access to export licenses easier and offering customs exemptions, for initial exports to small-scale farmers comprising 80% of Africa's agricultural muscle, would buttress intra-trade gains,” expounds Tinoziva with unrelenting gusto.

“Bravo mate! Although the technical jargon somewhat eluded me haha, I did understand the crux of your assertions. I think it will be important to demystify all these measures and policies by expressing them in simpler terms to make sure ordinary folk understand them too and fully appreciate their implications. That said, I just remembered something I read in this newspaper,” Tagona says pointing to his copy of the First New Gazette before continuing.

“You know they say only about one-quarter of agricultural players south of the Sahara have access to modern equipment. Specifically, just 5% have access to tractors. Even though I am part of this 5%, it is clear that my tractor is in poor condition as is the case for many other farmers on the continent. Most farmers are worse off as they rely on hoes and other inefficient means for land tilling. I think its pertinent to raise financial resource allocation to input support programs for youthful farmers and invest heavily in mechanisation. Moreover, rampant water shortages bedevil the industry as well. It is important to promote use of innovative water-saving methods in agriculture like drip irrigation. I also envisage an agricultural capacity building ethos where farmers especially the youth are equipped with the finest agricultural and intra-trade expertise for them to fully capitalise on productivity and conform to what they call the origin regime of the AfCFTA,” says Tagona beaming with delight.

³ Informal Cross Border Trade and Trade Facilitation Reform in Sub-Saharan Africa, https://www.oecd-ilibrary.org/trade/informal-cross-border-trade-and-trade-facilitation-reform-in-sub-saharan-africa_225770164564

“Secondly, the increase in locust infestations and other novel crop maladies, the African technology renaissance and its allied monetary investments have birthed the nascent and rapidly burgeoning agritech startup scene in recent years. Touted as a panacea to the callous effects of the COVID-19 pandemic on Africa’s farming community, agritech has already justified the hype, by providing digital solutions for sustaining supply chains, and customer relations online during these difficult times. Kenyan agritech startup Twiga Foods penned a contract with established internet firm Jumia to enable consumers to purchase agricultural products on the internet from small-scale players during lockdown.⁴ Locally, Kurima Mari, a mobile farming application has become a viable technology tool for commercial and small-scale farmers. It helps farmers with capacity building and facilitating easier communication with potential buyers for their produce. With less trade barriers from the AfCFTA, agritech will become a potential game-changing sector for young people.”

“Furthermore, the mean age for farmers on the African continent is 60. The African Development Bank (AfDB) reports that only about 25% of African youth are able to secure jobs from an annual pool of 12 million job seekers.⁵ By 2025, Africa could see well over 260 million young people job-less. The youth are typically technology trendsetters and purveyors of innovation. Armed with the reality of the proven impact of agritech, the ageing African farmer, the boundless technology affinity of young people, the staggering unemployment projections, and less trade restrictions owing to the AfCFTA, I think it is important to invest in robust agritech training and entrepreneurship programs for young people. This agritech-young people duality will help solve the age and employment problems while introducing innovative digital platforms that will facilitate seamless and virtual intra-trade between agricultural players in different parts of Africa.” exclaims Tagona with youthful exuberance.

“I couldn’t agree more with you. Imagine young Africans tapping into all these possibilities presented by the AfCFTA. It would change the continent’s gains for sure. In fact, the AfCFTA intra-African trade market is projected to see \$2.5 trillion in African GDP gains.⁶ Agricultural entrepreneurship (agripreneurship) will surely contribute a large chunk of that amount. I really hope youngsters can exploit this wealth potential,” responds Tinoziva before continuing excitedly.

“I also think that youths need to be proactive to influence policy reform and implementation while responsible authorities have to create inclusive spaces where youth participation in decision making and local governance is possible. If given sufficient room to interface with policymakers, young people can potentially proffer

⁴Post COVID-19 business un-usual in agricultural value chains by Pschenichnaya and Mustafa. At: <https://www.gsma.com/mobilefordevelopment/uncategorized/post-covid-19-business-un-usual-in-the-agricultural-value-chains/> (Accessed on 08 July 2020)

⁵ Jobs for Youth in Africa, Catalyzing youth opportunity across Africa, AfDB. (Accessed on: 06 July 2020)

⁶ African Continental Free Trade Area – Questions and Answers, United Nations Economic Commission for Africa, <https://www.uneca.org/publications/african-continental-free-trade-area-questions-answers>

sound economic views on the AfCFTA and its implementation. These consultations can also serve as gateway to other pertinent discussions like the fiscal policy where youths can also share their ideas on buttressing macroeconomic stabilisation, aggregate demand and the tax-free threshold to promote economic resurgence. The youth can also work with the anti-corruption agencies across the continent like the Zimbabwe Anti-Corruption Commission (ZACC) to design methodologies to mitigate the ubiquitous scourge of corruption. Sound fiscal policies and corruption-free trade spaces within Africa also help young agripreneurs to fully explore opportunities availed by the AfCFTA.” says Tinoziva

“So right! I really do think that you and I should start our own formal agripreneurship business. I think that could work. With my agricultural expertise and your trade, technology and monetary knowledge we could really do something amazing in the agritech space while leveraging on the AfCFTA opportunities but... what about financing?” quizzes Tagona.

“I am sure we can bootstrap for starters but I think more needs to be done in this regard Microfinance institutions in conjunction with government departments ought to create a bigger, more inclusive fund specifically for youth-led businesses contributing to the AfCFTA as these have massive economic potential. In so doing, Zimbabwe can minimise unemployment among young people,” replies Tinoziva

“Let’s do it then.”

“Absolutely...let’s indeed!”