Rethinking agripreneurship:
Impact of personal initiative agripreneurship training on improving the abilities of African youth to start and manage successful agribusinesses

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1 Background

The youth population (15–35 years) worldwide has reached an unprecedented figure and will continue to grow in the coming decades. Most of this increase will take place in Africa south of the Sahara (UN DESA, 2019). Africa is the only region where the youth bulge will continue to grow in the foreseeable future. More than 453 million Africans are between the ages of 15 and 35 (AUC, 2019). In Africa south of the Sahara, some 375 million youth are expected to join the labour force by 2030 (OECD, 2021).

Africa needs more and better jobs with adequate living income and decent working conditions, considering the conditions that matter for her growing youth population. While the youth unemployment rate in Africa is 12.7 percent (ILO, 2022), working poverty among young people is much higher in Africa than elsewhere (at 63 percent). In addition, more than one in five of all young Africans have neither a job nor are they participating in education or training (Not in Education, Employment or Training – NEET) (ILO, 2020). Africa also has the highest share of tertiary educated youth working in medium- or low-skilled jobs (OECD, 2021).

Over 48 percent of educated youth find refuge in the informal economy – two-thirds with secondary education and close to one-third with tertiary education were employed in the informal sector, with an extreme working poverty rate of 36.9 percent (ILO, 2020).

Lack of gainful employment opportunities with adequate living income underlines Africa’s most pressing issues such as distress migration, peace and security, making it the number one policy preoccupation for policymakers in the continent. Hope for better economic and social prospects is a major driver for African migrations. The high numbers of frustrated youth may potentially lead to political and social instability. In fact, in 2017, 53 percent of surveyed members of extremist groups in Africa were between 17 and 26 years old when they joined. The offer of employment was the most frequently cited incentive at the time of recruitment (Rocca, 2020).

Over the years, the agriculture sector has absorbed a large share of the rural working-age population in Africa (FAO, 2022), and more employment opportunities are likely to exist in diversified, nutritious, and processed food. An increasing share of youth can find employment in food processing and food services as opposed to farm production (World Bank, 2018). Rapid urbanization combined with a rising middle class is increasing domestic demand for diversified processed food in Africa. This growing demand is currently being met by food imports, estimated at US$35 billion annually. Much of the imported food could be produced and processed locally while creating jobs for young people (OECD, 2021) (World Bank, 2020).
Agripreneurship can turn job seekers into job creators and help young agripreneurs not to fall back into unemployment again. In this regard appropriate business training could be a solution to turn young adults into agripreneurs. It has been shown to have stronger outcomes than other programmes such as finance interventions (Grimm and Paffhausen, 2015).

However, not all business training programmes are effective and not all trainees benefit. Evidence has been mixed concerning the impact of traditional business training in enabling youth to develop viable businesses, including in the agriculture sector. Good business practices such as good record-keeping and marketing skills are directly linked to higher survival rates and stronger sales growth in microenterprises (McKenzie and Woodruff, 2017). However, traditional business training and many classroom-style courses meant to inculcate such skills do not succeed in getting trainees to practice what they have learned in real life (McKenzie, 2021).

More recent evaluations of the effectiveness of alternative approaches to training programmes showed more promising results (McKenzie, 2021). In Togo, for instance, it was found that teaching business skills was less effective than action-oriented training that shows students how to identify and evaluate business opportunities, set goals, make plans and show personal initiative (PI) behaviour (i.e. being self-starting, future-oriented and persistent in overcoming barriers) (World Bank, 2017).  

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1 Two years after the end of both training programmes, the business owners who participated in the action-oriented PI Training outperformed the business owners who participated in classical IFC finance training with increases in firm profits by 30 percent compared to 11 percent. The training had the biggest impact of women-owned businesses (Campos et al., 2017).
To prepare African youth to take advantage of the current demand for food and create employment for themselves and others, the Food and Agriculture Organization of the United Nations (FAO), in partnership with MIT Bootcamps and Doorways gGmbH, developed personal initiative agripreneurship training that combines the value chain approach with entrepreneurship best practices and personal initiative training.

**Personal initiative (PI) training** is psychological entrepreneurship training. Showing personal initiative means being self-starting, future-thinking and overcoming barriers.

‘Self-starting’ implies that agripreneurs act without being told or without mimicking others. They seek to be different in the way they pursue business opportunities.

‘Future-thinking’ means that agripreneurs anticipate potential setbacks and opportunities and prepare for them now. Successful agripreneurs can identify future needs of customers, new customers, changes in laws and technology, social trends as well as possible threats to their businesses.

‘Overcoming barriers’ means being persistent when problems occur and embracing them as a chance to learn and to develop. Also, errors should be embraced and be seen as a chance to learn and to get better.

The course was delivered online, making use of internet penetration advancements in Africa.² Over 2,300 applicants (27 percent female) from 34 countries responded to the online call for applications, almost half of which came from Ghana, Kenya, Nigeria and Uganda. In total, 1,117 candidates were offered the training, resulting in 620 agripreneurs finishing more than 57 percent of the training materials, 27 percent of whom were women – representing a 56 percent completion rate.

The average age of those who enrolled in the programme is 29 years; 77 percent have a university degree and 95 percent are founders of businesses. It is worth noting that 52 percent of those trained have legally registered their businesses.

The course was tested using a randomized control group design and proved that it has significant effects on entrepreneurial self-efficacy, entrepreneurial planning and entrepreneurial actions in the short run. These results are promising because they increase the likelihood that these intermediate outcomes will translate into longer-term impacts relevant for successful agripreneurship, such as increases in business start-up, sales and profits.

Data was collected in four survey rounds shortly before the start of the training and immediately after the end of the last session of the training. All data was collected via online questionnaires. In total, 446 training participants participated in the four survey rounds.

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² According to data from the World Bank, the total number of individuals using the internet rose from 159,273,360 to 420,000,000 in Africa south of the Sahara from 2015 to 2020.
The evaluation of the collected data showed the following results:

**Entrepreneurial self-efficacy**

Entrepreneurial self-efficacy has been shown to have a positive impact on the transfer of training outcomes (Gielnik et al., 2017). Therefore, increases in entrepreneurial self-efficacy are expected to translate into long-term adoption of the learned behaviour, thereby increasing the likelihood of success.

Entrepreneurial self-efficacy increases for the training group, but not for the control group. The strong increase in entrepreneurial self-efficacy for the training group results in statistically significant differences between the training group and the control group at endline (Training: Mean=4.78, Standard Deviation=0.77; Control: Mean=4.60, Standard Deviation=0.81; p=.015).

**Entrepreneurial action and entrepreneurial planning**

Increases in entrepreneurial action should increase the likelihood of maintaining a successful entrepreneurial career, as it has been shown to increase the likelihood of future entrepreneurial endeavours (Gielnik et al., 2015).

Entrepreneurial planning likewise has been shown to increase entrepreneurial success (e.g. meta-analysis by Brinckmann et al., 2010) and the likelihood of creating new/additional ventures (e.g. Gielnik et al., 2015). In general, action planning as taught in the course, is a significant predictor of subsequent performance (Gollwitzer, 1999).

At endline, the results show statistically significant differences between the training group and the control group, both for entrepreneurial planning and for entrepreneurial action (EPL - Training: Mean=3.84, Standard Deviation=1.1; Control: Mean=3.59, Standard Deviation=1.24; p=.029 / EAC - Training: Mean=3.96, Standard Deviation=0.66; Control: Mean=3.80, Standard Deviation=0.77; p=.016). For the training group alone, there are marginally significant increases for entrepreneurial action (p=.038) from baseline to endline, while there is a statistically significant decrease for the control group and entrepreneurial planning (p=.046) from baseline to endline.

It should be noted that it was more the statistically significant decrease from baseline to endline for the control group that led to the statistically significant differences between the training group and the control group at endline. The strong decrease in entrepreneurial planning for the control group might be related to the increasing uncertainties that were building up during the training/while the training was being rolled out (to the training group). With the COVID-19 pandemic already underway and the crisis in Ukraine with its effects on the world economy, the training course seems to have
helped the participants to stay on track, become active and continue to plan how best to foster their entrepreneurial activities in the future.

and the control group only came into effect after combining the data of the different cohorts.

### Business practices

The business practices included in the survey have been shown to have a positive effect on sales, profits, labour productivity and total factor productivity, as well as leading to higher rates of firm survival and sales growth (McKenzie and Woodruff, 2017).

The use of business practices showed statistically significant increases for the training group (T1: Mean=0.76, Standard Deviation=0.24; T2: Mean=0.82, Standard Deviation=0.21; p=.020). Differences between the two groups were marginally significant at baseline and became statistically significant at endline. Because the evaluation of the training was carried out in three cohorts at different points in time, the differences between the training group and the control group only came into effect after combining the data of the different cohorts.

Personal initiative decreased both for the training group and the control group from baseline to endline, with the decrease being marginally significant for the training group. (Training: T1 [baseline]: Mean=3.58, Standard Deviation=0.63; T2 [endline]: Mean=3.47, Standard Deviation=0.71; p=.08017).

With personal initiative as a core element of the training course and taking into account the overall statistically significant differences between the training group and the control group regarding the measures entrepreneurial self-efficacy, entrepreneurial action, entrepreneurial planning and business practices at endline, the marginally significant decrease of the measure personal initiative for the training group might be because trainees realized during the course of the training that their level of personal initiative was not as high as they initially thought.
Satisfaction with training

Overall satisfaction with the training is high (M=4.33 [5 max]). Training participants were most satisfied with the course content (M=4.53) and least satisfied with the course exercises (M=4.17).

Training participants indicated that, overall, they found the training to be very useful (M=3.79 [4 max]).

**MAKING SENSE OF THE RESULTS**

The results show statistically positive effects between the training group and the control group regarding the measures entrepreneurial self-efficacy, entrepreneurial action, entrepreneurial planning and business practices at endline. The results show overall high satisfaction with the training, the content of which was, on average, found to be very useful for the trainees.

Overall, the results show that the training course has helped the trainees to draw a clearer picture of their actual levels of personal initiative while at the same time increasing their confidence in their entrepreneurial abilities. The training has further led trainees to become more entrepreneurially active, to counter external shocks by keeping up their entrepreneurial planning activities and to adopt valuable business practices. Based on these results, the course should be rolled out and made available to larger audiences.

**Annexes**

The following constructs were used to assess the effectiveness of the training:

**Personal initiative**

Personal initiative used the seven-item Likert-scale by Frese et al. (1997) (e.g. I use opportunities quickly to attain my goals; I take initiative immediately even when others do not; I actively attack problems; Whenever there is a chance to get actively involved, I take it). Response options ranged from 1) “strongly disagree” to 4) “strongly agree”.

**Entrepreneurial self-efficacy**

Entrepreneurial self-efficacy used an 11-item Likert-scale adjusted from the scale used by Krauss et al. (2005) (e.g. How confident are you that you can perceive business opportunities well?; ... do the marketing of a business well [e.g. promotion, advertising]?; ... find additional financial capital for your business?; ... do market segmentation well?; ... uncover frustrations and needs in the market well?; ... develop a minimal viable product for your business well?; ... set goals and make plans for your business well?). Response options ranged from 1) “0 percent” to 6) “100 percent”.

**Entrepreneurial action**

Entrepreneurial action used a 12-item Likert-scale adjusted from the scale used by Gielen et al. (2015) (e.g. In your business, how much effort have you already put into checking whether there is a demand or need for your product/service in the market?; ... discussing
your business idea with family, friends, advisors or other businessmen/businesswomen?; … gathering information about suppliers, customers, competitors or your industry?; … uncovering frustrations and needs in the market?; … developing a minimal viable product for your business?; … setting goals and making plans for your business?). Response options ranged from 1) “Not at all effort” to 5) “Very much effort”.

**Entrepreneurial planning**

Entrepreneurial planning used a 12-item Likert-scale adjusted from the scale used by Gielnik et al. (2015) (e.g. How detailed are your plans to check whether there is a demand or need for your product/service in the market?; … discuss your business idea with family, friends, advisors or other businessmen/businesswomen?; … gather information about suppliers, customers, competitors or your industry?; … uncover frustrations and needs in the market?; … develop a minimal viable product for your business?; … set goals and make plans for your business?). Response options ranged from 1) “Not at all detailed” to 5) “Very much detailed”.

**Business practices**

Business practices used 11 binary measures (yes/no) as used by McKenzie and Woodruff (2017) in a two-step procedure, with the first question asking whether or not the respondent was currently, alone or with others, the owner of a business. If this question was confirmed, the respondents received the following introduction: “Now I am going to ask you questions about things you have done in your business in the last three months. To clarify, I am talking about your main company.” Examples of business practices are: Have you visited one of your competitors to become familiar with their prices? (includes visiting your competitors’ websites); Have you visited one of your competitors to become familiar with their products or services? (includes visiting your competitors’ websites); Have you asked your customers whether there are products or services that they wish you would offer? Have you reviewed your financial performance monthly? Have you compared your sales to your targets/goals?

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REFERENCES


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