CHAPTER ONE

Background to the Study

1.0 Introduction

The protracted and deep-rooted economic crisis that has affected nearly every country in Sub-Saharan Africa (SSA), including Zambia, has had a profoundly negative impact on the well-being of the entire population in the region. However, young people aged 25 and below (the youth) growing up in the midst of the crisis have been particularly affected. Economic opportunities in the formal sector of the economy have contracted sharply. This situation has compelled unemployed young people, especially out of school youth, to venture into enterprise activities in what is generally referred to as ‘the urban informal sector’ which many African governments are now encouraging and promoting as a way of creating employment and other opportunities for young people. However, a review of existing literature indicates that no detailed study of youth enterprise activities in the urban informal sector has been conducted in Africa in general and Zambia in particular. The tendency has been to subsume the youth into the general adult population, or to generalise the enterprise activities undertaken by young people in the informal sector (Bennell, 2000; Mkandawire, 1996). This has resulted in the lack of an adequate understanding of the specific forms of informal enterprise activities that out of school youth undertake and the extent to which informal enterprises generate sufficient means for youth to produce ‘independent’ livelihoods. In particular, it means that the degree to which existing institutions meet the needs of youth enterprises is presently not known. The present study investigated the types of enterprise activities that the youth in low-income urban settlements in Zambia undertake.

1.1 Objectives of the Study

The main objectives were:

1. To investigate the status of youth enterprise activities in the urban informal sector in Zambia; and

2. To investigate the extent to which the existing policy and institutional framework for promoting youth enterprise development address the needs of youth proprietors.

\(^1\)Initially SSA referred to all African countries south of the Sahara excluding South Africa and Namibia (Basu and Stewart, 1995). However, following the independence of Namibia in 1984 and democratic elections in South Africa in 1994, SSA now includes all countries south of the Sahara, including Namibia and South Africa. In this study, the term ‘SSA’ will be used interchangeably with the term ‘Africa’.
1.2 **The Research Methodology Selected for the Study**

This section describes the research design adopted for the study. In general terms, a research design is defined as the overall strategy for conducting an enquiry. However, prior to this study, a pilot survey was conducted in some areas of Lusaka Province and Southern Province to identify issues which needed further investigation in a detailed case study.

1.2.1 **The Research Design**

To address the research objectives, there was need to obtain primary data relating to the socio-economic characteristics of the urban out-of-school youth and the nature of their enterprise activities in the informal sector in Zambia. This necessitated the adoption of a *mixed household and enterprise survey*. As Hussmanns (2000), argues, mixed household and enterprise surveys make it possible to analyse jointly, at the enterprise or household level, the various kinds of informal sector activities undertaken by the same individual or household. In this way, data on the characteristics of the informal sector activities and business owners can be both collected and related to the characteristics of the business owner’s home as obtained from the same survey. In the context of this study, this is particularly important for an assessment of the level of youth participation in the informal sector and the contribution of youth enterprises to the household income and for analysis of the impact of the household situation on the activities of young people working as informal sector entrepreneurs.

For the purpose of this study, the household and enterprise survey was modified to adapt it to the particular characteristics of the sample and informal sector activities required for investigation (see Section 4.3.2). Given the diversity and nature of the data required, the researcher also decided to complement the findings of the sample survey with ‘participatory’ or qualitative data, based on the experiences and perceptions of both young people themselves and non-youth operators working in the informal sector. The qualitative information also facilitates explanation of the information collected through the sample survey.

1.2.2 **Target Groups for the Study**

Given the diversity and nature of the data required to answer the research questions, use of a several target groups was found inevitable. The researcher felt that obtaining information from only a group of young people involved in running enterprise activities would not be enough to understand and explain the nature of youth enterprise activities in the urban informal sector. For this reason, a sample of non-youth operators was selected in order to compare and contrast the performance of enterprises run by young people and those undertaken by non-youth operators in the urban informal sector. This would help to address the sixth objective in the study which sought to find out whether there were any differences in the performance of informal enterprises run by youth operators and those undertaken by non-youth operators (adults). Further, it was felt necessary to compare the aspirations and attitudes of young people engaged in running enterprise activities in the
urban informal sector as *proprietors* with those of youths and non-youths who were not similarly engaged in running enterprise activities in the informal sector as operators.

The study therefore investigated four groups of people in Chawama compound: ‘proprietor youth’, ‘non-proprietor youth’, ‘non-youth informal sector operators’ and ‘non-proprietor adults’. In line with the operational definition of ‘youth’ adopted in the study, the ‘proprietor youth’ and ‘non-proprietor youth’ were young people aged between 15 and 25 years. ‘Non-youth proprietors’ and ‘non-proprietor adults’ were persons above the officially designated upper age limit of 25 years for youth. The upper age limit for non-youths was 65 years. We decided to focus on the age group 26-65 years for non-youths because this was the category for the ‘economically active’ age group in Zambia, as defined by the Central Statistical Office. Thus, persons who were either less than 15 years or above 65 years were excluded from the sample. CSO generally describes those above 65 years as ‘dependants’. However, the definition of the labour force in Zambia was recently revised downwards to include children aged from 12 years old in an attempt to take cognizance of the role that these children are playing in household survival strategies. Nevertheless, we excluded these children from the survey sample as they fell below the official minimum age limit for ‘youth’ in Zambia. By excluding those aged less than 15 years and those above 25 years, we sought to investigate the suitability of using chronological age as the basis for defining ‘youth’ in the Zambian context.

1.2.2.1.1.1.1.1.1 Sampling Strategy

The choice of the sampling strategy for the study was influenced by several factors which necessitated the adoption of innovative approaches in the light of the difficulties of using traditional survey research approaches in an area that lacks a reliable sampling frame. This is discussed in the section on field work.

1.2.3 Research Methods Employed for Data Collection

Given the diversity and nature of the data required to address the research questions and answer the research questions, the study used a multi-method and multi-instrument approach comprising a combination of both quantitative and qualitative data collection methods. Use of this method was aimed at gaining an in-depth understanding of the enterprise activities of youth in the urban informal sector in Lusaka and the institutional environment within which they operated. In addition, it is generally believed that multiple research strategies make it possible to check the validity of data and increase confidence in the data collected (Burgess, 1997). The constant comparison of data from different strategies is called triangulation by some researchers (May, 1993). This comparison of data obtained by different methods can also reveal biases inherent in different research strategies (Detailed information on the methods used for data collection are given in Appendix I).
1.2.4 The Survey Questionnaire

To obtain information on the socio-economic characteristics of youth as well as the types of informal enterprise activities they were involved in, the study largely relied on the use of a questionnaire. As already noted, a structured questionnaire was carefully designed, pre-tested and administered to a randomly sample of respondents, both youths and adults. The questionnaire was intended to collect detailed structural information on the composition of the informal sector and operators, especially the youth, in Chawama in terms of the number and characteristics of the businesses involved, and to obtain data for in-depth examination of the production activities, employment, income generation and the capital equipment of informal sector enterprises, the conditions and constraints under which they operate, their organization and relationships with the formal sector and the public authorities, and so on. Informal sector businesses themselves and their owners were observation and reporting units. The generated information helped us to understand both the socio-economic situation of young people in Chawama and what a youth enterprise is in terms of, among other things, characteristics, structure, and potential for growth.

Given the complex nature of youth livelihoods and enterprise activities in the informal sector, the survey method was complemented by the use of qualitative or participatory research methods. The next section discusses the non-quantitative data collection techniques that were used by the study.

1.2.5 Qualitative Methods

These methods were largely used to collect non-numerical information on the motivations driving the enterprise activities of youth in the informal sector; and the aptitudes and behaviours that formed the basis of their decisions and choices. The techniques were also be used to ‘delve in-depth into complexities and processes of enterprise graduation among youth at different stages of their lives in the informal sector’. Apart from observations and focus group discussions, most of the qualitative methods took the form of personal interviews. An advantage in this approach was that the personal interview allowed for cross consultation, reducing misunderstanding, and inflexibility. Another important feature of all the qualitative methods used, with the exception of observations, is that a good number of the respondents were asked and agreed to the interviews being voice-recorded. Tape-recording of interviews allowed the author to concentrate on listening and probing, so that spontaneity and flow were not interrupted. A further advantage is that the original words of the respondents were not lost, to which note-taking is prone. However, handwritten notes were still taken by the assistant researcher as a precautionary measure. The researcher also took a number of photos of some of the discussions and informal sector activities in Chawama as part of the research process.
1.2.6 Choice of Study Area

The field work for this study was conducted in Chawama, a sprawling low income residential area in Lusaka, the capital city of Zambia. The researcher traveled to Zambia towards the end of September, 2000 and spent about five months conducting the field work. Chawama was purposively selected for the study for a number of reasons. First, the researcher felt that in order to investigate youth enterprise activities in the urban informal sector in Zambia, it would be more illuminating to conduct a case study in a particular area and explore in greater depth the nature of enterprise activities in the informal sector in general and those undertaken by young people aged between 15-25 years in particular. A case study would make it possible to study at a micro level the interacting influences of economic, social and other factors that influence the development of youth enterprise activities in the urban informal sector. In this way, a more comprehensive picture of the nature of youth enterprise activities in the urban informal sector would be obtained, which would illuminate the types of institutional interventions appropriate for promoting youth enterprise development in the urban informal sector. A case study in Chawama offered a valuable insight into the functioning of the informal sector in a specific urban environment and would also be less costly than a general survey. Other factors that influenced the choice of Chawama as a research site include; a large urban informal sector; a large population of young people; and the researcher’s familiarity with the area.

1.2.7 The Field work

Before the commencement of the survey, permission was obtained from the Lusaka City Council (LCC) to conduct a survey in Chawama. LCC officials introduced the researcher to members of the Chawama Residents Development Committee (RDC). This resulted in a good working relationship with local leaders which made the data collection exercise efficient. Since the offices of the RDC were next to the offices of the Care Pulse project (a micro-credit scheme) and the HUZA-sponsored Chawama Youth Project and the main market, nearly all the main economic activities taking place in the centre of Chawama could be observed at close range. The researcher held three meetings with members of the RDC to discuss the research process and how it was going to be conducted in Chawama. It transpired that the list of households and map of Chawama found at the RDC office was old and out-dated. The map was last updated in 1975, while the list was prepared in 1979. As a result, many households were missing from the list. In addition, there were also practical difficulties of using such a list in many parts of the township where there were no orderly streets.

With the help of the RDC, a team of 11 enumerators was recruited and trained in survey research methods. Of these, six were males, while five were females. All the enumerators were Grade 12 school leavers resident in Chawama. The decision to use enumerators resident in Chawama was based on the assumption that using local people would result in

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2 The officials of the ruling political party (Movement for Multiparty Democracy), who have organised themselves into what they call the Residents Development Committee (RDC) to oversee development in the township, are the undisputed leaders of Chawama.
efficient collection of data as they knew the area quite well. A structured questionnaire was carefully designed and pre-tested for use in data collection. The aim of the pilot survey was to test whether the design of questions was logical, if questions were clear and easily understood, whether the stated responses were exhaustive and how long it took to complete the questionnaire. The pre-test also allowed the researcher to check whether the variables collected could easily be processed and analysed. Following the successful conclusion of the pilot survey, enumerators were sent to the selected SEAs to conduct the survey. The questionnaire was intended to collect detailed structural information on the composition of the informal sector and operators in Chawama, especially the youth.

Given the absence of a reliable sampling frame of residents in Chawama, in particular of those running enterprise activities, the ‘household’ rather than the ‘informal sector activity’ was used as the survey unit. The selection of households for the study in Chawama was done through multi-stage based sampling or what is generally referred to as ‘stratified cluster sampling’. Stratified cluster sampling is particularly useful where there is no readily available sampling frame (Nkhata, 1998; Nachmans and Nachmans, 1981). Not surprisingly, the use of stratified cluster sampling is becoming popular among researchers in investigating informal sector enterprise activities in Africa, especially in low income urban settlements that lack reliable sampling frames. In particular, researchers are increasingly finding it convenient to use strata demarcated for census purposes (Mead, et al., 1994; Parker, 1996). Other studies that use this approach are household surveys and living conditions monitoring surveys (LCMS) sponsored by the World Bank. The Central Statistical Office in Zambia uses a similar approach in conducting living conditions monitoring surveys and other household surveys.

The use of census strata known as Census Supervisory Areas (CSA) and Standard Enumeration Areas (SEA) was adopted for this study from the Central Statistical Office in Lusaka, the study area. This followed intensive consultations with statisticians at the Central Statistical Office. With funding from the International Development Researcher Centre (IDRC), the researcher hired one statistician and a cartographer to prepare an up-to-date map on Chawama and to advise on the selection of sampling units in the sampled strata. The map was used to define the boundaries of CSAs and SEAs in Chawama so as to divide them into ‘non-overlapping’ and ‘exhaustive’ categories. This was done in order to avoid the problem of ‘double counting’ which might have arisen from enumerators targeting already selected households. At present, Zambia is divided into nine provinces and 72 districts. During the 1990 population census, each district (by then 57) was subdivided into CSAs and finally each CSA into a minimum of three SEAs. Chawama has a total of 12 CSAs and 45 SEAs. The sampling units are selected at the SEA level which are much smaller and much more uniform than the larger CSAs (See Appendix III).
1.2.8 **Data Analysis**

The findings contained in this study are based both on qualitative and quantitative data analysis. The use of qualitative data analysis largely involved identifying and isolating the major themes, meanings, common explanations, patterns, trends and understanding in the respondents’ responses. This process made it possible to classify and analyze the responses obtained using such data collection techniques as focus group discussions, social mapping, seasonality analysis, daily activities analysis, ranking and scoring. On the other hand, quantitative data analysis involved the use of the Social Sciences Statistical Package (SPSS). This made it possible to generate frequencies, tabulations and graphs.

1.3 **Limitations of the Study**

The obvious limitation of this study is that it was not a general survey of the urban informal sector covering the whole of Zambia, or all of its capital, Lusaka. Rather it was a study of youth enterprises activities in the urban informal sector limited to one residential area in Lusaka. Undoubtedly, this deprives the study of the benefits of breadth which can only be obtained by conducting a large scale, and more costly, survey of the urban informal sector covering the whole of Zambia, or even the whole of Lusaka. However, concerning this limitation, we can argue that breadth does not mean that the depth that can accrue from a case study such as this one is lost. By investigating youth enterprise activities in a specific urban environment, this research provides a comprehensive picture of the nature of youth enterprise activities in the informal sector at a micro level. Secondly, we should note that Chawama, the research site, may be taken as typical of other low income suburbs in Lusaka and elsewhere in Zambia or Africa where conditions are comparable. Thirdly, the enterprise activities of youth in the urban informal sector in Chawama can be taken as representative of the enterprise activities of youth working in the urban informal sector in other low-income suburbs in Zambia. Given these factors, the findings of this study should be seen as broadly representative of the enterprise activities of out of school youth operating in the urban informal sector in Zambia.

1.4 **Organization of the Report**

The rest of the report is organized in six chapters. Chapter Two looks at the economic and social context of youth livelihoods in Zambia. Chapter Three discusses the definition and socio-economic characteristics of youth. The nature of youth enterprise activities in the urban informal sector is discussed in Chapter Four. The conclusions and recommendations are given in Chapter Five.
CHAPTER TWO
The Economic and Social Context of Youth in Zambia

2.0 Introduction

This chapter discusses the current macro-economic environment in Zambia. It discusses the poverty and employment situation and how these influence or affect the livelihoods and enterprise activities of young people.

2.1 The Economic Situation

The performance of the Zambian economy has over the last thirty years been influenced by two main factors. First, is the heavy dependency of the economy on copper production and its contribution to Gross Domestic Product (GDP), foreign exchange earnings and government revenues. Second, was the nationalization of major industries which followed independence in 1964 and a strong policy of promotion of import substitution industries (ISI). During this period, the state, which increasingly came to play a central role in societal transformations, embarked upon a large scale nationalization programme which put control of 80 percent of the economy under state control.

Available literature shows that the Zambian economy performed extremely well prior to 1974, largely owing to the high copper prices. As a result, in the 1960s and early 1970s, Zambia was regarded as the richest country in tropical Africa. However, when copper prices collapsed, the economy began to experience serious problems. There is also a feeling that poor economic management and internal policy mistakes by the government served to worsen the crisis (World Bank, 1994). It is argued that heavy state involvement in the economy was accompanied by expansionary fiscal and monetary policies, rising government and balance of payments deficits, rising inflation and foreign debt, and above all, rising unemployment, particularly among young people. The rising financial problems adversely affected the capacity of the State to initiate new development projects and sustain provision of previous levels of social services and benefits, including infrastructural reproduction. It also became evident that the high expectations that state-sponsored industrialisation, usually through import substitution, would absorb labour as rapidly as increases in the labour force, especially in the face of a rapidly growing youth population, were largely unfounded.

The economic problems deepened and assumed alarming proportions in the 1980s, which led to a new approach to economic development. In an attempt to survive or resuscitate their economies, Zambia, like other African countries, became preoccupied with the elaboration or implementation of one or other variety of economic recovery and adjustment programmes currently in place all over the continent. These programmes resulted in economic restructuring which was, and still is, largely aimed at both reducing the role of the state in economic development and introducing a market economy. Among the reform measures introduced were fiscal and monetary policies designed to reduce the
governments’ fiscal deficits and inflation; elimination of control on key monetary instruments such as the exchange rate, interest rates and public utility tariffs; liberalisation of agricultural input and product markets; removal of subsidies; civil service reform; and many other institutional and legislative changes.

The implementation of the reform programmes has so far produced mixed results and consequences in different sectors of the Zambian economy and society, and among different social groups across the country. Available evidence shows that while the restructuring process has opened up new opportunities in some areas, they have also created significant difficulties for many people, especially in the area of employment and livelihoods (World Bank, 1994; Mlambo, 1998). As the role of the state is being transformed as part of the current reforms, increasing numbers of people have lost the secure means of reproducing themselves in the formal sector, resulting in widespread and acute poverty. Available statistics show that between 1992 and 1994, employment in Zambia declined by a massive figure of 47,900, while the number of registered redundancies were 18,712. It is unlikely in such a context that any new jobs could have been created during this period. The table below shows the number of registered redundancies during the period 1989-1994, while table 4 provides statistics on the labour Force, Employment and Unemployment between 1975-1996.

Table 1: Formal Sector Employment and Registered Redundancies, Zambia 1989-1994

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment</th>
<th>Registered Redundancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>540,500</td>
<td>1,474</td>
</tr>
<tr>
<td>1990</td>
<td>543,300</td>
<td>2,765</td>
</tr>
<tr>
<td>1991</td>
<td>544,200</td>
<td>3,503</td>
</tr>
<tr>
<td>1992</td>
<td>549,900</td>
<td>6,220</td>
</tr>
<tr>
<td>1993</td>
<td>520,000</td>
<td>4,873</td>
</tr>
<tr>
<td>1994</td>
<td>502,000</td>
<td>7,613</td>
</tr>
</tbody>
</table>


In the view of Seshamani, the above statistics provide sufficient testimony to the damaging impact that SAP policies have had on the overall employment situation in Zambia, especially given that the decline occurred markedly during the rapid phase of policy reform implementation under the MMD government.

This declining job opportunities in the formal sector has resulted in the widespread emergence of the phenomenon of the self-reliant coping modes in the informal sector which have been adopted by large sections of Zambian society in order to survive the devastation wrought by the crisis, especially from the mid 1980s, and in the wake of intense economic restructuring in the 1990s. It is in this context that the issue of youth livelihoods and enterprise activities in the informal sector in Zambia should be examined.
Table 2: Labour Force, Employment and Unemployment, 1975 – 1997
(Some selected years)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Force (000)</td>
<td>2,718</td>
<td>3,215</td>
<td>3,25</td>
<td>3,503</td>
<td>3,672</td>
<td>3,839</td>
<td>3,993</td>
<td>4,197</td>
</tr>
<tr>
<td>Total Employed Labour Force (000)</td>
<td>2,364</td>
<td>2,519</td>
<td>-</td>
<td>2,812</td>
<td>-</td>
<td>-</td>
<td>3,377</td>
<td></td>
</tr>
<tr>
<td>Formal Employment Total (000)</td>
<td>526.5</td>
<td>544.2</td>
<td>546</td>
<td>526</td>
<td>496</td>
<td>485</td>
<td>479</td>
<td>472</td>
</tr>
<tr>
<td>Agriculture (%)</td>
<td>14.7</td>
<td>14.3</td>
<td>15</td>
<td>15.9</td>
<td>15.8</td>
<td>14.2</td>
<td>14.2</td>
<td>14.1</td>
</tr>
<tr>
<td>Mining and Quarrying (%)</td>
<td>12.3</td>
<td>11.9</td>
<td>11.4</td>
<td>11.2</td>
<td>10.3</td>
<td>10.8</td>
<td>9.9</td>
<td>9.1</td>
</tr>
<tr>
<td>Manufacturing (%)</td>
<td>14.4</td>
<td>13.9</td>
<td>13.5</td>
<td>13.0</td>
<td>11.5</td>
<td>11.5</td>
<td>9.9</td>
<td>9.4</td>
</tr>
<tr>
<td>Services (%)</td>
<td>28.3</td>
<td>29.8</td>
<td>31.3</td>
<td>32.4</td>
<td>35.1</td>
<td>35.6</td>
<td>36.7</td>
<td>36.4</td>
</tr>
<tr>
<td>Others (%)</td>
<td>30.3</td>
<td>30.1</td>
<td>28.9</td>
<td>27.5</td>
<td>27.3</td>
<td>27.9</td>
<td>29.3</td>
<td>31.0</td>
</tr>
<tr>
<td>Formal Employment as % of Labour Force</td>
<td>19</td>
<td>17</td>
<td>17</td>
<td>16</td>
<td>15</td>
<td>12</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>% Female of Total Formal Sector Employment</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>15</td>
<td>13</td>
<td>12</td>
<td>21</td>
<td>-</td>
</tr>
<tr>
<td>Unemployed Labour Force Total (000)</td>
<td>354</td>
<td>696</td>
<td>-</td>
<td>690</td>
<td>-</td>
<td>-</td>
<td>615</td>
<td>-</td>
</tr>
<tr>
<td>Male</td>
<td>124</td>
<td>328</td>
<td>-</td>
<td>349</td>
<td>-</td>
<td>-</td>
<td>307</td>
<td>-</td>
</tr>
<tr>
<td>Female</td>
<td>230</td>
<td>368</td>
<td>-</td>
<td>341</td>
<td>-</td>
<td>-</td>
<td>308</td>
<td>-</td>
</tr>
<tr>
<td>Overall Unemployment Rate (%)</td>
<td>30</td>
<td>21.6</td>
<td>-</td>
<td>18</td>
<td>-</td>
<td>-</td>
<td>15.4</td>
<td>-</td>
</tr>
</tbody>
</table>


2.2 The Poverty Situation

The protracted economic crisis and the measures adopted to restructure the economy have resulted in high levels of poverty in Zambia. An estimated 70 percent of Zambia's population lived in poverty in 1991. In 1993, the figure grew to 74 percent. In 1996, the percentage was estimated to have declined to the 1991 level, but current estimates show that poverty has risen again to about 80 percent of the population. The table below shows the distribution of poverty in Zambia by province.
Table 3: Trends in Poverty Incidence by Province, 1991 - 1996

<table>
<thead>
<tr>
<th>Province</th>
<th>1991</th>
<th>1993</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>70.0</td>
<td>81.0</td>
<td>73.8</td>
</tr>
<tr>
<td>Copperbelt</td>
<td>61.1</td>
<td>49.3</td>
<td>55.6</td>
</tr>
<tr>
<td>Eastern</td>
<td>84.7</td>
<td>90.8</td>
<td>82.0</td>
</tr>
<tr>
<td>Luapula</td>
<td>84.0</td>
<td>88.4</td>
<td>78.8</td>
</tr>
<tr>
<td>Lusaka</td>
<td>30.6</td>
<td>38.9</td>
<td>38.0</td>
</tr>
<tr>
<td>Northern</td>
<td>84.0</td>
<td>86.1</td>
<td>83.9</td>
</tr>
<tr>
<td>North Western</td>
<td>74.7</td>
<td>88.0</td>
<td>80.3</td>
</tr>
<tr>
<td>Southern</td>
<td>79.1</td>
<td>86.6</td>
<td>75.9</td>
</tr>
<tr>
<td>Western</td>
<td>84.3</td>
<td>91.1</td>
<td>84.3</td>
</tr>
<tr>
<td>All Zambia</td>
<td><strong>69.7</strong></td>
<td><strong>73.8</strong></td>
<td><strong>69.2</strong></td>
</tr>
</tbody>
</table>


Realising that no ‘sustainable human development can occur in the midst of high poverty levels’, the government announced in its 1998 budget the medium-term objective of reducing poverty to less than 50 percent by the year 2004. This budget announcement is highly significant because it is the first time that the present government publicly admitted the existence of high poverty levels in the country and committed itself to addressing the problem.

Many organisations and structures have been established to implement poverty reduction programmes in Zambia. However, weaknesses have rendered these programmes ineffective and compelled the Government to draft a National Poverty Reduction Strategy Framework (NPRSF). The NPRSF takes a holistic approach to poverty reduction in Zambia and seeks to reduce the number of people living in poverty from the current 70 percent to 50 percent during the period 1999-2004. Under the NPRSF, increasing productivity in the urban informal sector, in particular among women and youth, has been identified as one of the key strategies for reducing poverty in the country.

However, the NPRSF framework, although well-intended, suffers a number of major weaknesses such as lack of a definition of poverty in the Zambian context and quantifiable poverty reduction targets. Given these weaknesses, the government's intention of significantly reducing poverty in the year 2004 in Zambia may be hard to attain. More so, because in the intervening period, the Zambian population will have increased by 20 percent. A poverty incidence of 50 percent in 2004, even if attained, would still leave more Zambians poor in that year than today.

In the context of the severe contraction in formal sector employment and rising poverty levels, it is only logical to expect an increase in informal sector employment.
2.3 The Concept of the Urban Informal Sector

The concept and role of the ‘urban informal sector’ in the generation of employment and income continue to be controversial yet relevant subjects. This is particularly so given the current crisis through which many developing countries, especially those in Africa, are going. A major analytical problem associated with the ‘informal sector’ is the lack of an acceptable conceptual definition. A review of the literature indicates that in spite of the voluminous research that has been conducted on the subject, the understanding of what the informal sector is, why it exists and how it operates is still far from adequate. Hussmanns (2000) observes that the informal sector is a controversial subject because there are different view points from which one can observe it. The informal sector can be viewed in a positive way as a provider of employment and incomes to millions of people who would otherwise lack the means of survival (World Bank, 1998; ILO, 1972). It can be viewed more negatively as a whole segment of society which escapes regulation and protection. It can be romanticised as a breeding ground of entrepreneurship which could flourish if only it were not constrained by a system of unnecessary regulation and bureaucracy (de Soto, 1989; Teszler, 1989). It can be condemned as a vast area of backwardness, poverty, unsanitary conditions, hazardous work, illegality and the open use of child labour or a ‘residual sector’ that absorbs unemployed labour during periods of economic crisis (Mhone, et al, 1999). Or it can simply be ignored. These different expectations are in turn related to the preconceived views of the analysts as to what ‘constitutes’ the ‘informal sector’, especially in the areas which are of interest to them.

While there have been, and will no doubt continue to be, controversies on precisely what types of activities and what categories of workers it covers, there does at least seem to be some common understanding of the main features or characteristics of the informal sector. In general terms, the ‘informal sector’ is understood to mean ‘economic activity that takes place outside the formal norms of economic transactions or the regulatory framework of the state’ (Cross, 1988:3). Hussmanns (2000) sees the informal sector as a kind of ‘umbrella’ concept to describe a variety of unrecorded activities producing goods and services through which individuals derive employment and incomes. The term is therefore taken to apply to the production and exchange of goods and services that do not largely confirm to what are regarded as ‘official’ norms of business transactions. Some of these activities are said to lie in the grey area of ‘legality’ and ‘illegality’ (Lagos, 1991). For this reason, it becomes conceptually, methodically and theoretically difficult to define the informal sector in terms of its precise nature, size and significance. These difficulties are compounded by the heterogeneity and diversity of activities in the sector and their close linkages in some cases with formal businesses.

In the context of this study, the urban informal sector will be taken to refer, broadly, to those enterprises engaged in unincorporated income generation. The term ‘enterprise’ is used in a broad sense. It covers not only units that employ hired labour, but also production units that are owned and operated by single individuals working on own-account as self-employed persons, either alone or with the help of family members. The activities may be undertaken inside or outside the business owner’s home, or may be carried out in identifiable premises or without fixed premises. Such activities will not include subsistence and non-market production, including agricultural production and
those activities that are considered illegal, such as drug trafficking, prostitution and crime. The term ‘informal sector’ will be used interchangeably with the term ‘micro enterprises’, ‘informal businesses’ and, in some cases, with the terms ‘ordinary’, ‘popular’, or ‘informal’ economy, to reflect the changing narratives of the informal sector.

2.3.1 The Urban Informal Sector in Zambia

Although it is difficult to know precisely what has been happening in the informal sector due to lack of a detailed survey of the sector, casual observation shows that it has significantly expanded in recent years. Current estimates in Zambia suggest that the informal sector employs about 80 percent of the country’s labour force of over 4.3 million people, while the formal sector employs less than 10 percent of the labour force. The informal sector has been growing at a rate of six percent per year since 1985, when it only accounted for 43 percent of the total urban labour force.

Zambia’s informal sector is characterised by its heterogeneity; including both the most dynamic and least productive elements of the economy. Urban Poverty Assessment (UPA) data collected for the World Bank in 1994 shows that median incomes in the urban informal sector in Zambia are 63 percent higher than in the formal sector. However, as the World Bank observes, it is important to note that success is only for a few. Significant differences in income distribution are found even with sectors such as trading. Growth in response to overall socio-economic and labour market conditions has been mainly horizontal and in trading.

In terms of growth of the sector, the UPA data suggests that informal sector activity in Zambia has taken place in a context of restrictive regulatory and licensing policies, limiting access to credit, inputs and markets; the very factors that explain the heterogeneity of the sector. Despite economic liberalisation, therefore, informal sector enterprise operators in Zambia still face a plethora of laws and regulations that inhibit the efficiency and development of their sector.

2.4 Youth Unemployment

It is difficult to provide accurate statistics on youth unemployment in developing countries, as available estimates of world unemployment face the conceptual and design limitations imposed by definitional problems of ‘employment’ and ‘youth’. However, available statistics on employment in Zambia show that young people constitute the largest segment of the unemployed in the country (Ministry of Youth, 1999;1998). The statistics show that the rate of unemployment among youth is estimated at 40 percent, while the overall unemployment rate in the country is around 30 percent. A breakdown of these figures shows that 57 percent of the unemployed youth in Zambia are found in urban areas, compared to only about 32.4 percent in rural areas. These figures also show that there has been a consistent rise in youth unemployment in Zambia despite a slight
fall in 1993. For instance, in 1986 the rate of unemployment among urban youth was 38.6 percent compared to 12.3 percent among rural areas. By 1990 these figures had risen to 33.0 percent in urban areas and 15.8 percent in rural areas. In 1991 they were 37.3 percent in urban areas and 35.3 percent in rural areas. By 1993, the rate of unemployment had risen to 70.9 percent in urban areas and 19.8 percent in rural areas. Most (71 percent) of the unemployed youth were first labour entrants.

An analysis of the distribution of the problem of youth unemployment in Zambia by province reveals patterns which depend on whether the province is predominantly rural and urban. In 1986 the two provinces with the largest share of unemployed youths were the Copperbelt (25.5 percent) and Central Province (13.7 percent). The two provinces with the lowest shares of unemployed youths were Luapula (6.0 percent) and Northern (6.0 percent). In 1990 the Copperbelt had 23.9 percent of the unemployed youth, while Lusaka had 15.5 percent. This compares with 4.5 percent for North-Western province and 5.6 percent for Luapula. However, these figures rose in line with the decline in the country’s economic fortunes. For instance, in 1991 the Copperbelt had the highest rate of youth unemployment in the country (52.4 percent), followed by Lusaka with 47.6 percent. North-Western had the lowest rate of youth unemployment of 16.7 percent, followed by Western Province with 20.3 percent. In 1993 the Copperbelt again topped the list with a youth unemployment rate of 66.8 percent, followed by Lusaka with 59.8 percent. Luapula had the lowest at 12.3 percent, followed by Northern with 14.8 percent. However, in 1996 Lusaka Province as the province with the highest rate of youth unemployment (55.7 percent), followed by the Copperbelt with 53.7 percent. The large increase in youth unemployment in Lusaka can be attributed to the collapse of industries in other towns which have resulted in urban-to-urban migration to Lusaka.

There are also gender differences in the level of youth unemployment. In 1986 the rate of unemployment among female youth was 20.7 percent compared to 14.6 percent for males. However, Ministry of Youth statistics show that in 1990 the rate of unemployment among female youth declined to 13.1 percent, while that among male youths rose to 21.1 percent. But in 1991 the rate of unemployment among female youth was equal to that among male youth (34.2 percent). In 1993 there was another decline in the unemployment rate among female youth (30.9 percent) compared to 34.0 for male youth. In 1996 female youth had an unemployment rate of 32.11 percent compared to 32.64 percent for male youth. These figures show that on average the unemployment rate was higher among male youths than female youth over the ten year period 1986-1996.

2.4.1 Causes of Youth Unemployment

According to Mkandawire and Chigunta (1998), youth unemployment in Zambia, as in other Sub-Saharan African (SSA) countries, is caused by both demand and supply side factors. Among the supply-side factors are rapid population growth, increasing school enrolments in the face of a declining formal labour market, inappropriate school curricula and lack of employable skills.
The demand-side factors are largely embedded within the realm of the current protracted and deep rooted economic crisis and restructuring process in Zambia. These factors include sluggish economic growth, a declining formal sector, labour market saturation, poor policy environment and other negative existing labour legislation and regulations.

2.4.2 Informal Responses to Youth Unemployment

Many of the unemployed youth in Zambia go into the informal sector to earn a livelihood. Evidence from the 1996 Living Conditions Monitoring Survey indicate that out of a total of 911,292 employed youths in Zambia, about two thirds (or 601,896) were in the informal sector. The age profile of the informal sector youth shows that 38.8 percent of them were aged less than 20 years, while 61.3 percent were 20 years and older. The pattern was similar for both male and female youth working in the informal sector in both rural and urban areas.

The widespread involvement of youth in informal sector enterprises suggests that this sector has emerged as a critical source of youth employment in recent years. For this reason, strategies aimed at promoting the creation of youth employment should focus on improving productivity in the informal sector. However, what is not clear from the literature, and on which information should be made available, is the nature of youth participation in the informal sector and the range and types of enterprises that young people set up, including constraints that they face.

2.5 Youth Health and Welfare

In Zambia, the health problems of young people are largely related to sexual and reproductive health, child bearing and parenthood (involving both the married and unmarried) and the risk of infection from sexually transmitted diseases, including HIV/AIDS.

In many instances, young people appear ill-informed or ignorant, sometimes for cultural reasons, about sexuality. Myths and misconceptions are therefore common about sex and so are unfounded fears about the side effects of condom use and contraception in general. One effect of this is to place many young people at risk of catching infection from diseases.

Sexually transmitted diseases (STDs) are therefore the commonest group of communicable diseases that particularly affect the youth in Zambia. As a consequence of social change, urbanization, collapse of the traditional social fabric, mass media and rapid flow of information, particularly from the West, young people in Zambia are tempted, and seek, to experiment with sex. The result is an increase in the level of STD infection among youth, and in the case of female youth, an increase in unwanted pregnancies as well.

HIV infection, which is largely a sexually transmitted disease in Zambia, is the most costly in terms of human and financial terms. The disease is seriously threatening the
economic development of Zambia. This is because the highest rates for STD infection in Zambia are usually observed in the 20-24 age group, followed by those aged 25-30. At the same time, high infection rates mean that valuable but scarce resources and time are diverted away from productive investment towards caring for the AIDS patients. Thus, control of the HIV/AIDS pandemic in Zambia should be the focus of concerted national efforts.

2.6 Drug and Substance Abuse among Youth

Available evidence shows that an increasing number of young people in Zambia are resorting to the use of drugs due to lack of engagement in productive activities. In recent years, the problem has been worsened by the social disintegration of families, poverty and homelessness. Young people thus tend to use drugs as a form of ‘social escapism’ or source of solace in the face of the social misery surrounding them. As the social problems worsen, so does the use of drugs among young people.

The use of drugs, including alcohol and such illicit brews as ‘kachasu’ and ‘mbamba’, among young people, including school children, has negative consequences. In the case of alcohol, for instance, the problems arising from excessive drinking relate not only to alcohol-induced morbidity and mortality, but also to violence, crime, accidents, prostitution and STD infections, including HIV/AIDS. In addition, chronic drug users tend to lose their mental balance and are alienated from their families and society in general. These are the young people who become ‘unemployables’ and can be seen in the streets of Lusaka and other big towns, either sleeping, idling or fighting each other (See Section 3.4).

Given the social problems that arise from drug and substance abuse among youth, there is need to find ways of curbing the practice, lest many young people become wasted due to drug abuse. Rehabilitation programmes, which, among other things, teach life and other skills, would also be essential to try and help those youth who are already addicted to drugs and alcohol.

Currently, the main approach to combating drug abuse in Zambia consists in arresting those cultivating, trafficking and consuming drugs. Little is done to rehabilitate those that are arrested, with the result that once released, the young people will most likely resort to drug abuse again.

2.7 Other Affected Youth Groups

The other affected youth groups in Zambia are street kids and orphans and abandoned children. The phenomenon of streetism is growing in Zambia. Current estimates suggest that the number of street children in Zambia could be as high as 75,000. This number is made up of 52,000 children between 6 and 14 years and 23,000 between 15-18 years. However, these street children are all not the same. Some are homeless street children, some children are detached from family and happen to live with friends and there are
those that have a home to return to. Homeless street children are said to be the most needy (UNDP, 1999).

The homeless children comprise about seven percent of all street children in Zambia. They sleep rough on the streets, in shop corridors, at bus stations and markets, in trenches, in abandoned buildings, in wrecked cars, etc. In 1991 the proportion of homeless children was said to be as low as two percent. This therefore suggests that the problem of homeless children, especially in Lusaka, is growing. In recent years the problem of homeless children has been worsened by growing numbers of orphans and abandoned children. Current estimates suggest that there are between 500-600,000 orphans in Zambia. Most of these are ‘AIDS’ orphans. The children have either lost one or both parents to AIDS. Other children are abandoned in the streets by parents who cannot afford to look after them any longer. This is particularly the case among unemployed single mothers whose boy friends have denied responsibility for the pregnancy.

In the context of the above situation, both the HIV/AIDS pandemic and worsening poverty situation appear to be major contributing factors to the growing problem of street children in Zambia.

2.8 Conclusion

This chapter suggests that the economic decline in Zambia has had a negative impact on the livelihoods of people. The increase in unemployment and consequent rise in poverty has particularly affected the youth. This is manifest in the many socio-economic problems that the youth are currently facing in Zambia. These include drug and substance abuse, engagement in anti-social activities and vulnerability to sexually transmitted infections, including HIV/AIDS. The measures adopted to resuscitate the economy seem to have worsened the situation of young people. In response, the youth have resorted to informal youth enterprise activities as a means of improving their livelihoods. However, what is not clear from the literature, and on which information should be made available, are the socio-economic characteristics of young people and the nature of enterprise activities that they undertake in the urban informal sector, including the extent to which the existing policy and institutional framework addresses their needs. The next chapter discusses the socio-economic situation of young people in Zambia.
CHAPTER THREE

Definition and Socio-economic Characteristics of Youth

3.0 Introduction

This chapter looks at the socio-economic characteristics of youth. It begins by discussing the various conceptions and understanding of ‘youth’ in the African and Zambian contexts. This is followed by a discussion of the characteristics of young people in terms of their marital status, education and health. This discussion in terms of understanding the socio-economic circumstances of young people.

3.1 Understanding ‘Youth’ in the African Context

The continuing debate on who is a ‘youth’ in Africa has not resolved the confusion surrounding the concept. Not surprising, therefore, the concept of ‘youth’ has been understood and used differently by different governments, NGOs and the public in general in many African countries and elsewhere in the world (Mkandawire, 1998; Osie-Hwedie, 1989). In much of Africa, for instance, laws define ‘adulthood’ as commencing from the age of 21, although in recent years there has been an attempt to lower this age to 18 years (Curtain, 2000; Mkandawire, 1998). However, for most countries, 21 years still remains the age at which many of the activities and responsibilities of ‘adulthood’ are assumed legally.

Sociologically, ‘youth’ denotes an interface between ‘childhood’ and ‘adulthood’. However, it is generally the case that ‘youth’ as a social group are defined in terms of age. For this reason, the spectrum of youth has been variously defined as ranging from the ages of 10 or 11 years (as in some cultural traditions in Africa) to as high as 35 years (as in South Africa, for instance). But as noted in the introduction, in an attempt to standardise youth programmes, international organisations like the United Nations and the (British) Commonwealth Association of Nations have come up with specific age categories to define ‘youth’. For instance, the United Nations uses the age category 15-24 years to define a ‘youth’, while the Commonwealth uses the age category 15-29 years. It is therefore the case that most countries in the world have either adopted the UN or Commonwealth definition. However, the age range ‘12-24’ years is pre-supposed as representing the category of youth, and is in many cases narrowed to ‘15-25’ years. In some cases it has even been stretched to over 35 years (as in the case of Malaysia where a youth is defined as any person between the ages of 15-40 years (Kenyon and White, 1997). In the context of this paper, a youth is defined as any person between the age of 15-25 years, although this can be extended to 35 years to suit the South African circumstances.

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3 It should also be noted that the notion of ‘childhood’, like that of ‘youthhood’ and ‘adulthood’ is defined differently by different countries, development organisations and analysts (Boyden, 1997).
In much of Africa, extending the category of youth to 30 years and above seems to be a reflection of the emerging phenomenon of a prolonged period of youthhood. In Sierra Leone, for instance, young people have coined a neologism of ‘Youth Man’ to describe their status or anyone who has gone beyond the age customarily associated with ‘youth’. This is a reflection of the inability of many young people to pursue independent or sustainable livelihoods as a consequence of the depressed or stagnant economic situation in Africa.

3.2 Youth’s Share of Total Population in Africa

Young people aged 15-24 years – the age cohort normally associated with youth - are a noticeable segment of populations in most countries. According to UN estimates, there were one billion such young people in the world in 1995. About 85 percent of these were in developing countries: 60 percent in Asia and 23 percent in Africa, Latin America and the Caribbean. In 1995, nearly two-thirds of the world’s youth lived in countries with per capita GDPs of less than US$1000 per year (Curtain, 2000). This implies that the majority of young people in the world are variously confronted with high levels of unemployment, economic hardship and poverty.

In proportional terms, young people aged 15 to 24 account for just a quarter of the world’s population (see the table below). This share has overtime somewhat decreased from a third in the 1970s. However, there is a marked difference between continents and countries. The youth share of population varies from a fifth in developed countries to as much as 36 percent in the world’s poorest countries⁴. In fact, despite the overall slight decrease in the global population, young people’s share of the population in least developed or very poor countries has not decreased over the past 30 years.

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⁴ A number of factors explain this situation.
Table 4: Young People (aged 15-24) as a Proportion of the population aged 15 to 64 for the World and Specified Regions (Percent)

<table>
<thead>
<tr>
<th>Region</th>
<th>1970</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>32.1</td>
<td>27.3</td>
</tr>
<tr>
<td>Developed countries</td>
<td>26.2</td>
<td>20.7</td>
</tr>
<tr>
<td>Developing countries</td>
<td>34.1</td>
<td>29.5</td>
</tr>
<tr>
<td>Least developed countries</td>
<td>34.7</td>
<td>36.3</td>
</tr>
<tr>
<td>Africa</td>
<td>36.7</td>
<td>36.4</td>
</tr>
<tr>
<td>Americas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>35.1</td>
<td>30.4</td>
</tr>
<tr>
<td>North America</td>
<td>28.9</td>
<td>20.1</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Asia</td>
<td>33.1</td>
<td>22.6</td>
</tr>
<tr>
<td>Southern Asia</td>
<td>33.4</td>
<td>32.1</td>
</tr>
<tr>
<td>Europe</td>
<td>23.8</td>
<td>18.4</td>
</tr>
<tr>
<td>Oceania</td>
<td>28.1</td>
<td>22.8</td>
</tr>
<tr>
<td>Transition economies</td>
<td>24.5</td>
<td>22.7</td>
</tr>
</tbody>
</table>

Source: Curtain (2000)

As the table above shows, Africa, compared with other regions, has the largest segment of young people in its population. This is both in terms of the share of young people in the total population and their unchanged dominance over the last three decades. Available estimates show that in most African countries, including Kenya, Tanzania, Zimbabwe and Zambia, the youth and children 25 years and below constitute about or over 70 percent of the population. Specifically, young people aged between 15-25 years constitute about a third (30 percent) of the total population in most African countries. In absolute terms, there are presently over 122 million youth on the African continent, and projections of population growth into the 21st century indicate that the proportion of young persons aged between 15 and 24 years, will, in relation to the overall population, continue to grow over the next 20 years from 18 percent in 1970 to 21 percent by the year 2025 (UN, 1999). As a consequence, in the first decade of this millennium, the African labour force is expected to increase to some 16 million, and to 25 million by 2015 (Ibid.). According to the UN, these new labour force entrants will be youth grappling with the problem of unemployment which typically affects them more than any other group in the population. A complex set of factors seems to explain the rapid growth in the population of young people in Africa. In some sense, it is a manifestation of sociological factors such as the low status of women in many African societies.

The demographic significance of young people in Africa has raised serious concerns about the ability of the African State to provide for youth in terms of education, health and other social services. Mkandawire (1996) observes that the consequent inability of
the African State to provide for youth has led to a situation where youth in Africa are not only caught up in economic crises that have blighted most SSA countries, but are also going through a process of what the author describes as ‘de-Africanisation.’ According to Mkandawire, this is a process of ‘social dislocation’ and ‘alienation’ of African youth from the social and economic mainstream.

3.1 Socio-economic Characteristics of Youth in Zambia

A discussion of the socio-economic characteristics of youth is important for purposes of understanding how these characteristics might influence the choice and performance of youth enterprises.

3.3.1 Age

The study findings indicate the youthful nature of the population of Chawama. A significant majority (71.2 percent) of the respondents in the sample were young people aged between 15-25 years, while the rest were aged between 26 and 65 years. The youthful nature of the respondents is also reflected in both the mean and median ages of the sample. The mean age of the respondents is 24.4 years, while the median age is 23 years. These findings to a certain extent resemble the population distribution of Chawama. Estimates based on the 1990 population census indicate that there is a predominance of young people aged 25 years and below in the population of Chawama. According to these estimates, 72 percent of the population of Chawama is aged 25 years and below.

Graph 1:

However, chronological age as the official basis for defining and understanding ‘youth’ in Zambia was remarkably different from the perceived image of ‘youth’ in Chawama.
The researcher asked the community leaders and young people in focus group discussions to describe a ‘youth’ and the ‘rites of passage’ in a young person’s life which prepares him or her for ‘adulthood’ in their area. The study findings suggest that the descriptions of ‘youth’ between youth and non-youths (community leaders), though somewhat similar, reveal some differences in the perception of ‘youth’. Community leaders tended to ascribe to a ‘traditionalist’ description of ‘youth’ which puts emphasis on the importance of ‘social’ and ‘cultural’ characteristics when describing a youth in African society. On the other hand, young people tended to emphasize an *economistic* description of ‘youth’. The youth, including representatives of youth associations, generally defined a youth as any person in the broad age range of 15 – 35 years. This definition appears to be a reflection of the obtaining concrete socio-economic situation in which most young people currently find themselves in Zambia.

The identification or categorisation of youth in the broad age range 15 – 35 years seems to be a reflection of the obtaining concrete socio-economic situation in which most young people currently find themselves in Zambia. It suggests that the period of youth-hood in Zambia is getting longer than the officially prescribed upper age limit of 25 years. Studies from other parts of Africa reveal a similar trend. As already noted, in some African countries like Sierra Leone, young people who go beyond the official definition of youth and are not yet economically independent are known as ‘Youth Man’. This term is a metaphor for Africa’s poverty. It is a reflection of the inability of many young people in Africa to pursue independent sustainable livelihoods as a consequence of the depressed or stagnant economic situation in much of Africa.

In other instances, access to the status of adulthood in Zambia and elsewhere in Africa is, besides possession of the above three social characteristics, determined by a traditional ceremony. This is especially the case among girls. A young girl who has come of age is put in seclusion for a minimum period of one month, during which period the girl would be initiated into adult and female responsibilities (see box below). At the end of the seclusion period, a ceremony (nkolola) is held to signal to the whole community that the girl has become a ‘mooye’ (young female adult) and is ready for marriage. One or two other ethnic groups, especially the Kaluvales of North Western Province, hold initiation ceremonies for boys known as ‘mukanda’. This involves circumcision of young boys and putting them in seclusion for a minimum period of three months. During this period, the boys are taught about adult and male responsibility.
Box 1: The Nkolola Ceremony of the Tonga

‘Nkolola’ is the name given to the traditional ceremony which is performed when a girl comes of age among the Tongas of Southern Province. It is variously called by other names among Zambia’s many other ethnic groups. The ceremony is normally held after the maize harvest which is usually a festive season when people are no longer working in their fields. A girl who has come of age (known as a ‘mooye’) is put in seclusion for a minimum period of one month and is only attended to by traditional marriage counsellors, who are usually elderly women. These women counsel the girl in matters of respect for, some say subordination to, adults and her would be husband. The girl is also taught how to ‘handle’ the husband in marriage, such as treating a husband like a ‘baby’-meaning ‘bath’ and ‘feed’ your husband, wash his clothes and do other things that will make him happy. At the end of the seclusion period, a ceremony is held to mark the initiation of the ‘mooye’ into adulthood. There is no female genital mutilation involved in the ceremony, as is the case in other parts of Africa*.

*Narration by Judy Chigunta.

The perceptions and descriptions of youth collected by this study has implications for the National Youth Policy in Zambia, which bases its definition of youth on the biological chronological age. First, the findings expose the limitation of viewing youth in terms of its biological characteristics. This is because there are many problems associated with the use of the chronological age as the primary criterion for defining youth, and with using age groups as an analytical category or target group. The stages of biological development (from childhood through puberty to adolescence/youth to adult) do not express themselves socially in the same way in different communities. As the findings show, age may belie the socio-economic role or circumstances of youth.

In short, the study findings suggest that youth should be seen as a social category which is biologically determined but not necessarily defined. It is therefore important that policy makers and practitioners of youth – oriented initiatives pay more attention to the cultural or social specificities of socialisation of youth in society and/or use the broad age range perception of youth by the public.

The preceding discussion has raised a number of complex issues that surround the concept of ‘youth’. Among other things, the discussion shows that the definition and description of ‘youth’ among countries, and among organizations, as well as in different social contexts, vary, and has been changing in time and space. For this reason, in defining the concept of ‘youth’ in this study, we realize that we are dealing with a complex set and often a continuum of problems, with a range of characteristics and behaviours that cut across age segments in different environmental contexts. In this respect, this study treats the term ‘youth’ as a situated phenomenon that is socially constructed and varies across societies and cultures. In other words, we see ‘youth’ as a social construction that is applied to give meaning to different segments of the population for various reasons. This study uses the age category 15-25 years as the definition of youth. This is the official definition of youth in Zambia, as provided for in the National Youth Policy. It is similar to the UN definition of youth. However, in adopting this age
cohort as our operational definition of youth, we acknowledge its limitations as an analytical category. Nevertheless, we have adopted it in the study because of two primary reasons: 1) the realisation that the majority of young people in Zambia leave or drop out of school when they are in the age group 15-25 years; the realisation that an increasing number of young people aged 25 years and below are having to work in the urban labour market, and; 3) the realisation that Zambia’s population is becoming more and more youthful, thus increasingly resembling the 15-25 age group. However, for analytical purposes, the term ‘youth’ is used is extended to 29 years, if only to highly the significance of age in the maturation and accumulation processes in the urban informal sector. The term ‘youth’ is used interchangeably with the term ‘young people’. ‘Non – youths’ are those who are older than the employed definition of ‘youth’. In other words, they are regarded as ‘adults’.

3.3.2 Sex

The gender distribution of the sample shows that of the 756 respondents interviewed for the survey, 51.1 percent were female, while 48.2 percent were male. These findings generally coincide with the sex distribution of both the national population and that of Lusaka Urban District. Projections based on the 1990 population census indicate that 51 percent of the Zambian population are female, while 49 percent are male. For Lusaka, current population estimates show that 50.1 percent of the population are women, while 49.9 percent are men.

Graph 2:

The Sex Distribution of Respondents

When disaggregated by age, the study findings do not show any significant variation. The results show that of the youth aged between 15-25 years, 49.2 percent were male, while 50.8 percent were female. Among non-youths aged 26-65 years, 45.9 percent were men,
whereas 54.1 percent were women. These results appear to suggest that there are slightly more females than males in Zambia’s population. However, the wider than national disparity in the sex composition of non–youth proprietors males and females recorded in Chawama appears to be a reflection the disparity in the life expectancy of male and female adults in Zambia which suggests that women live longer than men. Indeed, the study findings indicate that there are more female than male widows in the sample (refer to the marital status of the respondents).

3.3.3 Education

The study findings show that the great majority of the respondents (93.3 percent) had attained some formal education. Of these, 45.3 had attended primary school, while 45.7 percent had attended secondary school. Of the respondents who had attended primary school or seven years of schooling, 37.4 had attended upper primary (seven years of schooling), while 7.5 percent had never gone beyond lower primary (four years of schooling). Of those who had attended secondary school, 25.8 percent had attained nine years of schooling (junior high or secondary school), while 19.9 percent had attended senior secondary. Only a tiny percentage (2.2 percent) of the respondents had attained a tertiary level of education. Of these, 2.1 had attended college, while 0.1 percent had attended university. However, these levels of education varied according to age and gender. (see the graphs below)

Graph 3:

The study shows that 92.1 percent of non-youths or adults aged between 26-65 years had been to school. Of these, 41.9 percent had attended primary school, while slightly less (44.2 percent) had attended secondary school. Of those that had attended primary school,
34 percent had attended upper primary (seven years of schooling), while 7.9 percent had never gone beyond lower primary (four years of schooling). Of those that had attended secondary school, 21.9 percent had been to junior secondary, while 22.3 percent had been to senior secondary. This pattern of educational attainment does not significantly vary among those aged between 15-25 years. As in the case of non-youths, the study shows that 92.4 percent of young people had attended formal school. Of these, slightly less than half had attended primary school, whereas 45.6 percent had attended secondary school. Of those that had attended primary school, 40.4 percent had attended upper primary, while 7.6 percent had never gone beyond lower primary. On the other hand, of those that had attended secondary school, 26.6 percent had been to junior secondary, while 19 percent had been to senior secondary. Only 0.8 percent of the youths had been to college, while none had been to university.

Graph 4:

In some focus group discussions, some young people tended to perceive formal education as ‘useless’ to their lives. The youth cited cases of their friends who had completed secondary school (the ten percent) but were suffering and had no jobs. To most young people this meant that education did not guarantee success in life. They gave examples of young people who had not completed school but had several assets or properties such as houses and thriving informal businesses. Lamented one youth:

“Education would be meaningful if the government made employment opportunities available to young people…”
The perceived ‘uselessness’ of education among youth is not surprising given the type of education that the youth receive. The education does not equip young people with skills to compete in the labour market. Neither does it prepare them to go into self-employment enterprise activities. Due to lack of equipment, basic facilities and qualified teachers, education received by most young people tends to be theoretical and textbook based, a type of education that does not adequately prepare the learners to face the practical realities of their environment. It is therefore not surprising that most young people in the study who are already affected by poverty and unemployment claim that education has no relevance to their livelihoods.

Among female youth, there was also the pressure to quit school and get married. In some instances, the research team was amazed at the large number of female youth who were not in school. The team was told that parents would rather send their ‘boy child’ to school than their ‘girl child’ for fear that the latter would drop out of school due to pregnancy or marriage. It is therefore important to pause and consider the implications of pregnancy and early marriages for young girls. Where a girl is found to be pregnant, especially in rural areas, she is effectively expelled from school and for many education ceases as it is very difficult for the girl to return to school after the birth in spite of a policy that allows girls to do so. More disturbingly, research findings suggest that impregnation of young girls by their teachers is a common occurrence, especially in rural areas.

It is also important in the light of the high drop out rate among children to pause and consider the implications for much younger people. Children who drop out of school, especially at a very young age, are vulnerable to the worst forms of child labour. According to the International Labour Organization (ILO), insufficient opportunities for education and training are responsible for an increase in child labour. The ILO estimates that worldwide there are over 250 million children aged between 5 and 15 who are workers and 80 million of them are in Africa. In most Third World countries, children who do not go to school are expected to work.

Addressing the problem of child labour, however, may prove difficult in many African and other Third World countries, including. High poverty levels, low incomes and high unemployment will always provide a strong incentive to households to force their children into the streets, for instance, in order to supplement household incomes. In this regard, a necessary condition for the elimination of child labour, especially the worst forms of child labour, is the absorption of excess supplies of domestic labour and a subsequent increase in household incomes. When incomes rise, families are not likely to force their children to work, but will actually provide them with an education and childhood. But this will require strong and sustained growth in the economy.

3.3.4 Health

In terms of the health status of the respondents, the majority (78.8 percent) said that their health was not affecting their work, while 21.2 percent said that it was. However, more
youths (90.4 percent) aged between 15-25 than non-youths aged between 26-65 years (78.8) indicated that their health was not affecting their work. That the overwhelming majority of youths felt that they were in good health to a large extent appears to suggest that the youth are well emotionally adjusted and physically fit to be able to be productive and pursue enterprise activities.

However, focus group discussions suggest that most young people in the study area, while claiming to be in good health, were clearly aware of their increasing vulnerability to sexually transmitted infections, including HIV/AIDS. Focus group discussions revealed that a number of youth are generally aware of what causes HIV/AIDS. However, this knowledge does not always translate into practice. Informal discussions with some young people appear to suggest that most youth do not practice safe sex. The use of condoms tends to be frowned upon. Young people also tend to be prone to other health behavioural related hazards. Smoking cigarettes and marijuana among youth is common in most communities. This is to be expected in locations where young people have plenty of free time and where there are limited recreational and sporting facilities.

The study also suggests that young women seemed more vulnerable to behavioural related health hazards than young men. In a predominantly patriarchal communities most young women were found to lack basic skills to enable them develop health life styles. In the wake of rampant unemployment, coupled with the growing culture of consumerism, many young women look to premarital as a livelihood option. Existing gender inequalities where women are expected to play a subservient role in their sexual relationships with men compounds young women’s vulnerability. Women in most heterosexual relationships are not expected to negotiate for safe sex; men are expected to be in charge and in control. It is consequently not surprising that young women aged between 15 and 24 are more vulnerable to HIV/AIDS infection than young men within the same age bracket. In an environment where girls become sexually active below the age of 15. The national youth policy, which focuses on 15 - 25 year olds, would clearly exclude 12 - 13 year olds or those who are below this age and yet who might be sexually active. Yet in most communities in Africa, including Zambia, as soon as a girl is sexually active, she is perceived as potentially capable of assuming the roles of an adult. She is effectively perceived as a potential mother and is expected to assume the roles associated with motherhood.

It would seem therefore that the Ministry of Youth and other stakeholders working with youth should for all intent and purposes include preadolescents in their policy and programming for youth development. Access to optimal health should be perceived as a livelihood priority for young people. The government and other agencies working in the area of health should seek and make existing health services “youth friendly”. This will make it possible to avail relevant information and services to young people to help them deal with their health concerns, including their sexuality and protect them from sexually transmitted infections (STIs) including HIV/AIDS as well as unplanned pregnancies among young women.
3.3.5 **Ethnicity**

The study findings indicate a dominance of two ethnic groups in Chawama township: the Ngoni speaking group and the Bemba speaking group. According to the study, the Ngoni and Bemba made up 75.5 percent of the sample. Of these, the Ngoni group accounted for 44.5 percent of the sample, while the Bembas accounted for 32 percent. The other major ethnic groups in Zambia, namely the Tongas, Lozis, Luvalis, Kaondes and Lundas accounted for 23.5 percent of the sample. Of these, the Tongas constituted 13.2 percent; the Lozi 4.7 percent; the Luvali 1.9 percent; the Kaonde 1.7 percent and the Lunda 1.3 percent. The group called ‘other’ constituted a very tiny percentage (0.7 percent) of the sample. The group mainly included refugees from the Democratic Republic of Congo, Angola, Rwanda, Burundi, Uganda and even as far field as Liberia.

The study findings show a similar pattern of ethnic distribution among non-youths in the age group 26-65 years and young people aged between 15-25 years. The results show that 77.8 percent of those aged between 26-65 years belong to the Ngoni and Bemba ethnic groups. Of these, the Ngonis constitute 43.5 percent of the sample, while the Bembas comprise 34.3 percent. Similarly, 75.9 percent of the youth aged between 15-25 were members of these two ethnic groups. Of these, 44.8 percent were Ngonis, whereas 31.7 percent were Bembas. The ethnic distribution of the other ethnic groups in the sample remained almost the same, with only minor variations in some cases.

The dominance of the Ngoni and Bemba ethnic groups, who, as noted above, constitute 76.5 percent of the sample in the study is not surprising. Their dominance has a historical reason which can be traced to the colonial period. The development of copper mining in the Copperbelt region and settler farming around the Lusaka area attracted many workers from the Bemba speaking northern region and Ngonis from the eastern region of the then Northern Rhodesia, respectively. However, there was a low level of migration from other parts of Northern Rhodesia, principally the Southern, Western and North – Western regions for various socio-economic and cultural reasons. In the Southern Province, for instance, the pre – dominance of cattle keeping and subsistence agriculture in the livelihoods the Tonga people tended to discourage them from migrating to urban areas.

3.3.6 **Marital Status**

The study findings show that the majority (61 percent) of the respondents were not married, while about 32 percent were married. The rest were either cohabiting (2.5 percent); separated (0.6 percent); divorced (3.75 percent); and widowed (0.6 percent). There were, however, significant variations in the marital status of non-youths and youths. The results show that the majority (68.3 percent) of the non-youth respondents were married, while only 14.2 percent were single. The rest were either widowed (10.6 percent); separated (3.7 percent); and divorced (3.2 percent). In contrast, the overwhelming majority (84.7 percent) of the youth were single, while only 14.6 percent were married. Only a very small percentage (0.9 percent) of the youth were either widowed, divorced, or separated. The marital status of the respondents also varies according to gender. The survey results show that of the youth aged between 15-25 who
said that they were married, the overwhelming majority (75 percent) were females, while only 25 percent were male. On the other hand, the marital status of non-youths seemed more evenly split between males and females. The study findings show that of the non-youth respondents who were married, 47.7 percent were males, whereas 52.3 percent were females.

In terms of parenthood, the study findings show that more non-youths had children than youths. The study shows that the overwhelming majority (89.6 percent) of those aged 26-65 years had children, while the rest did not have. Of those that had children, 23.6 percent had two children; 21.8 percent had three; 20.4 percent had five and above; and 11.1 percent had four. Only 12.5 had one child. In contrast, the majority (64 percent) of the youth had no children, while the rest had. It will be interesting to investigate whether marital status or parenthood has any significant impact on choice of enterprise activities among the respondents.

The study suggests that while the majority of youth are single, there are significant variations between male and female youth. The majority of female youth were married, while most male youths, especially in the younger categories, were not married. These findings reveal several interesting things about attitudes towards marriage between male and female youths in contemporary Zambia. The higher proportion of married female youths seems to be indicative of the higher premium that female youths appear to place on marriage than male youth. This is not unexpected. Girls in Africa tend to see marriage as an important means of livelihood as a consequence of a socialization process that prepares them for what some analysts see as subservient gender roles in society. Therefore, in an environment of limited opportunities, especially in the context of a male dominated patriarchal society, girls are highly likely to take the ‘easy’ option of marriage as a way out. On the other hand, marriage to male youth appears to be an impossible proposition as they seem to lack independent means of livelihoods. More so because, marriage in Africa is traditionally seen as a symbol of ‘adulthood’ and ‘masculinity’.

3.3.7 Residence Status

The study results show that slightly over half (52.9 percent) of the respondents were not born in Chawama, while 46.3 percent were. The origins of a tiny percentage of the sample could not be established. However, there were significant variations in the residence status of youths and non-youths. The study results show that 56.7 percent of the youth aged between 15-25 years were born in Chawama, while 42.7 percent had moved to the area. Among non-youths aged between 25-65 years, only 25.7 percent were born in Chawama, while a significant majority (74.3 percent) had moved to the area. The significant variation in the residence status of youths and non-youths is also reflected in the length of period of stay in Chawama. The study shows that more youths (48.9 percent) than non-youths (20.5 percent) had lived in Chawama since birth.

There were also differences in the reasons for moving to Chawama between youths and non-youths. Among those aged between 15-25 years, the major reasons for moving to Chawama were: followed parents or guardians who moved to Chawama (46.1 percent)
and ‘just came to stay in town’ (15.2 percent). Other reasons given were: looking for employment (11.4 percent); followed spouse (7.1 percent) business opportunities (2.1 percent); and education (1.0 percent). Among those aged between 26-65 years, the major reasons given for moving to Chawama were: followed parents or guardians (28.1 percent); looking for employment (23.6 percent); and following spouse (23 percent). Other reasons given were: ‘just to stay in town’ (10.6 percent); business (4.3 percent); and education (2.5 percent).

These results appear to suggest that ‘following parents or guardians’ is the major reason for moving to Chawama among both youths and non-youths. However, more youths seem to have done so than non-youth. Looking for employment was another major reason for moving to Chawama among non-youths, whereas among youths it was just the need to ‘stay in town’. These findings seem to confirm the view that in many African countries, migration into urban areas in search of new opportunities, or to simply prove that they, too, “have been to town” has become another ‘right of passage’ among young people. This situation has not been helped by the kind of education that the youth in the rural areas receive in schools. It is argued that the education offered in both primary and secondary schools is oriented towards white-collar jobs rather than on the practical realities of the local environment where students come from (UN, 1999).

Not surprisingly, therefore, in much of Africa, young people, who are already affected by poverty or deprivation in rural areas, have their minds set against rural-based occupations (Mkandawire, 2000). The inherent urban bias in post – independence development strategies in much of Africa, as reflected in high urban wages, contributed to rural-urban migration. As a consequence, the majority of African cities and towns have witnessed an influx of young people from rural areas despite a lack of industrialisation or slow down in economic growth in recent years. Thus, for many of the immigrant youths, the urban areas are not able to fulfil their dreams. The declining formal sector employment opportunities in African cities and towns means that there is simply not enough employment to absorb them. As a result, the problem of employment for youth in most urban areas in Africa has worsened. The eventual frustration that arises from unemployment results in anti- social behaviour and other vices.

3.3.8 Employment

The study findings show that slightly over half (54.1 percent) of the respondents had worked before, while 43.6 percent had not. Of those that had worked before, more than a third (35.9 percent) had worked in the informal sector, followed by those who had worked in the private sector (33.3 percent). Other respondents had worked for the central government (10.3 percent); local government (7.7 percent); international organizations (5.1 percent). Most of the respondents had worked in low skill jobs in these organizations. Only 2.6 percent of the respondents had worked as ‘unpaid family worker’. This employment status varied according to age and gender.

The study findings show that 55.5 percent of the non-youths had worked before compared to 44.5 percent who had not. Of those that had worked before, 37 percent had
worked in the private sector; 22.6 percent in the informal sector; and 12.1 percent in local government. Another 12.1 percent of the non-youths had worked in state-owned enterprises (parastatals); 6.5 percent in central government; and 3.2 for international organizations. Only 2.4 percent of the respondents had worked as unpaid family workers. In contrast, the majority (61.6 percent) of young people aged between 15-25 years indicated that they had not worked before. Of the 38.4 percent of the youth who had worked before, 37.6 percent had worked in the private sector; 33.3 percent in the informal sector; 6.8 percent in government; and 3.2 percent for international organizations.

These results raise several important issues. The first one is that the private sector and the informal sector have been the two major employers of both non-youths and youths in Chawama. With the current public sector reform programme currently in place in Zambia, these two sectors are likely to be the major employers in the foreseeable future. Secondly, the results show that most of the non-youths and youths that have worked before were not employed as ‘unpaid’ family labour. Thirdly, the results show that the majority of the youth are ‘first labour entrants’ who have not worked before. This means that the majority of the youth may lack the necessary work experience that may only be obtained from the work place. These results will be used to investigate the extent to which informal enterprises are generating sufficient means for youth to produce ‘independent’ livelihoods in the next chapter.

3.3.9 Characteristics of Household in which Youth live

The results show that the majority of the respondents were living with parents and relatives. Of these, 35.9 percent were living with parents, while 26.2 percent were living with relatives. Another 34 percent of the respondents were living with their spouses. Only 1.0 percent of the respondents were living alone. However, these results varied significantly according to age and gender. The results show that the majority (60.4 percent) of non-youths were living with their spouses. The rest were either living with relatives (15.7 percent); alone (8.8 percent); and parents (6.0 percent). In contrast, the majority (68.2 percent) of the youth aged between 15-25 years were living with their parents and relatives. Of these, 42.7 percent were living with parents, while 25.5 percent were living with relatives or guardians. Only 23.7 percent of the youth were living with their spouses.

3.4 Conclusion

Chapter Three has examined the socio-economic characteristics of young people in the study area. First, the study reveals a divergence in the perception of who is a ‘youth’ between local communities and the ‘official’ or ‘state’ definition of youth. While the Government emphasizes the ‘biological chronological’ age, local communities emphasize ‘social characteristics’ such as puberty, marriage and economic independence. On the other hand, young people themselves seem to emphasize ‘economic independence’. In the case of the socio-economic situation of young people, the study shows that there is an appreciable level of education among the youth. However, there are disparities between
male and female youth in educational attainment. In the area of health, the overwhelming majority of young people described themselves as ‘health’. However, the youth, especially female youth, appear vulnerable to behavioural problems, including HIV/AIDS.
CHAPTER FOUR

The Nature of Youth Enterprise Activities in the Urban Informal Sector

4.0 Introduction

This chapter attempts to interpret the findings of the research on the livelihoods and enterprise activities of young people. It particularly seeks to examine the status of youth enterprises in the urban informal sector and the extent to which they generate sufficient means for youth to pursue independent livelihoods. The ability of proprietor youths to pursue independent livelihoods is compared to that of the non–proprietor youths, who serve as the ‘control’ group. In so doing, the chapter begins by looking at the livelihoods of the non–proprietor youth.

4.1 The Non–Proprietor Youth

In the context of this study, a ‘non–proprietor’ youth is defined as any young person who is not engaged in running an enterprise in the urban informal sector as the ‘owner’ or ‘proprietor’. The non–proprietor youth are most likely to be engaged in short term survival strategies such as casual work, employment or apprenticeship. Others might be doing ‘nothing’ or might be working as family labour.

4.1.1 Youth Livelihoods and Difficulties

The study reveals the existence of different livelihood activities undertaken by young people in informal settlements. The research results indicate that most of the youth were involved in short term survival strategies. The major short term survival strategy was casual work or piece work. This was particularly the case among younger youths, the majority of whom were not involved in running informal enterprises. These young people generally lacked the capacity to set themselves up in business due to, among other factors, lack of capital, skills and business contacts.

Some young people were also worked in informal enterprises such as barbershops and hair saloons as waged employees. Very few youths, however, owned barbershops and hair saloons. Most of these were owned by older people, mainly retrenches and pensioners, who had the necessary capital to buy the required equipment. The research team was also informed that difficult livelihood circumstances had compelled many young people to engage in unorthodox activities, in particular theft and sheer trickery, as means of earning a livelihood. Informal discussions revealed that these young people had organized themselves into youth gangs that terrorized citizens at night. The youth were said to target a home during the day and then attack it at night. A number of these young people were even said to be known by the police, who seemed reluctant to arrest them.

Among female youths, prostitution was identified as a major means of livelihood. Focus group discussions revealed that most unemployed and unmarried female youth, and in
some cases even married ones, were involved in the business of selling their bodies at night as a means of earning a livelihood. In some cases, girls as young as 11 and 12 were said to be selling sex for as little as K500 (the equivalent of US$0.15). This was being done as a means of raising money for food and other necessities for their families. The commercial sex workers and child prostitutes operated independently, often without any form of harassment from pimps and other ruffians. This suggests the lack or absence of organized criminal gangs that deal in prostitution in informal settlements in Zambia. However, a group of young girls interviewed by the research revealed that they were willing to quit prostitution if alternative sources of income could be provided for them, including putting them back in school.

Focus group discussions revealed that other young people in the same area were involved in not only illegal, but also highly dangerous activities, such as illegally draining petrol and diesel from oil tankers or corruptly buying such fuel from tanker drivers. The youth said that they were involved in this activity because it was highly lucrative. They sold their fuel mainly to buses operators as well as to vehicle and grind-mill owners within the area. Other young people were said to be selling illegal or banned substances like marijuana. However, it was difficult to establish the extent of illegal activities due to their secretive nature and the unwillingness of those engaged in such activities to openly discuss them.

A small minority of the unemployed youth appeared simply too wasted to engage in informal enterprise activities. This was largely due to drug and alcohol addiction. The distinguishing features of these youths were their blood shot eyes and long and crisscrossing knife marks on their faces. The youth looked drunk most of the time and could be seen either sleeping in the shop corridors during the day or engaging in vicious fights with each other over small amounts of money. However, some of the seemingly ‘wasted’ youth could also be seen ferrying loads on wheel barrows. This is a practice locally known as ‘zam cab’, referring to the youth involved as some kind of ‘cabbies’ or ‘taxis’. Informal discussions with the ‘zam cabbies’ revealed that most of them did not own the wheel barrows they were using in ferrying goods and luggage. They were largely working on a ‘commission’ basis for the owners, mostly non – youths, resident in the compound.

From the preceding discussion, it is evident that young people have especially been affected in the area of employment. The study indicates that very few young people were formally employed. At the time of the survey, the great majority (73.8 percent) of the non – proprietor youth indicated that they were doing ‘nothing’, with only a quarter (25.2 percent) saying that they were doing some ‘something’. Of those doing ‘something’, 10.8 percent were engaged in casual work, 3.6 percent in helping out in a family business, 0.3 percent in helping a friend and 11.5 in ‘other’ activities. Presumably, ‘other’ activities mainly include illegal activities such as stealing, selling prohibited substances like marijuana and fuel, and prostitution. The unemployment status of the youth is also reflected in their major sources of income. The study findings indicate that the majority of unemployed young people survive by relying on the goodwill of their parents, relatives or friends, while married young women rely on their husbands. Slightly over a third (34.1 percent) of the unemployed youth relied on their parents and relatives for their income.
Of these, almost a quarter (23.2 percent) relied on their parents, while 10.5 percent relied on their relatives. Only 33.7 percent of the youth relied on piece work as a major source of income, while 29 percent (mostly females) relied on a spouse or boyfriend. The remaining few relied on their friends (3.9 percent) and ‘other’ sources. The high youth unemployment rate is reflected in the almost visible joblessness as manifested in the phenomenon of ‘idleness’ among young people whileing their time away at bus stations, bottle stores, shebeens, tavern and bars.

These findings suggest that the current economic liberalization programme has not been able to provide the youth with the livelihood and economic opportunities they had hoped for. The present study contends that while the past decade has seen important economic policy changes, the overall social and economic position of the majority of the youth in the country remains somewhat bleak. This is particularly true of youth from low resource endowed communities such as Chawama Compound. As a consequence, youth effectively remain an ‘excluded’ and ‘marginalized’ social group. They have limited access to resources, especially capital and training opportunities. While these problems are not unique to youth, they tend to affect disproportionately young people. As a group, young women tend to be more vulnerable than young men. In a highly patriarchal environment, young women tend to be marginalized in relation to skills development and institutional support. This often leaves them vulnerable to behavioural and health related hazards. Thus, already noted, youth as a group have especially been affected by a high unemployment rate.

4.1.2 The Manifestations of Youth Unemployment

The youth unemployment problem manifests itself in crime and other anti-social behaviour in local communities. The research team was informed that, in spite of current attempts to preoccupy young people with sporting activities, Chawama has a high rate of crime, most of it allegedly committed by young people. The community leaders bitterly complained about drug and substance abuse among young people. They lamented that there were just too many taverns in Chawama. Along the main road in the township, the researcher identified several beer-drinking places which continue up to the main market where there are several more, including ‘open-air’ ones. In the absence of recreation facilities, especially for youths and children, beer drinking appears to be the major source of leisure and social escapism among young people. Seven types of beer are widely consumed in the area: ‘chibuku’ or ‘opaque’ beer, Mosi lager, black whisky, ‘shake shake’, ‘chinyika’, ‘kachasu’ and ‘nsekisa’. The latter two are highly potent illicit brews which are widely consumed because of their low price and potency. ‘Chibuku’ and ‘chinyika’, a prepacked opaque beer, are also relatively cheap and therefore widely consumed. The community leaders complained that the abuse of beer among youth, especially of the ‘lethal’ ‘kachasu’ and ‘nsekisa’, was turning many promising young people into ‘vegetables’. They argued that this has caused many social problems in the area as manifest in the high crime rate, fighting and violence, and prostitution.

Most of the community leaders blamed the increase in substance and alcohol abuse among young people on the lack of jobs or ‘something’ to do for the majority of the
youth. As one leader put it in Chawama, “anga nkhole mu youth bwanji uyo alibe ‘pini’ mutumba?” (“how can one be a real youth without money?”). The leaders emphatically argued that lack of engagement in productive activities, especially jobs, was the major cause of the high abuse of beer and drugs and the resultant increase in violence and crime among young people. Other leaders blamed substance and alcohol abuse among young people on the failure by the Lusaka City Council to enforce by-laws which bar those aged 18 and below from entering drinking places or drinking beer. The leaders said that prior to the 1990s there was strict enforcement these by-laws by the local authority. They complained that the lack of enforcement of these by-laws has resulted in gross abuse of alcohol among young people. Some leaders also pointed out that this abuse is reflected in the current trend of watching ‘blue’ movies or pornographic films among young children who are less than 12 years. A visit to some make shift structures ‘video halls’ by the researcher revealed that the children, some as young as seven years old, watched pornographic videos in the company of adults. Informal discussions with young people found ‘idling’ at the make - shift cinemas revealed that the children were even not required to pay money to watch the videos. All they needed were empty beer or soft drink bottles. The researcher learnt that the video owner would later ‘convert’ the bottles into cash by selling them to beer or soft drinks companies in downtown. This phenomenon raises questions about the morality of the practices of some bottling companies. While these firms may not be aware of it, they are unconsciously promoting a practice which is corrupting the morals of young children.

Focus group discussions held with young people and community leaders attributed the growing problem of prostitution in Chawama to the devastating impact of the HIV/AIDS pandemic. It was said that the pandemic had created many orphans in the area who were without support from relatives. In the absence of such support, young females were forced to go into prostitution in order to survive. The interviews also suggest that the failure of the education system to accommodate a growing youth population, coupled with failure by many parents to pay ‘school user fees’, has resulted in a high school drop out rate in the area. Young females who drop out of school or cannot find jobs go out into the streets at night to sell sex for money. Others patronize drinking places and night clubs at night. The community leaders also complained about what they called the ‘invasion of the compound’ by Congolese women known as ‘Kasais’. These women, most of whom had fled the on - going fighting in the Democratic Republic of the Congo, are said to have introduced illegal sex brothels in Chawama. They are also said to have introduced the brewing of a highly potent illicit brew called ‘nsekisa’. According to the community leaders, ‘nsekisa’ is so potent that those who abuse it have been rendered ‘useless’ or ‘vegetables’.

Given the foregoing, the devastating impact of the HIV/AIDS pandemic has continued to

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6 While these by-laws are still in force, there was evident lack of capacity by the local authority to enforce them. Interviews with Council officials in the City Planning Department revealed that the Council lacked operational funds.

7 The Congolese women were said to be doing rolling business by selling sex at extremely low prices of between K5,000 (90p) and K10,000 (£1.80). There was widespread concern among the community leaders about the prevalence of condom use, especially among the youth, in the area. The fear was that low condom use posed a real risk to the future of the young generation in Chawama.
increase in Chawama. Although the researcher could not obtain statistics on the impact of HIV/AIDS in the area, at the time of the study, the Inter-faith Community Home-based Care Providers, a group of 60 volunteers in Chawama, was looking after several patients suffering from an assortment of HIV/AIDS related disease such as tuberculosis. The research team also visited Chawama Clinic where some AIDS patients were being looked after. The Chawama clinic, which is modern by Zambian standards as it was constructed a few years before, publicly markets itself as ‘youth-friendly’ in an attempt to promote reproductive health awareness among young people. The research team was informed that condoms were freely available at the clinic. Young people were, however, unwilling or reluctant to go and collect condoms from the health centre. Focus group discussions with young people revealed that the health centre was not ‘youth friendly enough’ and for this reason, they felt shy to approach the clinic staff to ask for condoms. Young women also complained about the bleeding that they experienced after taking contraceptive pills obtained from the local health centre.

It is in the context of the scenario described above that this study was conducted in Chawama. Given the serious livelihood problems facing young people, the promotion of youth enterprise development is widely seen as a possible means of improving youth livelihoods. This is the subject of discussion in the next section.

4.2 Youth Enterprise Activities in the Urban Informal Sector

This section examines the forms of enterprise activities which young people undertake in the urban informal sector in Lusaka’s Chawama township. These activities are examined in relation to those undertaken by non-proprietors in terms of the characteristics of the enterprises. The characteristics include the types of enterprise activities, their age profiles, inventory, levels of capital and sources, enterprise premises, sources of inputs, marketing, technology, and regulatory environment. This is done in order to investigate the conditions and constraints under which youth enterprises operate, their organization, growth prospects and the extent to which they generate sufficient means for youth to pursue independent livelihoods. The section also examines the characteristics of the proprietors in terms of their age profile, gender, ethnicity, education, training and skills acquisition in the informal sector, previous occupations, forms of enterprise ownership and business management. This is done in order to analyse the relationship between these characteristics and performance of youth enterprises, as well as the extent to which enterprises generate sufficient means for youth to pursue ‘independent’ livelihoods.

4.2.1 The Composition of Proprietors

In the context of this study, a proprietor is defined as any person who is engaged in running an enterprise in the urban informal sector as the ‘owner’ or ‘proprietor’. The study findings indicate that of the 756 respondents interviewed for the study, only 29.9 percent were involved or engaged in some form of enterprise activity in the urban informal sector as ‘proprietors’. The rest of the respondents were mainly involved in short term survival strategies. These strategies include engaging in casual work or working as employees and apprentices in the informal sector. Others were helping out in family
businesses or doing ‘nothing’. This finding seems to confirm the results of an earlier study by Parker (1996). Parker, in a survey of the informal sector, concluded that only 32.1 percent of households in informal settlements in Zambia were engaged in running enterprise activities in the informal sector. However, there are significant variations when these results are disaggregated according to the age category of ‘youth’ and ‘non-youth’. The results show that the majority (68.8 percent) of non–youth proprietors aged between 26-65 years were involved in running enterprise activities in the informal sector as ‘proprietors’. Of these, 55.1 percent were male, while 44.3 percent were female (See Section 7.2.2 which discusses the gender distribution of enterprise proprietorship in the urban informal sector).

In contrast to the apparent high level of participation of non–youths as proprietors in the urban informal sector, the study suggests that only 25.5 percent of the youth aged between 15-25 years were involved in running enterprises in the informal sector as ‘proprietors’. The majority (76.3 percent) of young people indicated that they were either doing ‘nothing’ or involved in some form of ‘casual’ or piece-rate work. A small percentage (6.0) were working in the informal sector as employees or apprentices. These results appear to confirm the findings of a recent study by Mulenga (2000). Mulenga, in a study of youth livelihoods in the Copperbelt Province of Zambia, established that only 25 percent of the youth were engaged in self – employment in the urban informal sector. However, the present study suggests that there is a significant level of variation in the enterprise activities undertaken by young people in the urban informal sector. The results suggest that only 9.6 percent of those aged between 15-19 years were engaged in enterprise activities in the informal sector as ‘proprietors’, while the rest (90.4 percent) indicated that they were either doing ‘nothing’ or were engaged in casual work from time to time, as noted above. The level of youth participation as proprietors in the informal sector increased among older youths (See Section 7.2.1.2 on the age profile of youth proprietors). This pattern of results is also reflected in the respondents’ types of enterprise activities, access to capital, sources of capital, access to work space, access to technology, membership of business associations and networking, among other factors (See the following sections).

4.2.2 Characteristics of Youth Enterprises

This section examines the forms of enterprise activities which young people undertake in the urban informal sector in Lusaka’s Chawama township. These activities are examined in relation to those undertaken by non-proprietors in terms of the characteristics of the enterprises. The characteristics include the types of enterprise activities undertaken by non–youth and youth proprietors, their age profiles, inventory, levels of capital and sources, enterprise premises, sources of inputs, marketing, technology, and regulatory environment. This is aimed at investigating the status of youth enterprise activities in the urban informal sector in relation to those undertaken by non–youth proprietors. Secondly, it is aimed at examining the conditions and constraints under which youth enterprises operate. Thirdly, it investigates whether there are any significant variations in the enterprise activities undertaken by youth and non–youth proprietors.
4.2.2.1 Types of Enterprise Activities

The study findings show that the respondents were involved in a variety of enterprise activities in the urban informal sector. These activities can be grouped into five categories: 1) trading activities; 2) manufacturing activities\(^8\); 3) repair services; 4) ‘other’ non – repair services; and 5) fuel. Trading activities involve running taverns, bars, bottle stores, groceries, ‘tuntembas’, butcheries, ‘shebeens’ (illegal beer drinking places, usually a house converted for this purpose). Other trading activities include those undertaken by hawkers, vendors, ‘eagle-eagles’ (a new form of hawking that requires high alertness at traffic lights), ‘salaula’ (second-hand clothes) traders and ‘marketeers’. The traders sell a variety of vegetables, fruits and groceries both at the market places and from make-shift stalls (‘ntembas’).\(^9\) Other popular items sold are second hand clothes and shoes. Manufacturing activities largely comprise carpentry, welding, tin smithing, tailoring and other craft-related activities. From these activities, the residents make household furniture, metal beds, window frames, door frames, grill doors, kitchen utensils, pots, clothes, school uniforms, shoes, bags, concrete blocks, baskets, copper crafts, and so on. Repair services include mechanics (open air garages), bicycle repairing, radio and television repairing, and shoe repairing. Other residents also run backyard bakeries, restaurants, hair saloons, and barbershops. ‘Other’ (non – repair) services include running private educational facilities, private clinics, chemists and pharmacies, transport, battery charging, photography, art and music. Those involved in selling fuel are largely dealing in charcoal, firewood and kerosene in small amounts.

The study findings suggest that the majority of respondents (77.3 percent) were involved in trading and manufacturing activities (See graph below). Of these, slightly more than half (55.3 percent) were involved in trading activities, while 22 percent were involved in manufacturing activities. The rest were involved in ‘other’ (non – repair) services (8.7 percent); dealing in fuel (8.0 percent); repair services (4.7 percent) and health (1.3 percent).

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\(^8\) Manufacturing is defined as making or transforming products prior to sale (Parker, 1996).

\(^9\) Food stuffs include ‘mealie’ (maize) meal (Zambia’s staple food), fresh maize, groundnuts, beans, rice, beef, goat meet, pork, chickens (live and dressed), fish (dry and fresh), ‘kapenta’ (dry sardines), eggs, sausages, tomatoes, onions, rape and cabbage. Other food items are mangoes, oranges, apples (mainly from South Africa), potatoes, popcorns, bread, buns, roasted cassava, soft drinks, cooking oil, salt, sugar, fritters and biscuits. Non-food items include groceries like toothpaste (colgate), soap, washing paste.
However, there are significant gender variations in the enterprise activities undertaken by non–youth and youth proprietors. The study shows that the majority (66.6 percent) of female non–youth proprietors were involved in trading activities. The rest were involved in manufacturing activities (16.3 percent); 11.3 percent in fuel dealing; 5.0 percent in non–repair services; and 1.3 percent in health. In contrast, the majority (60 percent) of the male non–youth proprietors were not involved in trading activities. Of these, 30 percent were involved in manufacturing; 14.3 percent in non - repair services; 10.0 percent in repair services; 4.3 percent in fuel; and 1.4 percent in health. The remaining 40 percent were involved in trading activities. Among young people aged between 15 – 30 years, the great majority (70.3 percent) were involved in trading activities. Others were involved in non – repair services (15.2 percent); manufacturing (12.3 percent); health (1.4 percent); and repair services (0.7 percent).
There are also significant variations in the results when they are disaggregated according to the age category of youth proprietors. The results show that the percentage of youth involved in trading activities among young people aged between 15 – 19 years was slightly higher than the overall for the youth group. The great majority (75 percent) of these youth were involved in trading activities. Only few were involved in non – repair services (15 percent); manufacturing (5.0 percent); and health (5.0 percent). The percentage of those involved in trading activities declined among older youths. The results show that 67 percent of young people aged between 20 – 24 years were involved in trading activities. The rest of the older youths were involved in manufacturing activities, repair services and other, non – repair services. In the age group 25 – 29 years, 61.6 percent of the male youth were engaged in trading activities. Others were involved in manufacturing activities, repair services and other, non – repair services.
There are significant variations when the results are disaggregated according to the gender of the proprietors (See graph below). The study suggests that more female youth proprietors were involved in trading activities than male proprietors. In the age group 15 –19 years, the overwhelming majority (85.7 percent) of female youths were involved in trading activities. The rest (14.3 percent) were only involved in health activities. None were involved in manufacturing activities and service provision.
In contrast to the high level of female involvement in trading activities, slightly fewer male youths (69.2 percent) were involved in trading activities, while the rest were involved in non-repair services (23.1 percent) and manufacturing (7.7 percent). However, none were involved in repair services. Similarly, in the age group 20 – 24 years, more female youth were involved in trading activities than male youth. The results show that a significant majority (76.5 percent) of female youth were involved in trading activities. Others were involved in manufacturing activities (14.7 percent); non-repair services (5.9 percent); and health (2.9 percent). None were involved in repair services. On the other hand, slightly fewer male youths (61.9 percent) were involved in trading activities. The rest were involved in non-repair services (23.8 percent); manufacturing activities (12.7 percent); and repair services (1.6 percent). Equally, in the age group 25 – 29 years, more female youths were involved in trading activities than male youth. The study shows that the majority (68.8 percent) of the female youth were involved in trading activities. Others were involved in manufacturing activities (15.6 percent); fuel (9.4 percent); and non-repair services (6.3 percent). None were involved in repair services. In contrast, just slightly over half (53.8 percent) of the male youth were involved in trading activities. The rest were involved in manufacturing activities (23.1 percent); non-repair services (15.4 percent); and repair services (7.7 percent).

These results suggest that, compared to adults, young people, especially younger youths, are involved in a narrow range of enterprise activities. The majority of younger youths
are involved in trading activities. The narrow range of enterprise activities undertaken by youth proprietors, especially younger youths, suggests that youth have limited access to resources, including capital. It is these resources that are critical to participation and success in the urban informal sector.

4.2.2.2 **Age profile of Enterprises**

The study shows that the majority of enterprises in the sample were established in the 1990s. Nearly half (46.5 percent) were established between 1995 and 1999, while a further 18 percent were established in the year 2000. Only 17.6 percent of the enterprises had been established before 1990. However, there are significant variations in the age of enterprises run by non-youth and youth proprietors. The study suggests that enterprises run by adults span a longer life span, while those owned by youth proprietors have a short life span (See graph below).

**Graph 9:**

**Age Profile of Non-Youth Enterprises**

As the graph shows, some enterprises run by adult proprietors were established in the 1950s. The results show that 0.7 percent of the enterprises were formed between 1950 – 1954; 3.4 percent between 1970 – 1974; 8.1 percent between 1980 – 1984; 12 percent between 1985 – 1989. However, more than half (58.1 percent) of the enterprises were formed in the 1990s. Of these, 25 percent were formed between 1990 – 1994, while 33.1 percent were formed between 1995 – 1999. In contrast to the longer life span of enterprises run by non-youth proprietors, the overwhelming majority of enterprises run by young people aged between 15 and 25 years were formed in the 1990s (This is shown in the graph below). Of these, 10.3 percent were formed between 1990 - 1994, while 61 percent were formed between 1995 – 1999. A further 25 percent were formed in the year 2000.
These results are not surprising given the age of the youth. There are no significant gender variations in the results. However, there are significant variations when the results are disaggregated according to the age of youth. The study shows that all the enterprises run by younger youths in the age category 15 – 19 years were formed between 1995 – 2000. On the other hand, more than a third of enterprises run by older youths in the categories 20 – 24 years and 25 – 29 years were formed before 1995.

These results, especially among non – youth proprietors, indicate the resilience of some informal sector enterprises. The results show that some enterprises have been in operation for over 50 years. Thus, contrary to the widespread perception of informal sector enterprises as ‘short term’ ventures, the study suggests that some informal enterprises have a very long life span. Secondly, the long life span of some informal enterprises suggests that some operators have accumulated experience in running enterprises. This has implications for programmes aimed at promoting the development of the informal sector, especially training interventions. The results suggest the need for flexibility in informal sector training programmes given the differences in the life span of enterprises owned by youth and non – youth proprietors. Moreover, youth proprietors could learn from non – youth proprietors through apprenticeship arrangements.

The findings also indicate that the 1990s witnessed a large increase in informal enterprises. This is particularly the case among youth proprietors. There are several possible explanatory variables for this phenomenon. First is the intensification of economic restructuring
following the change of government in 1991. The Movement for Multiparty Democracy (MMD) that assumed power in 1991 embarked upon a ‘radical’ structural adjustment programme aimed at establishing a more liberal economic framework. This had two observable effects. The first one is that economic restructuring resulted in the closure of some companies and ‘downsizing’ in others, which resulted in the loss of jobs among workers (Refer to Chapter Two). The retrenched workers were forced to seek new livelihoods in the informal sector. The other effect arose from the new economic framework which resulted in greater tolerance of private sector activities. The previous United National Independence Party (UNIP) first post - independence government had pursued an ‘African’ form of socialism called ‘Humanism’ which sought control over the economy through nationalisation. In consequence, the UNIP government adopted nationalisation and import substitution industrialisation policies in a series of reforms spanning from 1968 to 1975. During this period, private sector activities were largely discouraged, while informal sector operators were often harassed by the state police. The MMD government reversed these policies and embraced market reforms through a radical implementation of the structural adjustment programme. The harassment of informal sector operators was largely abandoned by the new MMD government. The Republican President even encouraged informal sector activities and called them part of the Office of the President. Subsequently, a Vendors’ Desk was created in the Office of the President to address the needs of informal sector operators.

Among youth, in particular male youths, declining levels of expectation appear to influence their decision to engage in enterprise activities in the urban informal sector. In the context of declining employment opportunities in the formal economy and a growing youth population, and therefore growing youth labour force, more and more young people are being forced to seek new forms of livelihoods in the formal sector. The majority of these youths are first labour entrants. Those that can raise their own capital or can borrow from parents and relatives tend to start their own enterprise activities as a means of employment or income generation. However, the great majority (about 75 percent) of these youths lack access to capital and other resources. Consequently, they are forced to engage in casual work, or work as waged employees or apprentices in the hope that they would raise sufficient capital to start their own enterprise activities.

4.2.2.3 Size of Enterprises

In this study, the ‘size’ of an enterprise is measured by its inventory or capital base. In the literature, the size of enterprises is measured either by their capital base or workforce. We chose the former for both practical and analytical purposes. Use of the workforce as a measure of the size of an enterprise has practical limitations when applied to informal sector enterprises. Most of the literature indicates that the majority of enterprises operating in the urban informal sector have no paid employees or tend to rely on family labour or apprentices. This is confirmed by the findings of the present study. The findings show that the majority (76.1 percent) of enterprises in the sample had no employees. Of the 22.2 percent that had employees, only 6.0 percent of the enterprises had paid employees. The rest of the enterprises had employed family labour (14.4 percent), while a tiny percentage (1.1) had employed apprentices. This makes it difficult to use size of the workforce as a measure
of the enterprise. For this reason, we used the inventory of an enterprise as a measure of its size based on November, 2000, prices.

In the context of this study, the inventory of an informal sector enterprise is defined as the prevailing ‘market’ value of its stock and equipment. An estimate of the ‘market’ value of the sample enterprises was obtained by asking the respondents to make an estimate of how much they would sell their stock or equipment at the time of the survey. Thus the study provides a rough measure of the stock of assets at the time of the interview rather than a flow (or average level) over time. The study shows that as of the time of the survey nearly half (46.1 percent) of the enterprises had a market value of less than K200,000 (£33). This figure includes the value of machinery and equipment. Of these enterprises, 10.2 percent had an inventory of less than K20,000 (£3), 11.8 percent between K20,000 – K50,000 (£3 - £8); 8.6 percent between K50,000 – K100,000 (£8 - £26); and 15.5 percent between K100,000 – K200,000 (£26 - £33). A further 39.1 percent of the enterprises were valued at between K200,000 – K1,000,000 (£33 - £233). Of these, 22.4 percent had an inventory of between K200,000 – K500,000 (£33 - £80), while 16.7 percent were valued at between K500,000 – K1,000,000 (£80 - £233). Only 13.5 percent of the enterprises were valued at more than K1,000,000 (£233).

There were some variations in the value of enterprises according to age and gender (See following graph). The study shows that there were more non-youth proprietors with enterprises valued at over K200,000 than youth proprietors. Slightly more than half (52 percent) of the enterprises run by non – youth proprietors had a value of over K200,000 (£33). Of these, 15 percent were valued at between K200,000 – K500,000 (£33 - £80); 19.7 percent between K500,000 – K1,000,000 (£80 - £233); and 17.3 percent over K1,000,000 (£233). Slightly less than half (45.7 percent) of the adult proprietors had enterprises valued at less than K200,000 (£80). Of these, 12.6 percent had an inventory less than K20,000 (£3); 11.8 percent between K20,000 – K50,000; 7.1 percent between K50,000 – K100,000; and 14.2 percent between K100,000 – K200,000. In contrast, slightly more than half of the youth (53.4 percent) had an inventory of less than K200,000. Of these, 7.6 percent were valued at less than K20,000; 11.9 percent between K20,000 – K50,000; 10.2 percent between K50,000 – K100,000; and 16.9 percent between K100,000 – K200,000. Of the remaining (42 percent) enterprises valued at over K200,000, only 9.3 percent had an inventory of over K1,000,000. The rest were valued at between K200,000 – K500,000 (30.5 percent) and K500,000 – K1,000,000 (13.6 percent), respectively.

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10 Specifically, informal sector operators in the sample were asked to estimate the current market value of raw materials, tools, furniture, fittings, and machinery.

11 At the time of the study IB£ = ZK6000
These results differ significantly according to the age category of youth and gender. The study shows that the overwhelming majority (93.7 percent) of enterprises run by young people aged between 15 – 19 years were valued at less than K500,000 (£80). Of these, 6.3 percent were valued at less than K20,000 (£3); 25 percent between K50,000 – K100,000; another 25 percent between K100,000 – K200,000; and 37.5 percent between K200,000 – K500,000. Only 6.3 percent of these enterprises were valued at between K500,000 – K1,000,000 (£80 - £233) and none above K1,000,000 (£233). The value of enterprises rose among those aged between 20 – 24 years. The results show that 25.5 percent of enterprises run by this age group are valued at over K500,000 (£83). Of these, 15.1 percent were valued at between K500,000 – K1,000,000, while 10.5 percent were valued at over K1,000,000. The value of enterprises is even higher among youth aged between 25-29 years. Slightly over a third (31 percent) of the enterprises run by these youth had an inventory of over K500,000. Of these, 20.7 percent were valued at between K500,000 – K1,000,000, whereas 10.3 percent were valued at over K1,000,000.

In gender terms, the study findings suggest that the overwhelming majority of enterprises run by female adult proprietors were valued at less than K500,000. Of these, 21.1 percent
had an inventory of less than K20,000; 13.6 percent between K20,000 – K50,000; 10.6 percent between K50,000 – K100,000; 19.7 percent between K100,000 – K200,000; and 10.6 percent between K200,000 – K500,000. Only 24.2 percent of the enterprises were valued at over K500,000. Of these, 13.6 percent were valued at between K500,000 – K1,000,000, while 10.6 percent were valued at over K1,000,000. In contrast, over half (55.2 percent) of the enterprises run by male non-youth proprietors were valued at over K500,000. Of these, 27.1 percent were valued at between K500,000 – K1,000,000, while 25.4 percent were valued at over K1,000,000. Slightly less than half (45.8 percent) of the enterprises run by male non-youth proprietors had an inventory of less than K50,000. Of these, … percent were valued at between K20,000 – K50,000, while only 3.4 percent of the enterprises were valued at less than K20,000.

Graph 12:

The gender variations are also evident in the enterprise activities run by young people. The study findings suggest that more enterprises run by female youth had a lower inventory than those run by male youth. The overwhelming majority (85 percent) of the enterprises run by female youth proprietors were valued at less than K500,000. Of these, 19 percent were valued at less than K20,000; 14.3 percent between K20,000 – K50,000; 9.5 percent between
K50,000 – K100,000; 19 percent between K200,000 – K500,000. Only 23.8 percent were valued at over K500,000, of which 16.7 percent were valued at between K500,000 – K1,000,000 and 7.1 percent over K1,000,000. On the other hand, slightly less enterprises (77.6 percent) run by male youth were valued at less than K500,000.

Disaggregating these results according to the age category of youth reveals even further variations in the value of the enterprises owned by young people in the age categories 15 – 19; 20 – 24 years; and 25 – 29 years.

The inadequacy of stock and equipment of ISEs is reflected in the inventory or ‘market’ value of the enterprises. The research findings suggest that the ‘market’ value or inventory of the majority of enterprises owned by youth proprietors, especially younger male youths and female youths, was less than K500,000. Similarly, the value of the majority of enterprises run by female non – youth proprietors was less than K500,000. In contrast, the inventory of slightly over half of enterprises owned by male non – youth proprietors and older male youths was more than K500,000. This implies that adequate capital is critical to stock and asset accumulation in the informal sector. With access to credit, proprietors can have the ability to carry more stock or acquire equipment. The
results also imply that age and gender are significant factors through which access to capital and other resources is mediated.

4.2.2.4 Enterprise Premises

The study findings suggest that nearly half (48.9 percent) of the respondents were operating from the roadside or streets. The rest were operating from either a traditional market place (25 percent) or home (15.9 percent). However, there were significant variations in the age and gender distribution of the results. The study shows that less than a quarter (18.7 percent) of the non-youth proprietors were operating from the streets. The majority seemed to be working from more ‘permanent’ or ‘established’ places. Of these, 39.3 percent were operating from home; 25.3 percent from the market; 10.7 percent from ‘other’ places; and 6.0 percent from the Central Business District (CBD). Among youth proprietors, the results show that nearly half (41.8 percent) were operating from the streets. The rest were operating from a variety of places. Of these, 29.9 percent from the market; 18.7 percent from home; and 0.7 percent from the CBD. About 8.9 percent had no fixed premises.

Graph 14:

Enterprise Premises of ISOs by Sex

There are, however, pronounced differences in the choice of premises within the youth category. The results show that among young people aged between 15 – 19 years, the majority (57.9 percent) were operating from the streets; 26.3 percent from the market; 10.5
percent from home; 5.3 percent other premises. The percentage of those operating in the streets declined to 38.1 among older youths. The results show that more of these young people appeared to be operating from more established places. Nearly a third (28.9 percent) were operating from the market (28.9 percent) and 21.1 percent from home. Only 1.1 percent were operating from the Central Business District in the city centre, while 10.3 percent were operating from ‘other’ places. Among those aged between 25 – 29 years, only 26 percent were operating from streets. Nearly half (42.5 percent) of them were operating from the market. The rest were operating from home (20.5 percent); and CBD (1.0 percent), while 9.6 percent had no fixed premises.

Graph 15:

Enterprise Premises by Age

In gender terms, almost half (48.7 percent) of the female non-youth proprietors were operating from home. The rest were operating from a traditional market place (24.4 percent); street (12.8 percent) and CBD (3.8 percent). On the other hand, the business premises of adult male proprietors were varied. The results show that 29.2 percent of the adult males were operating from home; 26.4 percent from the market; 25 percent from the streets or roadside; and 8.3 percent from the CBD. Among youth, the results show that nearly half (48.9 percent) of the male youth proprietors were working from the streets. The rest were operating from a variety of places. A quarter (25 percent) of the enterprises were being run from the market; 15.9 percent from the market; and 8.0 percent from other places. In contrast, less than a third (28.6 percent) of the female youth proprietors were operating from the streets. Almost half (40.8 percent) of the female youth were working from the
market, while 22.4 percent were operating from home. There are significant variations when the youth results are disaggregated according to gender.

Among male youths or boys aged 15 – 19 years, a considerable majority (76.9 percent) were operating from streets. Only few were working from home (7.7 percent); market (7.7 percent; and other (7.7 percent). In contrast, the majority (66.7 percent) of female youths or girls aged between 15 – 19 years were operating from the market, while 16.7 percent were operating from home. Another 16.7 percent of the girls were working from the streets and none from the CBD. In the age group 20 – 24 years, almost half (45.2 percent) of the male youth were operating from the streets. The rest were operating from the market (24.2 percent); home (19.4 percent); and 11.3 percent from ‘other’ places. On the other hand, the female youth in the age group 20 – 24 years were operating from a variety of places. The results show that 37.1 percent were operating from the market; 25.7 percent from the streets; another 25.7 percent from home; 9.6 percent from other places; and 2.9 percent from the CBD. In the age group 25 – 29 years, only 29.3 percent of the males were operating from the streets. Almost half (41.5 percent) were working from the market, while the rest were operating from home (14.6 percent); 12.2 percent from other places; and 2.4 percent from home.

A variety of reasons were given for operating from particular premises. The overwhelming majority (83.3 percent) of the respondents cited lack of suitable business premises or market space and strategic location. Of these, half (50 percent) cited lack of suitable business premises, while more than a third (36.6 percent) cited the strategic location of the place. Other reasons given were the need to avoid rentals (12.7 percent) and following business opportunities (8.9 percent). However, there were no significant gender variations in the reasons given among non-youth proprietors. The variations were more pronounced within the youth category. Among those aged between 15 – 19 years, the significant majority (66.7 percent) of girls cited the strategic location of the place where they were operating from as the major reason for choosing it. Other reasons given were lack of suitable business premises (16.7 percent) and to avoid rental charges (16.7 percent). Among boys, the major reason given was lack of suitable business premises which was mentioned by nearly half (46.2 percent) of the respondents. Other reasons given were the strategic location of the place (23.1 percent); to avoid rental charges (15.4 percent); and following business opportunities (15.4 percent).

In the age group 20 – 24 years, the majority (62.9 percent) of the female youth cited the strategic location of the place and lack of suitable business premises. Of these, 34.3 percent cited the strategic location of the place, while 28.6 percent cited lack of suitable business premises. Other reasons given were to attend to household chores (17.1 percent); to avoid rental charges (14.3 percent); and to follow business opportunities (5.7 percent). Similarly, the majority (69.4 percent) of the male youth aged between 20 – 24 years cited the strategic location of the place and lack of suitable business premises. Of these, 37.1 percent cited lack of suitable business premises, while cited the strategic location of the place. Other reasons given were to avoid rental charges (14.5 percent) and following business opportunities (11.3 percent). However, unlike female youth, only 4.8 percent cited the need to attend to household chores as the major reason for operating from home. In the age category 25 – 29
years, slightly over half (51.2 percent) of the male youth cited the strategic location of the place as the main reason for working from a particular area. Other reasons given were lack of suitable premises (24.4 percent); to avoid rental charges (7.3 percent) and to follow business opportunities (9.8 percent). As in the case of male youth in the age group 20 – 24 years, only 4.9 percent of those aged 25 0- 29 years cited the need to attend to household chores.

The research findings suggest that the majority of young people lack access to suitable working space. The majority of male youth proprietors operated from the streets, while the significant majority of female youth proprietors work from home or the market place. The young men involved in street vending were mainly selling groceries in the strategically located street shops (ntemba) within Chawama. The youth were also involved a wide range of goods, including snacks and foodstuffs, and a wide range of manufactured goods, including plastic carrier bags. The latter, however, mostly sold only a few selected manufactured goods bought from wholesalers. It was, for example, not uncommon to find a young man selling only razor blades, batteries, pens, or cups and plates. The women who were involved in street vending were predominantly either middle aged or children. The former sold groundnuts, roast and fresh maize, vegetables and fruits, while the latter mainly sold fried groundnuts or boiled eggs. Several reasons may this variation in the choice of enterprise premises between male and female youths.

First, the streets are characterized by rancouring, even hostility and harassment, from fellow operators. This tends to discourage young women from working from streets. Moreover, there is a tendency in many large Zambian cities and towns to assume that young women who trade in streets and public places other than the established markets, especially when trading on their own, are immoral or promiscuous. Young women who try to ignore this dubious assumption find themselves attracting unwanted advances and even harassment. The situation is made worse by the tendency to blame the victims of such harassment rather than their assailants. These tendencies also explain the apparent preference for selling at markets or being engaged in household based micro-enterprises, such as sewing and knitting, by most young women and especially those who have never been married. In this sense, the market place appears to offer relative security to young women.

Secondly, the streets are characterised by unpredictability. As Mulenga (2000) and Imboela (1997) observe, street vending is quite risky as it contravenes laws governing public health and trading. As a result, the council police occasionally disrupt and confiscate goods from street vendors in a bid to discourage the practice. Loss of goods during such disruptions and due to confiscation by the Council police was not uncommon. As a result, it is believed that young men and children who can easily elude the Council police by running away best do street vending. Most young women would, find it impossible to elude the police, as most people would disapprove both their involvement in what might be seen as anti-social behaviour. And running away from the police in public. Involvement of young women in skirmishes with the police would attract all round condemnation, because society seems to expect a lot more restraint from women in general than men. The tendency to ask more of women, especially in terms of how they conduct themselves, can be attributed to the
responsibilities of motherhood, which among other things include raising children. Women are also regarded as the custodians of the society's moral fibre and culture. They are, therefore, not expected to be the first to embrace change.

Thirdly, household chores, which in most African societies are done by women, mean that more female proprietors will be compelled to work from home than male proprietors. At home, the women display their items either in front of the dwelling house or within the immediate vicinity. This close proximity to home allows women to combine their household chores with their entrepreneurial activities. At the same time it offers more security than the streets. Forth, those operating in the streets usually use makeshift structures called ‘tuntemba’. A ‘kantemba’ is a makeshift stall usually made of wood, carton segments, tarpaulin and a host of other materials. This structure is used to display the merchandise during business hours. The makeshift structures are usually dismantled and re-assembled at the close and start of business, respectively. In the case of smaller structures, these are carried to safer places for storage and brought back the next morning. In the case of bigger structures, proprietors often hire ‘Zam Cabs’ to ferry the merchandise for storage at home. The tedious nature of dismantling and re-assembling the makeshift structures and the costs involved in ferrying the merchandise appear to discourage female youth from operating from the streets. Fourth, from a financial perspective, home-based enterprises are often a good strategy for minimizing the regular rental costs and other charges that those who operate from established market places are required to pay. However, the data suggests that home-based enterprises have lower profits than those based in more visible locations, such as along roads, market places and commercial districts. Not surprisingly, more female proprietors had lower monthly returns than male proprietors.

4.2.2.5 Level of Initial Capital

The study suggests that most enterprises in the urban informal sector were started with small amounts of initial capital. The results indicate that 71.5 percent of the enterprises were established with less than K200,000 (£33). Of these, slightly over half (56.9 percent) were started with less than K100,000 (£18). The rest were started with between K100,000 – K199,000 (14.6 percent). Of those started with less than K100,000, 22.6 percent were started with less than K20,000 (£3), while 17 percent were established with between K20,000 – K50,000 (£3 - £8). Only 5.9 percent of the enterprises were established with relatively large capital amounts of over K500,000 (£83). Of these, 4.5 percent were started with between K500,000 – K1,000,000 (£83 – £233), while a tiny percentage (1.4) were started with over K1,000,000 (£233). The rest of the enterprises(15.6 percent) were started with between K200,000 – K500,000. There were only slightly variations in the amounts of initial capital used to establish enterprises run by both non – youth and youth proprietors. However, slightly more enterprises (78.8 percent) run by youth proprietors were started with small amounts of capital than those run by non – youth proprietors (75.2 percent). Equally, slightly more enterprises (7.3) run by non – youth proprietors were established with relatively large amounts of money than

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12 This is a popular term referring to young men who carry luggage in wheel barrows for a small fee.
13 The amount of capital used to start enterprises prior to the survey was adjusted for inflation at November 2000 prices.
those started by youth proprietors (4.4 percent). There are, however, significant variations when these results are disaggregated according to gender and the age category of youth.

Graph 16:

The gender distribution of the results suggests that more enterprises run by female proprietors were established with small amounts of capital. The results suggest that the significant majority (75.2 percent) of enterprises run by women proprietors were started with less than K200,000. Of these, the majority (68 percent) were started with less than K100,000. Other enterprises owned by women were started with between K200,000 – K500,000 (15.4 percent); between K500,000 – K1,000,000 (1.3 percent); and another 1.3 percent with over K1,000,000. Of those started with less than K100,000, 38.5 percent were started with less than K20,000; 16.5 percent with between K20,000 – K50,000; 12.8 percent with between K50,000 – K100,000; and few (5.1) percent with between K100,000 – K200,000. In contrast, just slightly over half (55.5 percent) of the enterprises run by male non – youth proprietors were started with less than K200,000. Of these, only 11.1 percent were started with less than K20,000; 12.5 percent with between K20,000 – K50,000; 13.9 percent with between K50,000 – K100,000; and 18.1 percent with between K100,000 – K200,000. The rest of the enterprises were established with between K200,000 – K500,000 (22.2 percent); between K500,000 – K1,000,000 (9.7 percent); and over K1,000,000 (2.8 percent).
This pattern is repeated in the gender distribution of enterprises run by youth proprietors. The results show that the overwhelming majority (85.6 percent) of enterprises run by female youth proprietors were started with less than K200,000. Of these, slightly over half (51 percent) were started with less than K50,000, while the rest were started with between K50,000 – K100,000 (22.4 percent) and K100,000 – K200,000 (12.2 percent). Of those started with less than K50,000, 26.5 percent were started with less than K20,000 and 24.5 percent with between K20,000 – K50,000. Only 12.2 percent of the enterprises were started with over K200,000. Of these, 8.2 percent were started with between K200,000 – K500,000; 2.0 percent with between K500,000 – K1,000,000; and another 2.0 percent with over K1,000,000. On the other hand, slightly less enterprises (74.6 percent) run by male youth proprietors were started with less than K200,000. Of these, only a third (31 percent) were started with less than K50,000 compared to over half of those run by female youth proprietors. Nearly half of the enterprises were started with between K50,000 – K200,000. Almost a quarter (21.8 percent) of these enterprises were established with between K50,000 – K100,000 and another 21.8 percent with between K100,000 – K200,000). The rest of the enterprises were started with between K200,000 – K500,000 (14.9 percent) and K500,000 – K1,000,000 (4.6 percent). A tiny percentage of
the youth were not sure of exact amount of capital that was used to establish the enterprises.

**Graph 18:**

![Level of Initial Capital by Age](image)

When these results are disaggregated according to the age category of the youth, they reveal a similar trend. The results show that the overwhelming majority (89.5 percent) of enterprises run by younger youths were started with small amounts of capital. Of these, slightly more than a quarter (26.3 percent) were started with less than K20,000; 15.8 percent with between K20,000 – K50,000; 21.1 percent with between K50,000 – K100,000; and 26.3 percent with between K100,000 – K200,000. None of the enterprises were started with over K200,000, while 10.5 percent of the enterprises were started by young people who were not sure of the exact amount of initial capital that they used to establish the enterprise. The percentage of enterprises started with less than K200,000 declined from 89.5 percent among younger youths to 64.5 percent among older youths in the age group 25 – 29 years. The results show that of the 64.5 percent of enterprises started with less than K200,000, 24.7 percent were started with less than K20,000; 11 percent with between K20,000 – K50,000; 15.1 percent with between K50,000 – K100,000; and 13.7 percent between K100,000 – K200,000. Nearly a quarter (23.3 percent) of the enterprises were established with between K200,000 – K500,000. The rest of the enterprises were established with between K500,000 – K1,000,000 (8.2 percent) and above K1,000,000 (1.4 percent). Only 2.7 percent of the enterprises were established
by young people who were not sure of the exact amount of initial capital that they started with.

These results are also reflected in the gender distribution of the enterprises. The study suggests that more enterprises run by female youth were established with small amounts of capital than those run by male youth proprietors. In the age category 15 – 19 years, all enterprises run by female youth were established with less than K200,000. Of these, half (50 percent) were started with less than K20,000; 16.7 percent with between K20,000 – K50,000; and another 16.7 percent with between K50,000 – K100,000. None of the enterprises run by youth females aged between 15 – 19 years were started with more than K100,000. However, slightly less enterprises (84.7 percent) run by male youths were started with less than K200,000. Of these, only 15.4 percent were started with less than K20,000; another 15.4 percent with between K20,000 – K50,000; 23.1 percent with between K50,000 – K100,000; and nearly a third (30.8 percent) with between K100,000 – K200,000. None of the enterprises were established with over K200,000, while 15.4 percent of the enterprises were established by young people who were not sure of the exact amount of initial capital that they started with. In the age category 20 – 24 years, the overwhelming majority (83 percent) of enterprises run by female youths were started with less than K200,000. Of these, 22.9 percent were started with less than K20,000; another 22.9 percent with between K20,000 – K50,000; another 22.9 percent with between K50,000 – K100,000; and 14.3 percent with between K100,000 – K200,000. Others enterprises were started with between K200,000 – K500,000 (11.4 percent); and very few (2.9 percent) with between K500,000 – K1,000,000; and another 2.9 percent with over K1,000,000. The results show that slightly less enterprises (73.8 percent) run by male youths were started with less than K200,000. Of these, only 11.5 percent were started with less than K20,000. The rest were started with over K50,000. Of these, 21.3 percent; between K50,000 – K100,000 (26.2 percent); and between K100,000 – K200,000 (14.8 percent). Others were started with between K200,000 – K500,000 (16.4 percent) and between K500,000 – K1,000,000. However, unlike enterprises run by female youths aged between 20 – 24 years, none of the enterprises run by male youths were started with more than K1,000,000.

In the age group 25 – 29 years, the results indicate that although slightly more enterprises run by male youths were established with less capital than those run by female youths, there is a higher concentration of enterprises run by female youths in the lower capital category. The results show that 80.5 percent of the enterprises run by male youths were established with less than K200,000. However, only 14.6 percent were started with less than K20,000. The rest were started with over K50,000. Of these, 17.1 percent were started with between K50,000 – K100,000, while 22 percent were started with between K100,000 – K200,000. The rest of the enterprises were started with between K200,000 – K500,000 (26.8 percent); between K500,000 – K1,000,000 (14.6 percent) and very few (2.4 percent) with over K1,000,000. On the other hand, 76.6 percent of enterprises run by female youths were established with less than K200,000. Of these, the majority (60 percent) were started with less than K50,000, while the rest were started with between K50,000 – K100,000 (13.3 percent) and very few with between K100,000 – K200,000 (3.3 percent). Of those enterprises started with less than K50,000, a third (33.3 percent)
were started with less than K20,000, while slightly over a quarter (26.7 percentage) were established with between K20,000 – K50,000. Other enterprises were started with between K200,000 – K500,000 (20 percent). None of the enterprises owned by female youth proprietors were started with over K500,000.

These findings suggest that a major problem faced by the majority of existing and potential youth proprietors is start – up capital. Consequently, enterprises owned by most youth proprietors are started with small amounts of capital. This is particularly the case among female youths and younger male youths. On the other hand, male non – youth and older male youth proprietors typically start their enterprises with relatively large amounts of capital. The low numbers of younger male youths and female youths involved in manufacturing and service activities can be attributed to the relatively large capital outlays required for these activities.

The results also suggest that enterprises owned by youth proprietors, which are typically started with small amounts of capital, are more likely to collapse than those of non – youth proprietors which are started with relatively large amounts of capital. Mushanga (1995) observes that businesses with low levels of investment have a tendency to wind up much earlier than those started with large capital outlays as the returns on investment in the case of the former could be quite low. In a survey of 239 enterprises, Mushanga observed that 170 of the enterprises collapsed due to low capital investments.

4.2.2.6 Source of Initial Capital

The study suggests that the overwhelming majority (93.7 percent) of enterprises in the urban informal sector were established with seed money or start – up capital from the proprietor’s own savings or a grant and/or loan from a spouse, parents, relatives, or friends. Of these, nearly half (43.9 percent) were established with the proprietor’s own savings, while the rest were started with a grant and/or loan from a spouse (19.2 percent); parents (14.3 percent); relatives (13.2 percent); and friends (3.1 percent). Only very few (6.3 percent) of the enterprises were established with seed money obtained from formal and informal financial institutions. Of these, 3.8 percent were started with a loan obtained from an informal money lender; 1.4 percent with a bank loan; and 1.0 with money obtained from a Rotating and Savings Credit Scheme (ROSACS) known locally as ‘chilimba’ (See the discussion section).
The study results suggest that there were significant gender variations in the sources of initial capital between youth and non-youth proprietors and between younger and older female proprietors. The results show that more enterprises (37.7 percent) run by female non-youth proprietors were started with money obtained from a spouse. Other enterprises were established with money from own savings (20.8 percent); relatives (18.2 percent); parents (11.7 percent); informal money lender (6.5 percent); and commercial bank (3.9 percent). A tiny percentage (1.3 percent) of the respondents refused to disclose the source(s) of their initial capital. In contrast, the majority of enterprises (66.7 percent) run by male non-youth proprietors were established with money saved from own savings. Only a very small percentage of enterprises (1.4 percent) were started with money obtained from a spouse. Other enterprises were started with money obtained from parents (8.3 percent); relatives (8.3 percent); friends (8.3 percent); and informal money lender (4.2 percent). However, unlike females, none of the male non-youth proprietors indicated that they had started their enterprise with money obtained from a formal financial institution. A tiny percentage (2.8) of the respondents refused to disclose their source(s) of initial capital.
This distribution of these results repeats itself in the case of youth, albeit with slight variations. The results indicate that 35.4 percent of the enterprises run by female youth were started with money obtained from a spouse. The rest of the enterprises were started with money obtained from parents (27.1 percent); relatives (16.7 percent); own savings (14.6 percent); friends (4.2 percent); and informal money lenders (2.1 percent). None of the enterprises had been established with money obtained from a formal financial institution such as a bank. In comparison, the majority (62.5 percent) of enterprises run by male youth proprietors were started with money from own savings. Other enterprises were established with money obtained from parents (14.8 percent); relatives (11.4 percent); spouse (6.8 percent); informal money lender (2.3 percent); friends (1.1 percent) and commercial bank (1.1 percent). There are significant variations when these results are disaggregated according to the age category of youth. The results show that the percentage of enterprises established with own savings declines with the age of the youth. Among young people aged between 15 – 19 years, slightly over half (52.6 percent) of the enterprises were started with money from own savings. The rest were started with money obtained from relatives (31.6 percent); parents (10.5 percent); and spouse (5.3 percent). None of the enterprises were established with money obtained from formal and informal financial institutions. In the age group 20 – 24 years, the results indicate that slightly less than half (42.7 percent) of the enterprises were established with money from own savings. Other enterprises were established with money
obtained from a variety of sources. About a quarter (22.9 percent) of the enterprises were started with money obtained from parents; 17.7 percent from a spouse; 10.4 percent from relatives; 3.1 percent from an informal money lender; 2.1 percent from friends; and 1.0 from a commercial bank. Similarly, in the age group 25 – 29 years, slightly less than half (43.8 percent) of the enterprises were established with money from own savings. The rest of the enterprises were established with money from a spouse (21.9 percent); parents (12.3 percent); relatives (11 percent); friends (4.1 percent); and informal money lenders (another 4.1 percent); and commercial bank (1.4 percent). There are further variations in these results when they are disaggregated according to gender.

In the age category 15 – 19 years, all enterprises run by female youths were established from just two sources: relatives and parents. The majority (66.6 percent) of the enterprises were established with money obtained from relatives, while a third (33.3 percent) were started with money obtained from parents. In contrast, the great majority (76.9 percent) of the enterprises run by younger male youths were started with money from own savings. The other enterprises were started with money obtained from two other sources: a spouse and relatives. The results show that 15.4 percent of the enterprises were started with money obtained from relatives, while 7.7 percent were started with money obtained from a spouse. In the age category 20 – 24 years, 35.5 percent of the enterprises run by female youth were started with money obtained from a spouse. The rest of the enterprises were started with money obtained from parents (29.4 percent); own savings (20.6 percent); relatives (8.8 percent); friends (2.9 percent); and informal money lenders (another 2.9 percent). On the other hand, slightly over half of the enterprises (54.8 percent) run by male youth in the age group 20 – 24 years were started with money from own savings. Other enterprises were established with money obtained from parents (19.1 percent); relatives (11.3 percent); spouse (8.1 percent); informal money lender (3.2 percent); friends (1.6 percent); and commercial bank (another 1.6 percent). Among youth aged 25 – 29 years, the results show that nearly half (46.7 percent) of the enterprises were started with money obtained from a spouse. Other enterprises were established with money obtained from own savings (13.3 percent); parents (13.3 percent); relatives (10.0 percent); informal money lender (6.7 percent); friends (3.3 percent); and banks (another 3.3 percent). In contrast, 68.3 percent of the enterprises run by male youth were started with money from own savings; with money obtained from parents (12.2 percent); relatives (another 12.2 percent); friends (4.9 percent); and informal money lender (2.4 percent).

4.2.2.7 Source of Own Savings

The results suggest that the significant majority (89.2 percent) of the proprietors made their savings from various forms of employment. Of these savings, almost half (46 percent) of the respondents made their savings from casual or piece rate work, while 43.2 percent made their savings from formal and informal employment. In the case of employment, nearly a quarter (23.7 percent) of the respondents had made savings from their previous formal employment, whereas 19.4 percent saved from their previous informal job. Other sources of savings were retrenchment or severance packages (8.6 percent); undisclosed sources (1.4 percent) and ‘chilimba’ (0.7 percent). There are significant variations when these results are disaggregated according to age. In the non –
youth category, the major sources of savings were previous formal and informal jobs. The results suggest that slightly over half (55.4 percent) of the non–youth proprietors had made their savings from a previous job in the formal or informal sector. Of these, 33.8 percent had saved from their previous formal job, while 21.6 percent had made savings from their previous informal job. A third of the non–youth proprietors had saved from casual working earnings; 9.5 percent had used their retrenchment packages; and 2.7 percent saved from undisclosed sources. In contrast, the major source of savings in the youth category was casual or piece rate work. The results show that the majority (61.5 percent) of youth proprietors had saved from casual work earnings, while less than a third (29.2 percent) saved from a previous job in the formal or informal sector. Of the youth that had saved from a previous job, 16.9 percent had saved from a previous informal job, while 12.3 percent had saved from a previous formal job. Other sources of savings among youth proprietors were retrenchment packages (7.7 percent) and ‘chilimba’ (1.5 percent).

The gender distribution of the results suggests that more female proprietors than male proprietors in the non–youth category made their savings from a previous job in the informal and formal sectors. The great majority (71.4 percent) of females had saved from earnings from a formal or an informal job. Of these, about half (47.6 percent) had saved from a formal job, while nearly a quarter (23.8 percent) had saved from an informal job. A further 19 percent had made their savings from casual work, while 9.5 percent had used their retrenchment packages. In contrast, just under half (49.1 percent) of the male non–youth proprietors had made their savings from working in the formal or informal sector. Of these, 28.3 percent had made their savings from a formal job, while 20.8 percent had saved from an informal job. A further 37.7 percent of the males had saved from casual work. Others had made their savings from retrenchment packages (9.4 percent) and undisclosed sources (3.8 percent). The gender distribution of the results among young people somewhat differed from that among non–youth proprietors.

The results indicate that the major source of savings among youths was casual work. However, this seemed more pronounced among male than female youth proprietors. Almost half (42.9 percent) of the female youth had made their savings from casual work, while only 14.3 percent had saved from a previous informal job. Other female youths had saved from a retrenchment package (28.9 percent) and ‘chilimba’ (14.3 percent). None of the female youth indicated that they had saved from a previous formal job. Similarly, just about a third (29.2 percent) of the male youth proprietors had made their savings from a job in the formal and informal sectors. Of these, 16.9 percent saved from an informal job, while 12.3 percent had saved from a formal job. The majority (63.8 percent) of the male youth had made their savings from casual work. Only 5.2 percent of the youth had saved from a retrenchment package, while none had saved from ‘chilimba’. There are further variations when these results are disaggregated according to specific youth categories. In the age group 15–19 years, the major source of savings among proprietors was casual work. The results suggest that the great majority (70 percent) of the youth had made their savings from engaging in piece work. Only 20 percent of the youth saved from a previous job in the informal sector, while 10 percent said that they had saved from their retrenchment package. None of the youth indicated that they had saved from a previous
formal job. However, the percentage of youth that had saved from casual work appeared to decline among older categories of youth.

Graph 21:

Source of Savings among Male Youths

In the age category 20 – 24 years, 61.4 percent of the youth indicated that they had saved from casual work, while nearly a quarter had saved from working in the formal and informal sectors. Of those that had saved from employment earnings, 15.9 percent had saved from a previous informal job, while 11.4 percent had saved from a previous formal job. A tiny percentage (2.3) of the youth had saved from their ‘chilimba’ contributions. Among young people aged between 25 – 29 years, the results suggest that just slightly under half (48.6 percent) had saved from casual work. The rest had saved from a previous job in the formal sector (25.7 percent); a previous job in the informal sector (17.1 percent); retrenchment package (5.7 percent) and undisclosed sources (2.9 percent). There are also significant gender variations in these results.
The results show that in the age group 15 –19 years, none of the female youths had saved money to establish an enterprise in the informal sector. It is only male youth that had made savings from casual work or a previous job in the informal sector. For this reason, the above results in the category 15 – 19 years should be treated as representing younger male youth proprietors only. In the age group 20 – 24 years, close to half of the female youth proprietors had saved from casual work earnings. Only 14.3 percent of these youths had saved from a previous informal job, while none had saved from a previous formal job. Other (14.3 percent) of the female youth had saved from their ‘chilimba’ contributions. On the other hand, 64.9 percent of the male youth proprietors had saved from their casual work earnings, while only 29.7 percent had saved from working in the informal and formal sector. Of these, 16.2 percent had saved from a previous informal sector job, while 13.5 percent had saved from a previous formal sector job. A small percentage (5.4) of the male youth had used their retrenchment package. In the age group 25 – 29 years, all female youth proprietors had made their savings from casual work and a previous job in the informal sector. Of these, the majority (66.7 percent) had saved from a previous job in the informal sector, while 33.3 percent had saved from their casual work earnings. In contrast, slightly over half (51.7 percent) of the male youth had saved from their casual work earnings, while 37.9 percent had saved from a previous formal job in the formal and informal sector. Of those that had made savings from employment in the
formal or informal sector, 20.7 percent had saved from a previous job in the informal sector, while 17.2 percent had saved from a job in the formal sector. Other youths had saved from their retrenchment package (6.9 percent), while 3.4 percent refused to disclose the source of their savings.

There was a low level of awareness about existing sources of credit among the proprietors. The results show that only a quarter (24.5 percent) of the proprietors were aware of the existence of sources of credit in their areas. The majority (73.8 percent) indicated that they did not know where to find credit for their enterprise activities. There were only slightly variations in the level of awareness about sources of credit between youth and non–youth proprietors. There were also no significant gender variations in the level of awareness. Of those that were aware of sources of credit, the great majority (77.6 percent) cited Non - Governmental Organisations (NGOs), while 10.5 percent cited informal money lenders. Other identified sources were commercial banks (2.6 percent) and religious groups (1.3 percent).

These results suggest that the major sources of initial capital among youth proprietors are own savings and a grant or loan from a spouse, parents and relatives, and friends. However, the majority of married female non–youth proprietors and older married female youth tend to rely on more on money from a spouse than married male proprietors. Expectedly, but not surprising, very few of the youth had borrowed money from a formal commercial bank. Asked why they did not approach banks for loans, the youth lamented that it was almost impossible to obtain a loan from a bank due to, among other factors, the following: lack of collateral (security); high interest rates (of around 30 percent and above); lack of awareness of the types of financial products that banks were offering; ignorance of the required paper work; and banks were not ‘youth friendly’. Other sources of capital among proprietors, albeit in very small amounts, are informal money lenders (kaloba); ‘chilimba’; and retrenchment packages.

Several issues emerge from an analysis of these results. First, they suggest that young people lack access to institutional capital, in particular formal financial institutions like commercial banks. Formal financial institutions do not target youth because of their perceived lack of business acumen and specialization. Also because they must offer some asset or collateral to secure a loan. In applying for a loan, it is not often the viability of the business that is judged but the financial guarantees that are offered by the credit seeker. Consequently, some young people may have a well-researched, viable business option but are unable to obtain funding because they have no collateral. Similarly, popular micro-credit programs do not target youth as a group, mainly because the credit seeker needs to be at least 18 years of age to sign a contract. In addition, many see youth as in a transitional phase of their lives and thus more likely to default on a loan. In this sense, it can be argued that while micro-finance is apparently a great tool, it does not seem to provide a complete answer to the finance access issue for young people. Equally, informal sources of capital within the residential areas do not see seem to address the credit needs of youth. As already noted, only two percent of the operators had borrowed money from informal sector lenders popularly known as ‘kaloba’. Youth proprietors in focus group discussions expressed a reluctance to borrow money on ‘kaloba’. This
suggests that they are quite well informed about the harsh borrowing conditions associated with informal money lenders. These findings seem to confirm Malcolm Harper’s assertion that informal sources of credit are not accessed by young people because of their monopolistic and extortionate behaviour (Harper, 1989).

Secondly, the predominance of own savings as a major source of capital for the majority of youth proprietors implies that the majority of male youth are compelled to raise their own capital given lack of institutional support. Thirdly, the role of a spouse (mostly husbands) or parents and relatives as a source of initial capital suggests the continued existence of a complex system of kinship relationships and structures in most communities in Zambia. In the absence of access to institutional capital, young people are more likely to call on resources within their families. This highlights the importance of kinship relationships in the generation of capital in the informal sector. By giving the youth, wives or other proprietors working in the informal sector grants or loans to set up their businesses, such youths and proprietors are expected to offer similar support to their friends, parents or relatives in times of need. This ensures sustenance of what Bangura (2000) calls ‘relations of affection’ in the accumulation process in the informal sector.

In this study, it is our contention that although non – institutional sources are a major source of seed money for the majority of informal sector enterprises, their sustainability as a viable source of finance for ISOs appears to be limited. First, there is the issue of the monetary depth of the source of the capital itself. Considering the prevalence of low incomes in informal settlements, it is highly likely that there will not be enough financial resources to give to youth to enable them establish viable enterprises. Secondly, is the issue of informal ties, in particular ‘relations of affection, that may come with this source of capital. Relying on a spouse, parents or relatives might mean the proprietor being required to reciprocate or assist the family whenever required. In some cases, this might mean that the enterprise is seen as a household venture that belongs to everyone household member. In this sense, the enterprise becomes some form of ‘social’ enterprise which largely exists to meet the needs of the family. Consequently, these factors may affect opportunities for accumulation in the informal sector as proceeds from the enterprise are diverted towards meeting kinship obligations. Where such relationships are dense, the viability of the enterprise itself might be affected, resulting in its collapse. Hence, unless measures are taken to make financial services available to youth proprietors and ISOs in general, opportunities for accumulation in the informal sector are likely to be limited.

Lack of financial depth in the informal sector is evident in the amounts of initial capital used to start enterprises in the informal sector. As already noted, the majority of youth proprietors used small amounts of capital to start their enterprises. This was particularly the case among female youths and younger male youths. Lack adequate capital implies that youth proprietors cannot acquire equipment and procure supplies of stock in large quantities. In the case of equipment, the study findings show that the great majority of enterprises owned by youth proprietors, especially female youths and younger male youths, had no equipment or were using simple tools or utensils. In the case of stock, the study suggests that most youth proprietors could not procure stock in large quantities.
Matters are not helped by lack of credit facilities extended to youth enterprises by suppliers.

4.2.2.8 Technology

The study suggests that the great majority (81.8 percent) of informal sector enterprises use simple or have no equipment. Of these, slightly over half (51.2 percent) of the enterprises had no equipment or tools, while nearly a third (30.6 percent) were using simple tools. Under a quarter (16.5 percent) of the enterprises were using portable power tools, while very few (1.7) were using fixed motorized equipment. The sectoral distribution of the results suggests that the overwhelming majority of enterprises that had no equipment were in trading activities. The results indicate that 71 percent of trading enterprises had no equipment, while about a quarter were using simple tools or utensils. Only few were relying on electric appliances (3.9 percent) and fixed motorised equipment (4.0 percent). On the other hand, the great majority (78 percent) of manufacturing activities were relying on simple tools and electric appliances. Of these, nearly half were relying on simple hand tools, while 30 percent were relying on electric appliances or portable power tools. Only 4.0 percent were using fixed motorised equipment, while 18 percent had no tools. In the case of service providers, all enterprises were relying on simple tools at 100 percent.

The age distribution of the results suggests that more enterprises owned by youth proprietors had no equipment or were relying on simple tools than those owned by non–youth proprietors (See graph below). In the youth age group, the overwhelming majority (85.6 percent) of enterprises had no equipment or were using simple hand tools or utensils. Of these, 62.6 percent were using simple tools, while almost a quarter (23 percent) had none. Only 12.9 percent were using electrical appliances, while 1.4 percent had fixed motorised equipment. In contrast, slightly less enterprises (77.3 percent) owned by non–youth proprietors had no equipment or were using simple tools. Of these, less than half (40.8 percent) had no equipment, while 37.5 percent were using simple tools. About 19.7 percent of the enterprises were using electrical appliances, while 2.0 percent were using fixed motorised equipment.
The gender distribution of the results suggests that more enterprises owned by female proprietors within both the non–youth and youth categories were relying on simple tools. (See graph below). In the non–youth age group, the overwhelming majority (87.2 percent) of enterprises owned by female proprietors had no equipment or were using simple hand tools or utensils. Of these, 42.3 percent were using simple tools, while 44.9 percent had none. Only 11.5 percent were using electrical appliances, while 1.3 percent had fixed motorised equipment. In contrast, slightly less enterprises (67 percent) owned by male non–youth proprietors had no equipment or were using simple tools. Of these, 33.3 percent were using simple tools, while 34 percent had no equipment. Nearly a third (29.2 percent) of the enterprises owned by male non–youth proprietors were using electrical appliances, while 2.8 percent were using fixed motorised equipment.
These gender variations are even more pronounced in the youth category. This is evident from the graph below. Almost all enterprises (99 percent) owned by female youth proprietors had no equipment or were using simple tools or utensils. Of these, the majority (70.6 percent) had no equipment, while 27.5 percent were relying on simple tools. Only 2.0 percent were using electrical appliances, with none relying on fixed motorised equipment. In comparison, less enterprises (78.5 percent) run by male youth proprietors had no equipment or were relying on simple tools. Of these, slightly over half had no equipment, while 19.3 percent were using electrical equipment and 2.3 percent fixed motorised equipment.
When these results are disaggregated according to the specific age category of youth, they suggest that more enterprises owned by female youths and younger male youths had no equipment or were relying on simple tools than those owned by older male youths. None of the enterprises had fixed motorised equipment.

4.2.2.9 **Source of Inputs**

The study suggests that the major source of inputs or items for the majority of informal sector enterprises appears to be the formal sector. The results indicate that 62.8 percent of the enterprises obtained their inputs or items from an established dealer in the Central Business District. These were mainly wholesale shops and factories. The other sources of items or inputs were friends (9.7 percent); cooperative (3.8 percent); the family (2.1 percent); own source or produce (0.7 percent); Non-Governmental Organisation (0.3 percent). It also emerged that 20.5 percent of the enterprises had no established or regular source of inputs and items. There are no significant variations in the source of inputs between non – youth proprietors and youth proprietors. However, there are some slight variations when the results are disaggregated according to gender and the age category of youth.

The gender distribution of the results suggests that slightly less enterprises run by female non – youth proprietors relied on an established dealer and more on friends and ‘other’ sources of inputs and items than male proprietors. The results suggest that 69.1 percent of
enterprises owned by female proprietors relied on an established dealer, followed by ‘other’ (21.8 percent) and friends (10.3 percent) and own source (1.3 percent). On the other hand, the significant majority (73.6 percent) of enterprises run by male non–youth proprietors procured their items or inputs from an established dealer. Other enterprises relied on ‘other’ sources (11.1 percent); friends (9.7 percent); family (1.4 percent); cooperative (another 1.4 percent); NGOs (1.4 percent); and own produce (1.4 percent). These results are also reflected in the youth category. The results show that slightly under half (42.9 percent) of the enterprises run by female youth proprietors procured their merchandise from an established dealer, while about a third (30.6 percent) obtained their supplies from ‘other’ sources. Other enterprises obtained their items or inputs from friends (14.3 percent); cooperative (10.2 percent); and family (2.0 percent). In contrast, the majority (63.2 percent) of the enterprises run by male youth proprietors procured their supplies from a well-established dealer, while slightly under a quarter (21.8 percent) obtained their items from ‘other’ sources. The rest of the enterprises obtained their merchandise from friends (6.9 percent); family (4.6 percent); and cooperative (3.4 percent).

When these results are disaggregated according to the specific age category of youth, they suggest that slightly less enterprises owned by younger youths obtained their items or inputs from an established dealer. For instance, just slightly over half (57.9 percent) of the enterprises run by youth in the age category 15 – 19 years obtained their merchandise from an established dealer. The rest of the enterprises procured their supplies from family (15.8 percent); friends (10.5 percent); ‘other’ sources (10.5 percent) and cooperative (5.3 percent). In comparison, the majority (62.3 percent) of the enterprises owned by older youths obtained their enterprises from an established source, while slightly a quarter (26.2 percent) procured theirs from ‘other’ sources. Other enterprises run by older youths obtained their supplies from friends (4.9 percent); cooperative (4.9 percent); and family (1.6 percent). There are also some gender variations in these results. The results suggest that slightly less enterprises owned by female youth proprietors obtained their supplies from an established dealer. In the age category 15 – 19 years, half (50 percent) of the enterprises owned by female youth proprietors obtained their merchandise from an established source. The rest of the enterprise procured their inputs or items from friends (16.7 percent); cooperative (another 16.7 percent); and ‘other’ sources (16.7 percent). On the other hand, the majority (61.5 percent) of the enterprises run by male youths obtained their inputs and items from an established dealer, while almost a quarter obtained theirs from family (23.1 percent). Other enterprises obtained their supplies from friends (7.7 percent) and ‘other’ sources (another 7.7 percent). In the age group 20 – 24 years, slightly under half (42.9 percent) of the enterprises run by female youth obtained their supplies from an established source. About a third (31.4 percent) of the enterprises obtained their merchandise from ‘other’ sources, while the rest obtained theirs from friends (14.3 percent); cooperative (8.6 percent); and family (2.9 percent). In contrast, the majority (62.3 percent) of enterprises run owned by male youths obtained their supplies from an established dealer, while slightly over a quarter (26.2 percent) procured their supplies from ‘other’ sources. The rest of the enterprises obtained their supplies from family (4.9 percent); cooperative (another 4.9 percent) and family (1.6 percent). Equally, in the category 25 – 29 years, slightly less enterprises run by female youth obtained their supplies from an established source than those run by male youth proprietors. The results show that slightly over half of the enterprises owned by female youth proprietors
procured their supplies from an established source, while more than a quarter (26.7 percent) obtained theirs from ‘other’ sources. The rest of the enterprises obtained from friends (13.3 percent) and cooperatives (3.3 percent). On the other hand, the majority of enterprises owned by male youths obtained their inputs from an established source. The rest of the enterprises procured their supplies from a variety of sources. These are friends (14.6 percent); ‘other’ sources (9.8 percent); family (2.4 percent); cooperative (2.4 percent); NGO (2.4 percent); own source (2.4 percent).

These results suggest that the majority of youth enterprises rely on the formal sector for their supplies. However, these enterprises do not enjoy credit facilities from their supplies. They are required to pay cash up front before they procure any supplies. Not surprisingly, lack of adequate capital to procure merchandise compels female non–youth proprietors and female youth proprietors to diversify their sources of supplies. The research findings suggest that female proprietors tend to rely more on friends, family and other informal sources of supplies than male proprietors.

4.2.2.10 Market Information and Product Marketing

The study findings suggest that there was a heavy reliance on non–institutional sources of market information in the informal sector. The results indicate that the major source of information were friends and family (62.3 percent). Of these two sources, the major one was friends (50 percent), with family accounting for 11.4 percent. Other enterprises relied on their own initiative (16.3 percent) and club or association (3.9 percent). The rest merely displayed their items for sale. However, there are some variations when the results are disaggregated according to age and gender. The results suggest that more female non- youth proprietors (62.8 percent) relied on friends and family as their major sources of information than male non- youth proprietors (47.1 percent). Similarly, the results suggest that more female youth proprietors (76.6 percent) relied on friends and family as their major sources of information than male youth proprietors (59.8 percent).

The study findings also suggest that most informal sector enterprises in the sample had no clearly defined and targeted marketing strategy. The great majority (79.5 percent) of proprietors relied on customers to purchase items displayed at their business premises. Of these, close to half (48.9 percent) indicated that they simply displayed their merchandise at their premises in the streets and waited for customers to come and buy, while about a third (31.8 percent) sold their products at an established market place. Other proprietors (15.9 percent) only dealt in ‘make to order’ items. Only 4.5 percent of the proprietors used middlemen, while 3.4 percent relied on ‘other’ means of marketing their products. There are no significant variations in these results when disaggregated according to age. However, there are slight variations when the results are disaggregated according to gender and the specific age category of youth.

In terms of the market for their products, the study findings indicate that nearly all enterprises were relying on the local community. For analytical purposes, the local community can be categorised into neighbours, friends, fellow church members, fellow club members and rest of local community. The results show that the significant majority (78.7
percent) of enterprises relied on the rest of the local community. Others relied on neighbours (13.9 percent); friends (4.2 percent); fellow club members (1.7 percent); and fellow church members (0.3 percent). Only 1.0 percent of the enterprises relied on customers from outside the local community. There are no significant variations in the results when they are disaggregated according to age and gender.

There were also no strong linkages between formal and informal enterprises. The study findings suggest that only 14.9 and 4.8 percent of the respondents had been given a contract by a private sector firm and government department, respectively. Of those given a contract by a private sector firm, 44.2 percent were in trading; 39.5 percent in manufacturing; 7.0 percent in service provision; 4.7 percent in other service provision; and 4.7 percent in fuel supply. The sectoral distribution of the enterprises suggests that informal enterprises had benefited from private sector contracts to varying levels. The results show that the major beneficiaries were tailors (38.1 percent), followed by metal fabricators (37.5 percent); furniture makers (36.8 percent); and other activities like (25.6 percent). Other beneficiaries were food suppliers (12.2 percent); salaula traders (4.8 percent); and service providers. In the case of those given a government contract, the major beneficiaries were food suppliers (33.8 percent); groceries suppliers (17.5 percent); other operators like (21.4 percent); and service providers (10.5 percent). Others were metal fabricators (7.1 percent) and tailors (6.5 percent).

These results suggest a heavy reliance of informal enterprises on a low income market. The results show that nearly all proprietors, especially youth proprietors, rely on the local community as a market for their products. However, this is a low income market as reflected in high poverty levels. Household surveys show that the residents of Chawama, the study area, belong to the lower income groups of Lusaka. In 1994, the Urban Poverty Assessment data (World Bank, 1994) described 45 percent of the inhabitants of Chawama as ‘non poor’ or as living above an income-based poverty line; 24 percent as ‘poor’, and 31 percent as ‘very poor’. This means that in 1994 almost two thirds (55 percent) of Chawama residents were living below the poverty line. However, this figure was much lower than the estimated national poverty figure of over 70 percent. Although Zambia lacks a national poverty line, national poverty assessments, based on the World Bank measure of people living on less than US$2 per day, show that over 70 percent of the country’s estimated population of 10.5 million people are living in absolute poverty. This is an increase of nine percent from 61 percent in 1990. However, taking urban poverty alone, the level of poverty (55 percent) in Chawama was higher than the average national urban poverty level of 40 percent in 1996. In recent years, restructuring and retrenchment of workers in the formal seems to have worsened the situation. Available estimates suggest that currently less than ten percent of the Chawama population is employed in the formal sector. Before the 1980s, 96 percent of the employed male households in Chawama were in wage employment, with at least 70 percent of them working in the formal sector (Muller, 1977). The effect of this is to reduce demand for local goods and services, while simultaneously adding to the pool of competing business operators in the informal sector. In this context, heavy reliance on a low income market is likely to impede the growth of youth. However, one should appreciate the range of differentiation among the residents, especially in terms of economic activities and
income. Very few of the proprietors (mostly male non–youths) had sub–contracting arrangements.

A further analysis of the above research results suggests that lack of information, while not identified by proprietors, is a major constraint facing the majority of enterprises. The study suggests that respondents seemed to be poorly informed about existing enterprise support programmes for young people, especially those run by the State and NGOs. The survey findings and focus group discussions with both young people and community leaders suggest that the overwhelming majority of respondents were not aware about existing youth enterprise support programmes. For example, they were not aware of the Constituency Youth Project Funds set-up in every constituency by the government to provide venture capital to promising income-generating project proposals made by young people. This lack of awareness about existing enterprise support programmes suggest that young people working in the informal sector lack access to institutional resources, especially formal institutions. This is evident from study findings which indicate that informal sector proprietors largely obtain information on economic opportunities (both permanent and temporary), input and output markets and community prices of goods and services and community prices from friends and family members. This is invariant between youth and non–youth proprietors. Access to formal sources of information such as government, the media and other formal institutions seem not to exist, especially among female youth proprietors and younger male youth proprietors. To a certain extent this seems to explain the lack of diversification in enterprise activities or concentration in low return activities. The fact that information only flows amongst “poor households” and no access to wider information sources such as the media, government (i.e. agriculture extension officers etc) and other formal organizations confirm the argument that one of the problems of informal sector proprietors is lack of access to institutional resources or support.

In this study, it is argued that legal, commercial and political institutions work for those individuals who are better connected to them. The fact that poor people rarely belong to these diverse networks justifies the low recourse of most respondents in the study area to police and courts for dispute settlement. Of all the small-scale entrepreneurs operating both in rural and urban areas only 10 percent could ever go the police or litigate in court against known payment of debts by its debtors. Most of them rely on negotiation and persuasion to collect debts from defaulting customers. In addition, respondents also indicated that access to and allocation of constituency development funds released by government is highly politicised and mostly restricted to party cadres of ruling political party. This is yet a clear case of weak and less transparent institutional and legal framework for managing the informal sector. Certainly, where morality is weak amongst those managing diverse networks or institutions to which the poor have no access further weakens and erodes prospects for turning a sluggish informal sector into a dynamic one.
4.2.2.11  Seasonality and Hours in Operation

The study suggests that most informal sector enterprises operated long hours. The majority (65.8 percent) of the enterprises operated more than ten hours. Of these, a quarter (25 percent) worked over 12 hours, while 40.8 percent worked between 10 – 12 hours. Another 20.4 of the enterprises operated between 7 – 9 hours. Only 11.8 percent of the enterprises worked less than seven hours. Of these, 9.2 percent worked between 4 – 6 hours, while very few (2.6 percent) worked less than four hours. When disaggregated according to gender, the results suggest that enterprises owned by male proprietors worked longer hours than enterprises run by female proprietors in both the non – youth and youth categories.

In the non – youth category, the gender distribution of the results suggests that 60 percent of the enterprises owned by female proprietors worked over 10 hours per day. Of these, 20.5 percent indicated that they worked over 12 hours, while 39.7 percent worked between 10 – 12 hours per day. The rest of the enterprises operated less than ten hours per day. Of these, 21.8 percent worked between 7 – 9 hours; 12.8 percent between 4 – 6 hours, while only 2.6 percent worked less than four hours per day. On the other hand, 70.9 percent of the enterprises run by male proprietors worked over 10 hours per day. Of these, almost a third (30.6 percent) worked over 12 hours per day, while close to a half (40.3 percent) worked between 10 – 12 hours per day. The rest of the enterprises worked between 7 – 9 hours (19.4 percent); between 4 – 6 hours (5.6 percent); and less than four hours (2.8 percent). These gender variations are even more pronounced in the youth category. The results show that the overwhelming majority (83 percent) of enterprises owned by male youth operated over 12 hours per day. Of these, nearly half (46.6 percent) operated more than 12 hours per day, while more than a third (36.4 percent) operated between 10 – 12 hours per day. The other 10.2 percent of the remaining enterprises operated between 7 – 9 hours, while tiny percentages operated between 4 – 6 hours (3.4 percent) and less than four hours (1.1), respectively. In comparison, only slightly over half (57.1 percent) of enterprises run by the female youth proprietors operated more than 10 hours per day. Of these, slightly more than a quarter (26.5 percent) operated more than 12 hours, while just under a third (30.6 percent) worked between 10 –12 hours. The rest of the enterprises operated between 7 – 9 hours (20.4 percent); 4 – 6 hours (16.3 percent); and less than four hours (4.1 percent).

When these results are disaggregated according to the age category of youth, they suggest further gender variations among different categories of youth proprietors. The results suggest that enterprises owned by male youth proprietors in all three categories of youth operated longer hours than those owned by female youth proprietors. In the age category 15 – 19 years, the majority (66.6 percent) of enterprises run by female youth operated less than 10 hours per day. Of these, half (33.3 percent) worked between 7 – 9 hours, while the other half (33.3 percent) worked between 4 – 6 hours per day. The rest of the enterprises operated over 10 hours per day. Of these, 16.7 percent worked between 10 – 12 hours per day, while another 16.5 percent worked over 12 hours. In contrast, the
overwhelming majority (92.4 percent) of enterprises run by male youth proprietors worked over 10 hours per day. Of these, half (46.2 percent) worked between 10 – 12 hours per day, while the other half (46.2 percent) worked over 12 hours. The remaining few (7.7 percent) operated between 4 – 6 hours per day. Similarly, in the age group 20 – 24 years, the overwhelming majority (80.7 percent) of enterprises owned by male youth proprietors worked over ten hours per day. Of these, about half (45.2 percent) worked over 12 hours, while slightly over a third (35.5 percent) worked between 10 –12 hours. Another (11.3 percent) of the male youth worked between 7 – 9 hours per day. Only 4.8 percent of the enterprises operated less than seven hours. Of these, 3.2 percent worked between 4 – 6 hours, while 1.6 percent worked less than four hours. On the other hand, 60 percent of the enterprises run by female youth proprietors operated over ten hours. Of these, less than a quarter (22.9 percent) operated more than 12 hours, while 37.1 percent worked between 10 –12 hours. The rest of the enterprises operated between 7 – 9 hours (17.1 percent); between 4 – 6 hours (17.1 percent); and less than four hours (5.7 percent). In the age group 25 – 29 years, just slightly over half (56.7 percent) of the female youth proprietors worked over ten hours per day. Of these, slightly over a quarter (26.7 percent) worked over 12 hours per day, while just under a third (30 percent) worked between 10 – 12 hours. The rest of the enterprises operated between 7 – 9 hours (30 percent); between 4 – 6 hours per day (6.7 percent); and less than four hours (3.3 percent). In comparison, the majority (67.8 percent) of enterprises run by the male youth proprietors worked over 10 hours per day. Of these, 31.7 percent worked over 12 hours per day, while 36.6 percent worked between 10 –12 hours. Another 26.8 percent worked between 7 – 9 hours. Only 4.9 percent of the enterprises operated between 4 – 6 hours, while none worked less than four hours per day. However, when the seasonality of operation is examined, the study suggests that the majority of enterprises run by non – youth proprietors were in operation for longer periods of time than those run by youth proprietors. The results show that more non – youth proprietors worked all year round (12 months) than non – youth proprietors.

These results suggest that despite, or because of, their low levels of capital and stock, the results suggest that ISOs work long hours. However, these hours do not seem to translate into increased earnings among ISOs. This is particularly the case among younger male youths. Working long hours therefore appears to be a conscious strategy by ISOs to address constraints arising from low capitalization, low capital stock, low demand and high competition. However, the research findings suggest that male youth proprietors tend to work longer hours than female proprietors, both young and adult. The probable explanation for this is security. Working long hours necessarily entails working at night. This tends to discourage female proprietors from working at night because there is a tendency in many large Zambian cities and towns to assume that young women who carry on working at night are immoral or promiscuous. Young women who try to ignore this dubious assumption find themselves attracting unwanted advances and even harassment. The situation is made worse by the tendency to blame the victims of such harassment rather than their assailants.
4.2.2.12 Regulatory Environment

The study findings indicate that the great majority (75.2 percent) of the enterprises in the sample were not subject to regulations or rules of one form or another. Only about a quarter (24.8 percent) of the enterprises were subject to regulations in their operations. Of these, slightly over a half (54.7 percent) were subject to City Council regulations, while the rest were subject to various formal and informal regulations and rules. The results show that 16 percent of the enterprises were subject to ‘informal rules and arrangements’; 12 to state regulations; and another 12 percent to local community rules. The sectoral distribution of enterprises suggests that the majority (62 percent) of trading activities were subject to City Council relations, while 22 percent were subject to state regulations. The others were subject to community and informal regulations.

Further analysis of the results indicates a dominance of particular activities that were subject to regulations. In the case of trading, the results suggest that it was largely the selling of *salaula* (second hand clothes), food stuffs and groceries that were subject to regulations. More than a quarter (28.6 percent) of salaula traders were affected by regulations, followed trading activities (percent) of salaula traders were subject to council by – laws, with none affected by state regulations. Other salaula traders were subject to local community regulations (14.3 percent) and informal rules (14.3 percent). Similarly, 72 percent of those dealing in groceries were subject to council regulations, while 18.2 percent were subject to informal rules. None were subject to state regulations while the rest were subject to community regulations. Equally, 69.2 percent of food traders were subject to council regulations, with only 7.7 percent subject to state regulations. The rest were subject to community regulations (11.5 percent) and informal rules (3.8 percent). In the case of manufacturing activities, 66.7 percent of furniture making was subject to council regulations, while the rest (33.3 percent) were subject to informal arrangements. None were subject to state or community regulations. However, half of tailoring activities were subject to state regulations, while the other half was subject to community regulations. Metal fabrication was only subject to informal rules at 100 percent. On the other hand, services providers were subject to various forms of regulations. More than a third (37.5 percent) were subject to council by – laws; another 37.5 percent were subject to informal rules; and 12.5 percent were subject to state regulations.

Overall, the research findings suggest that regulations of various forms seem to have been affecting particular types of products. For instance, council by – laws were mainly affecting food stuffs (43.9 percent), followed by groceries (19.5 percent). Other items affected by council by – laws were services (7.3 percent); furniture (4.9 percent); tailoring (2.4 percent); and other items (9.8 percent). Only 22.2 percent of food stuffs and 11.1 percent of groceries were affected by state regulations. The major focus (66.7 percent) of state regulations was on regulating ‘visible’ service activities like transport. Community regulations affected services like (44 percent); food stuffs (33.3 percent); second hand clothes (11.1 percent); and metal fabrication (11.1 percent). On the other hand, informal arrangements and rules affected 25 percent of services; 25 percent of
groceries; and 25 percent of other items like. However, they only affected the selling or making of furniture, ‘salaula’ and food stuffs to a small extent. The gender distribution of the results indicates that all the proprietors were subject to various types of regulations depending on the nature of their enterprise activities, location or premises and product.

These findings suggest that the majority of informal sector enterprises (ISEs) in the streets are not subject to regulations or rules. Of those that are subject to regulations, it is mainly those selling food stuffs who are subject to council by – laws. Not surprisingly, the dominance of females in selling food stuffs meant that activities undertaken by women were more subject to control by market committees and local government by – laws. As a consequence, female proprietors had more social obligations associated with marketeers such as market contributions levied by local authorities and even political parties than male youth and non – youth proprietors. However, there was a dominance of younger youths in the category of people affected by ‘informal’ rules and arrangements. The possible explanation for this could be what Imboela (1997) refers to as ‘territoriality’. According to Imboela, operations of younger youths are characterized by the ‘territoriality’ of the market space. This means that the physical size of the operating space is informally divided into territories that are usually marked by ‘informal ownership’. Although territoriality is more common in the Central Business District, the practice also permeates residential areas. In residential areas like Chawama this normally refers to the space in front of someone’s house. It also includes the space along the streets or roads which are informally controlled or owned by individuals or groups of individuals. It, therefore, follows that noone can put up a makeshift stall or operate in space that is controlled or ‘owned’ by someone else. This would be a violation of the underground territorial rules which require the permission of the ‘owner’ of the space. This raises the issue of ‘contested’ market space in the informal sector.

The study by Imboela revealed that the overwhelming majority (82 percent) of the operators did not own the space where they were operating from. According to Imboela, of the 16.7 percent of youth proprietors who claimed to own the space where they were operating from, 15.5 percent said that the space belonged to their parents; 15.5 percent to relatives; and 19 percent to friends. Where the operators was not the owner of the space, an informal arrangement was entered into for working from the place. This usually involved offering some money, goods or other favours to the owner of the space. Where the owner was not readily identifiable, such as along the streets, territoriality takes the form of a struggle to enter into business. Imboela observes that potential entrants were interviewed by existing operators to ascertain their suitability to operate from a that area. The present study also discovered that some young who ‘owned’ the space at bus stations worked on a ‘rotational’ base to give each other time to operate the business. In the case of one youth group that had a make - shift barbeque on which they roasted sausages and meats for selling, the proprietors had allocated themselves two working days each. On the days that the others were not working, they normally resorted to other income generating activities such as working as ‘ng’wang’awazi’ or ‘call’ boys to bus drivers (‘call’ boy in the sense of shouting for bus passengers). In other cases, the primary target of these youth gangs was extortion of money from public transport operators, whose bus crews were made
to pay "fees" in order to operate in their areas or space. Bus crews who refused to pay the "fees" had their buses stopped from loading passengers or were vandalised.

The ‘territoriality’ and the issue of contested working space raise serious questions about the argument of ‘easy of entry’ in the informal sector. Some analysts (principally the ILO) argue that the informal sector is characterised by easy of entry. However, this assumption seems to be based on an idealised informal sector. That there is a dominance of younger youths in the category of people affected by informal rules and arrangements implies that this category is vulnerable to ‘informal’ control by older youths or adults. Admittedly, ‘easy of entry’ may come in the form of a ‘youth’ requiring minimal capital to buy an item for re – sale. However, finding suitable working space for such a youth proprietor in a lucrative area may be difficult. Not surprisingly, the majority of younger youths tend to engage in hawking. This involves moving from one point to another, selling wares.

It should, however, be stressed that the issue of contested space does not suggest that those working in the informal sector in Zambia, especially younger youths, are subject to ‘exploitative’ market relations with large scale traders or large scale enterprises, as may be the case in some Asian countries (see Mayoux, 1995). There was no evidence to suggest that younger youths were bound to large scale interests through impersonal trading arrangements or a range of exploitative informal systems of exchange, indebtedness and social ties. This is manifest in the sources of stock or supplies for youth enterprises. The results show that nine out ten youth proprietors paid cash to procure their inputs or merchandise from an established dealer in a commercial district.

It is also worth noting that the above research results suggest that the majority of informal sector enterprises, especially those undertaken by young people, are violating council by – laws and other state laws, and are therefore, operating ‘illegally’. The interviews with the Council officials suggest that any person engaged in business is obliged by law to obtain the relevant operating licence. This is regardless of the size or status of the business. Thus, operators in both the formal and informal sector are subject to the same operational procedures and rules. This is particularly the case for those involved in trading and manufacturing activities in both sectors. The key laws that the businesses are supposed to comply with are the Trades Licensing Act of Zambia, the Public Health Act and the Food and Drugs Act.

The Trade Licensing Act of Zambia stipulates that any person involved in trading or manufacturing activities at any level must apply for a licence or provide documentary proof of exemption from holding such a licence. The Act states that “Any person who contravenes the provisions of this section shall be guilty of an offence”. As Mate and Kanyemba (1998) observe, this implies that street hawkers, tuntembas, vendors and other informal sector operators require a trading licence in order to ‘legally’ operate. On the other hand, under the Public Health Act and the Food and Drugs Act, any business premises and processes have to be certified to acceptable hygienic standards.
As noted above, the majority of informal sector enterprises are not affected by local authority regulations and rules. This suggests that the majority of informal sector enterprises do not meet the provisions of the Public health Act and the Food and Drugs Act. Moreover, the majority of informal sector enterprises lack rely on simple tools or have no equipment which makes it very difficult for them to meet the provisions of these Acts. Additionally, while the Trade Licensing Act of Zambia stipulates that all traders and manufactures should operate under licence, the study shows that the majority of those engaged in trading and manufacturing activities in the urban informal sector operate without licences. In the view of LCC officials, such operators are violating the Trade Licensing Act and are therefore operating illegally. This is particularly the case among youth proprietors whose enterprise activities are criminalized by the authorities. The criminalisation of youth enterprises results in lack of compensation for youth proprietors whenever their merchandise is seized and destroyed by council and state police.

At the same time this has the effect of driving some informal sector operators underground. A good example is that of shebeen operators or unlicensed liquor traders. Most shebeens operate from home, especially under cover of darkness. Mate and Kanyemba (ibid) observe that shebeen operators are subtle and difficult to detect. As a consequence, the authorities have a difficult time in trying to stop these activities. At the slightest sign of police presence, shebeen patrons seems to melt away. This makes it difficult to arrest the operators. Shebeens also contravene the zoning regulations by operating from residential areas. While this makes them a nuisance to their neighbours who have to endure loud music and rowdy behaviour of patrons, it remains a key livelihood strategy. (This issue is discussed extensively in Report II)

4.2.3 Characteristics of Youth Proprietors

In the informal sector, business outcomes seem to depend heavily on the background, skills, and inclinations of the owner (Africa Insight, 2001; Parker, 2000). This section examines the characteristics of the non – youth and youth proprietors in terms of their age profile, gender, ethnicity, education, skills training and acquisition in the informal sector, previous occupations, reasons for starting the business, forms of enterprise ownership and organisation. This is done in order to analyse the relationship between these characteristics and the performance of youth and non - youth owned enterprises.

4.2.3.1 Age Profile of Proprietors

As already noted, the level of youth participation in the informal sector seems to increase with age. The study suggests that only 9.6 percent of those aged between 15-19 years were engaged in enterprise activities in the informal sector as ‘proprietors’. The overwhelming majority (90.4 percent) of younger youths indicated that they were either doing ‘nothing’ or were engaged in casual work from time to time. The level of youth participation as proprietors in the informal sector increased to 33.4 percent among those aged between 20-24 years and 57.7 percent among those aged between 26-29 years, respectively. This trend continued among higher age categories, though it started to fall off for those aged 40 years and above. These findings are contrary to the conventional wisdom that the majority of
urban unemployed out of school youth venture into enterprise activities in the urban informal sector as ‘proprietors’. There are also significant variations when these results are disaggregated according to the gender of both non – youth and youth proprietors (See the following section).

4.2.3.2 Gender of Proprietors

The study findings suggest that there were slightly more male than female proprietors in the sample. The findings indicate that 55.1 percent of the males in the sample were proprietors compared to 44.3 percent of the females. This sex distribution of the results is also reflected in the percentage of male and female youth proprietors among both non – youth and youths. The results show that there were more male than female youth proprietors in both groups. In the non – youth category, 71.4 percent of the male non – youth were proprietors compared to 66.1 percent of the females. In the youth category, 32.8 percent of the male youth were proprietors, while only 18.3 percent of the female youth were proprietors. These gender variations are more pronounced in the youth category when the results are disaggregated according to the age category of youth.

The study findings show that only 5.4 percent of the younger female youth in the age category 15 – 19 years were engaged in running enterprises in the informal sector as proprietors compared to 15.1 percent of the male youth. Although the level of female participation increases among older youth groups, the results show that there are consistently fewer female than male youth proprietors. In the age group 20 – 24 years, only a quarter of female youth were involved in running enterprises in the informal sector as proprietors compared to close to half (40.3 percent) of the male youth. Among youth aged between 25 – 29 years, slightly over half (53.6 percent) of the female youth were engaged in running enterprises in the informal sector as proprietors. However, even this relatively high participation of female youth was still lower than that of male youth. The results show that the majority (60.9 percent) of male youth were involved in running enterprises in the informal sector among male youths aged between 25 – 29 years compared to 53.6 percent of female youth.

An analysis of the results suggests that there is a very low level participation of youth as proprietors in running enterprises in the urban informal sector. Only 25 percent of the youth are proprietors at any given time compared to about 70 percent of the adults. However, there are significant variations in the participation of youth as proprietors in the informal sector when the results are disaggregated according to specific youth age categories. The results appear to suggest that participation of youth in the informal sector as proprietors increases with age. For instance, only 9.6 percent of the youth aged between 15-19 were proprietors. This increases to 33.4 percent among those aged between 20-24 years and to 57.7 percent among those aged between 25-29 years. There are significant gender variations in these results. The study findings show that twice as many male youths in all age categories are likely to be involved in enterprise activities as female youths. This goes against the conventional view that the informal sector is the preserve of youth proprietors. The findings reveal the general low level of youth participation as proprietors in the urban informal sector.
A possible explanation for this phenomenon seems to lie in age and gender. The results suggest that proprietary participation in the urban informal sector increases with age. This is significant in the sense that age seems to result in different experiences and expectations among different categories of youth. First, younger youths are generally not expected to contribute to household income. As a result, they generally do not seem to have a pressing need to engage in enterprise activities. Secondly, younger youths are more likely to be uncertain about their future than older youths. Thirdly, significantly more younger youths will have expectations of finding waged employment in the formal sector than older youths. Fourth, older youths, given declining levels of expectations, are more likely to have a positive attitude towards self-employment. Fifth, older youth are more likely to have accumulated initial capital from a diversity of sources. Sixth, older youth are more likely to have more access to resources than younger youths. These factors suggest that biological and physical growth seem to be closely linked to age. Consequently, younger youths, who have just come out of school or have no work experience, are less likely to have the resources and contacts needed to engage in enterprise activities in the informal sector than older youths.

In the case of gender, the different socialization processes of males and females seem to have resulted in some differences in the emphasis on ways in which male and female youth could improve their livelihoods. First, it can be argued that the persistence of certain traditional values which seem to place a high premium on household work and marriage for female youths from an early age appear to contribute to an environment which perpetuates inequality between men and women, even in livelihoods aspirations. As a consequence, most of the female youth tend to see marriage as a major means of livelihood. The girls normally hope to find a marriage suitor who would take care of their needs. Male youth, while desiring marriage, tend to take up activities that would allow them to pursue independent livelihoods. Secondly, given the limited opportunities available to girls within the context of a male dominated patriarchal society, female youth are likely to take the ‘easy’ option of marriage. Thirdly, as Mulenga (2000) observes, the male out-of-school youth aged 16 or more are generally engaged in income generating activities and "piece work" (or casual employment), while their female counterparts were believed to be predominantly engaged in household work. This refers to unpaid work within the households in which they lived, involving mostly child minding, cleaning, fetching water and cooking (Ibid.). Mulenga further observes that, even though household work is traditionally done by women, who are assisted by children and the female youth, in the context of economic restructuring, households with female youths generally delegate household work to them. The labour of women released from household work is then deployed to other economic activities (mostly outside the home) that might bring additional household income/resources.

Fourth, young women, as a group, tend to be more vulnerable than young men in accessing resources. In a highly patriarchal environment, young women tend to be marginalized in relation to skills development and institutional support. In this sense, it can be argued that the gross under representation of young women in running their own enterprise activities in the informal sector is likely to be due to the narrow range of self-
employment opportunities available to them, partly because of the social constraints imposed on young women in comparison to men, as well as lack of capital and other business constraints. This highlights the need for more gender equality awareness and sensitivity in enterprise development programmes targeted at both males and females.

4.2.3.3 Ethnicity of Operators

There were no variations in the ethnic distribution of young people from the overall sample distribution. The results show that the majority of the non-youth proprietors and proprietor youth were from the two dominant ethnic groups in the study area: the Ngonis and Bembas. In the case of the non-youth proprietors, 44.3 percent of the proprietors were Ngoni, while 32.2 percent were Bembas. The rest were Tonga (12.8 percent); Lozis (5.4 percent); Luvale (2.0 percent); Lunda (1.3 percent); Kaonde (1.3 percent); and other (0.7 percent). The other category largely comprised refugees from the Democratic Republic of Congo, Rwanda, Burundi and Uganda. Similarly, the majority of the youth proprietors were either Ngoni or Bemba. Of these, 44.5 percent were Ngoni, while 38.7 percent were Bemba. The rest were Tonga (9.5 percent); Lozi (1.5 percent); Lunda (2.9 percent); Luvale (1.5 percent); Kaonde (0.7 percent); and other (0.7 percent).

An examination of the role of ethnicity in the process of accumulation in business is very important. As Abuodha and Bowles (2001) observe, ethnicity provides a wide base of institutions from which interaction and interest can be entrenched and enforced. The link between ethnicity and accumulation hinges on the co-existence of economically dominant ethnic societies alongside fragmented, weaker ethnic groupings. Dominant groups seek to intensify their ethnic social-institutional control to provide them with a continued comparative advantage and access to enterprise support resources. In consequence, ethnic-based enterprise relations encourage the perpetuation of entrenched ethnic divisions. As Abuodha and Bowles further observe, the alienation of able entrepreneurs from low-participation ethnic groups and the fortification of low-performance entrepreneurs from dominant ethnic groups represents an efficiency loss to the economy.

This study suggests that despite the dominance of the Ngonis and Bembas in the population of Chawama, ethnicity is not a determinant of accumulation in business. As the discussion on social relations and networking in the urban informal sector indicates, the creation of these networks and alliances is not influenced by the ethnic background of someone. Informal discussions with operators in the informal sector revealed that the basis for cooperation are the perceived ‘honest’ and ‘trust’ worthy of someone. These findings imply that ethnicity is not a key determinant of accumulation in business at the informal sector level in Zambia. This is contrary to the situation in West Africa and East Africa where ethnicity appears to be the major determinant of networking among proprietors, respectively (Abuodha and Bowles, 2001; Bangura, 1995). It would be interesting to conduct a detailed investigation of the contrasting role of ethnicity in the accumulation process in business in the Nigerian, Kenyan and Zambian situation.
4.2.3.4 **Education of Operators**

The research results suggest an appreciable level of education among proprietors. The results show that 93.4 percent of the proprietors had been to school. Of these, slightly over half (55.5 percent) had been to secondary school, while 37.2 percent had been to primary school. Of those that had been to secondary school, 31.4 percent had attended junior secondary school (two years of secondary education), while 24.1 percent had attended senior secondary school (five years of secondary education). On the other hand, of those that had attended primary school, a third (33.6 percent) had completed upper primary (seven years of primary education), while only 3.6 percent had not gone beyond lower primary school (four years of primary education). Only 6.6 percent of the proprietors had never been to school, while 0.7 percent had attained a tertiary level of education. However, there are variations in the levels of educational attainment when the results are desegregated according to age and gender.

The research findings suggest that more female proprietors had never gone beyond primary school than male proprietors (See graph below).

**Graph 26:**

**Education of ISOs by Gender**

![Education of ISOs by Gender](image)
As the graph shows, in the non–youth category, more male youth proprietors than female youth proprietors had gone beyond upper primary education. The majority of female youth proprietors were concentrated in the primary education category, especially the upper primary category.

There are only slight variations when these results are desegregated according to specific youth categories. Overall, however, the results suggest that more younger youths had been to secondary school than older youths. Similarly, the gender distribution of the results suggests that more male youth in all the three age categories had attained higher educational levels than female youths.

The study findings suggest an appreciable amount of education among youth proprietors. This implies that it would be easy to the youth training in a variety of programmes aimed at enhancing the performance of their enterprises. However, there are disparities in the levels of educational attainment between male and female youth proprietors. As discussed in Chapter Three, this is largely due to socio–cultural constraints.

4.2.3.5 Skills Training and Acquisition Process in the Informal Sector

The study shows that the overwhelming majority (93.8 percent) of proprietors had not received formal training while working in the informal sector (See chart below). Only 6.2 percent of the proprietors indicated that they had received skills training while working in the informal sector. Of these, the overwhelming majority (87.5 percent) had received skills training, while 12.5 percent had received entrepreneurial training. The major source (68.2 percent) of training were NGOs and the government. Of these two sources, NGOs accounted for 36.4 percent, while the government accounted for 31.8 percent. Other sources of training were donor agency (16.7 percent); religious group (3.3 percent); private firm (3.3 percent); and ‘other’ (16.7 percent). Presumably, the ‘other’ category includes job–on–training and apprenticeships. There are some variations in these results when they are desegregated according to age and gender. The results indicate that slightly more non–youth proprietors had received training than youth proprietors. However, slightly more female proprietors, both non–youth and youth, had received more training than male proprietors. However, most of the training received by female proprietors was largely in what are regarded as ‘traditional’ female skills such as tailoring.
In general, the overwhelming majority of proprietors reported that the training they had received was useful to their current enterprise activities. The research results show that 90 percent of the respondents described their training as helpful to their enterprise. Of these, 10 percent described it as ‘very useful’, while 80 percent described it as ‘useful’. Only 10 percent of the proprietors described their training as either ‘less useful’ or ‘not useful’. Of these, 3.3 percent described it as ‘less useful’, while 6.7 percent described it as ‘not useful’. In the specific youth category, 87.5 percent of the respondents described the training as ‘very useful’, while only 12.5 percent described it as ‘not useful’.

Further, 58.6 percent of the youth proprietors indicated that they needed additional training, while 43.4 percent indicated that they did not want any skills training. Of those that expressed a desire for training, slightly over half said that they wanted training in a variety of business skills. Of these, 45.6 percent wanted training in general business management skills. The rest wanted training in marketing skills (12.7 percent) and accounting skills (1.3 percent). Another 29.1 percent of the youth wanted training in technical skills, while the remaining few were not sure of the type of training they needed.
The study findings also suggest that there is an on-going process of skills acquisition process in the urban informal sector. The findings show that slightly over half (52.9 percent) of the proprietors had acquired skills from their operations in the urban informal sector. Of these, 17.2 percent had improved their technical skills, while the rest had acquired various types of business skills. However, more non – youth proprietors had upgraded their technical skills (21.1 percent) compared to (12.9 percent) among youth proprietors.

These results raise several issues regarding the desirability and appropriateness of training for ISOs, in particular youth proprietors. There is currently a debate as to whether higher educational levels are critical to accumulation in the urban informal sector (Simon, 2000; Bennell, 1999; Imboela, 1998; Maldonado, 1989: Bardouille, 1992). Bardouille (1992) argues that although education is advantageous, it is by no means necessary. While Imboela (1992), in a study of 84 youths involved in vending and trading in three towns in Zambia, Lusaka, Mongu and Livingstone, Imboela, appears to confirm these results by concluding that education or training made no difference to the enterprise operations of these young people, he admits that certain activities required skills intensity. Similarly, Maldonado (1989) argues suggest that although, initially, informal sector artisans do not usually regard skills training as a priority, they become aware of its usefulness once they have gained access to new markets and have negotiated favourable terms of purchase for new key raw materials. The present reached a similar conclusion. The study suggests that it is largely those operating in the low ranks (survivalist activities) of the informal sector (mainly younger youths) who don't need training because of the low skill intensity of their activities. Those in the upper reaches of the informal sector (mostly older youth proprietors) who are engaged in a variety of more sustainable enterprise activities said that they needed more training to expand their enterprise activities.

It is this context that we should examine the usefulness of education or training for the informal sector. The research findings reveal several things about youth enterprise development in Zambia. The first one is that although many young people seemed to be naturally enterprising, they still needed training in entrepreneurship skills. This unmet need for training is supported is evident from research results which show that most young people do not apply entrepreneurial attributes to their businesses. Secondly, the results suggest the absence of a strong apprenticeship system in Zambia. Paid apprenticeship programmes reach less than 4.0 percent of the youth proprietors. Parker (1996), in a national survey of SMEs in Zambia, reached a similar conclusion. This implies that there is no serious informal transfer of skills from non-youth informal sector operators to youth operators. The study by Parker suggests that training may have an impact on business success in terms of profits. Parker suggests that those with no training or free training from friends and family had the lowest returns, while those who undertook paid apprenticeships had higher than average returns. There were also lower returns to vocational and technical training. According to Parker, this is a reflection that these schools do not focus on types of activities found in more saturated markets, or provide less specialized or on – the – job training than paid apprenticeships. This suggests the need more flexibility in the technical and vocational training curricula.
Secondly, given the process of skills acquisition in the urban informal sector, there would be need build upon the skills that the informal sector operators have already acquired.

4.2.3.6 Previous Occupation of Proprietors

The study shows that lightly over half (51 percent) of the proprietors had been employed before, while 49 percent indicated that they had not. Of those that had been employed before, close to half (46.2 percent) said that they had worked in the private sector, followed by the informal sector (20.7 percent). The rest had worked in state-owned enterprises or parastatals (10.3 percent); local government (7.6 percent); central government (6.2 percent); and international organizations (2.8 percent). Only 3.4 percent had worked as unpaid family labour, mostly helping in running enterprise activities. However, there are significant variations when these results are disaggregated according to age and gender.

The results show that more non-youth proprietors had been employed before than youth proprietors. Slightly over half (57 percent) of the non-youth proprietors indicated that they had been employed before. Of these, close to half (46.2 percent) said that they had worked in the private sector, followed by the informal sector (20.7 percent). The rest had worked in state-owned enterprises or parastatals (10.3 percent); local government (7.6 percent); central government (6.2 percent); and international organizations (2.8 percent). Only 3.4 percent had worked as unpaid family labour. In contrast, the majority (60 percent) of the youth indicated that they had not been employed before. Only 40 percent of the youth had worked before. Of these, 38.8 percent had worked in the private sector, whereas nearly a quarter (23.5 percent) in the informal sector. Other youths had worked in central government; local government; and unpaid family labour. The desegregation of these results reveals significant variations according to gender and the specific youth age categories.

In the non-youth proprietor category, the results show that the overwhelming majority (73.7 percent) of male proprietors had been employed before. Of these, close to half (46.2 percent) said that they had worked in the private sector, followed by the informal sector (20.7 percent). The rest had worked in state-owned enterprises or parastatals (10.3 percent); local government (7.6 percent); central government (6.2 percent); and international organizations (2.8 percent). Only 3.4 percent had worked as unpaid family labour. In contrast, only 40.3 percent of the female non-youth proprietors had worked before. Of these, close to half (46.2 percent) said that they had worked in the private sector, followed by the informal sector (20.7 percent). The rest had worked in state-owned enterprises or parastatals (10.3 percent); local government (7.6 percent); central government (6.2 percent); and international organizations (2.8 percent). Only 3.4 percent had worked as unpaid family labour.

The research findings suggest that the majority of youth proprietors, especially younger male youths and female youths, do not bring many skills to their business from previous experience as workers or entrepreneurs. These include technical, managerial, strategic,
personnel, and marketing skills. The research results indicate that the majority of youth proprietors were previously unemployed, housewives, or in school. This is reflected in the fact that over 86 and 90 percent of the proprietors indicated that they were first labour entrants and entrepreneurs, respectively. They are therefore new to business and the working world. They also lack a broad set of contacts based on their workplace experience, or enhanced ability to enter high – return activities. Their business profits are correspondingly low compared to those of non – youth proprietors, especially the male non – youth proprietors.

4.2.3.7 Forms of Enterprise Ownership

The study findings suggest that the overwhelming majority (87.9 percent) of respondents were operating as ‘sole’ proprietors. Only 11.7 percent of the proprietors indicated that they were operating their enterprises in partnership with others. Of these, the majority (61.9 percent) were running ‘household enterprises’ (or in ‘partnership’ with parents and other relatives). The others were running their enterprises with friends (19 percent); a spouse (11.9 percent); and ‘loose’ arrangement with others (7.1 percent). There are no significant variations in the results between the non – youth and youth categories. There are only slight variations when the results are disaggregated according to gender.

The gender distribution of results suggests that slightly more enterprises owned by female proprietors were run as sole enterprises than those run by male proprietors in the non – youth category, while the reverse was the case in the youth category. In the non – youth category, 92 percent of the enterprises owned by female proprietors were own account enterprises compared to 84.1 percent among male non – youth proprietors. In contrast, 90.7 percent of the enterprises owned by male youth proprietors were own account workers compared to 81.6 percent among female youth proprietors.

The predominance of sole proprietorship in the urban informal sector has its own advantages and disadvantages. On the positive side, sole proprietorship provides for quick decision making. It therefore allows the owners to exercise great independence in matters relating to the management of the business. However, sole proprietorship sometimes results in rigidity in terms of adapting to change in the sense that proprietors tend to stick to their own idea to the exclusion of vital outside influence. Mushanga (1995) observes that there is a low propensity among sole proprietors to take advise on the improvement of the business. In the context of the informal sector, sole proprietorship also has a bearing on the size of the business. Most informal sector operators, especially the youth, typically start their enterprises with small amounts of capital. Low returns on low levels of investment may affect the growth of the business.
4.2.3.8 Reasons for Starting the Business

Individuals decide to start an enterprise for a variety of reasons. This study did not ask people why they chose to go into a specific enterprise activity. Rather, it asked why they chose to go into business. It is assumed that the reasons for choosing specific forms of enterprise activities are implicit in the responses on constraints facing businesses in the informal sector. The study indicates that the overwhelming majority (92.3 percent) of the respondents cited socio-economic problems as the major reason for starting the business. Of these, close to half (46.2 percent) cited lack of employment, a third (30.8 percent) the need to supplement household income; and 15.4 percent poverty. Only 7.7 percent of the respondents cited the need to accumulate wealth as the major reason for starting the business. There are no significant variations in the reasons given for establishing the enterprise between the non–youth and youth categories. However, there are significant variations in the reasons given when the results are disaggregated according to gender. The results appear to suggest that the need to supplement household income is the motivating factor for starting an enterprise among female proprietors in both the non–youth and youth categories, while among both male non–youth and youth proprietors it is lack of employment. In the case of the non-youth category, the majority (64.1 percent) of female proprietors cited the need to supplement household income as the main reason for starting the business, followed by lack of employment (23.1 percent). Other reasons given were the need to accumulate wealth (6.4 percent); poverty (5.1 percent); and retrenchment (1.3 percent). In contrast, half (50 percent) of the male non–youth proprietors cited lack of employment as the major reason for starting the business. Other reasons given were to supplement household income (18.1 percent); to accumulate wealth (15.3 percent); poverty (5.6 percent); retrenchment (2.8 percent); inherited the business (1.4 percent) and other (6.9 percent).
The distribution of these results is also reflected in the youth category. The great majority (75.5 percent) of female youth cited the need to supplement household income as the main reason for starting an enterprise. Only 16.3 percent cited lack of employment; 4.1 percent the need to accumulate wealth and 1.1 percent retrenchment. In comparison, only about a third (31.8 percent) of male youths cited the need to supplement household income as the major reason for starting an enterprise, while almost half (46.6 percent) of the male youth cited lack of employment. Similarly, slightly more male youths (12.5 percent) cited the need to accumulate wealth as the main reason for starting the business than female youth. Other reasons given were poverty (6.8 percent) and unknown disclosed (2.0 percent). The gender variations in these results are also reflected in specific youth categories.
In the age category 15 –19 years, the female youth proprietors cited only two reasons for starting their enterprise. Half (50 percent) cited the need to supplement household income, while the other half (50 percent) cited lack of employment. In contrast, only about a third (30.8 percent) of the male youth cited the need to supplement household income, while about half (46.2 percent) cited lack of employment. Other reasons given by male youth proprietors were poverty (15.4 percent) and the need to accumulate wealth (7.7 percent). In the category 20 –24 years, the great majority (77.1 percent) of female youth identified the need to supplement household income as the major reason for starting an enterprise. Only 11.4 percent cited lack of employment and 5.7 percent the need to accumulate wealth. Other reasons given were retrenchment (2.9 percent) and undisclosed (another 2.9 percent). Similarly, in the age group 25 – 29 years, the overwhelming majority (73.3 percent) of female youth proprietors cited the need to supplement household income as the major reason for starting an enterprise. Only 19.5 percent cited lack of employment, while (2.4 percent) identified retrenchment. In comparison, only 17.1 percent of the male youth proprietors cited the need to supplement household income as the major reason for starting an enterprise. Slightly over half (56.1 percent) identified lack of employment, followed by the need to create wealth (19.5 percent). The rest cited retrenchment (2.4 percent); inheritance (another 2.4 percent); and undisclosed reasons (2.4 percent).

These findings suggest that the different life experiences and expectations of females and males influence their reasons for starting an enterprise. The great majority of adult female and youth female proprietors largely start an enterprise in order to supplement household
expenditure. In contrast, the majority of adult males and youths start an enterprise in order to create employment for themselves. These reasons reflect the various socialisation processes that males and females undergo in African society. Females are largely brought up, and are expected, to play a subservient role in the household to that of the man. Consequently, household chores are seen as the responsibility of the woman. On the other hand, men and boys are brought up to believe that the role of the husband is that of a bread winner. This appears to explain the motivation among men to establish enterprises to fulfil the role of a bread winner.

However, for both males and females, the main views given for involvement in the informal sector are in sharp contrast to the main views given for starting a business in the West. According to Gray, et al. (1995), several of the main reasons often cited for starting a business in North America, Europe and Japan are: to be one’s own boss, with more control over one’s own work and life; to obtain an alternative route for advancement from a dead-end job; to obtain additional money; and to provide products not elsewhere available. These differences in the views given for starting a business suggest that youth and to a significant degree adults involved in enterprise activities in the informal sector in Zambia largely go into business out of economic necessity or need to survive, or out of failure to find productive use of their energy in other avenues. This finding is significant in the sense that the literature on the informal sector suggests that individuals who start an enterprise activity through choice rather than to meet a variety of constraints such as unemployment or to meet basic household needs are likely to have a more successful business experience (See Parker, 1996).

The study findings also suggest that the majority of parents in Zambia do not serve as business role models to their children. This implies two things. The first one is that most parents in the areas visited are unemployed. Secondly, it suggests that few young people come from families with a business background. Indeed, findings from the study indicate that only 18 percent of the youth talked to came from a business background. The entrepreneurship background of the youth is important. Research findings from elsewhere show that successful entrepreneurs tend to come from families with entrepreneurial parents (Gray et al., 1996). This implies that the likelihood of emerging entrepreneurs sprouting from the micro enterprise seed – bed in the urban informal sector without assistance appears to be limited.

In addition, in the absence of an entrepreneurial background among most young people engaged in informal sector enterprise activities, there is obviously need for role models and business mentoring for young people working in the informal sector within the framework of a National Youth Entrepreneurship Development Strategy. At the moment young people have no business role models and mentors. This means that the youth working in the informal sector in Zambia lack inspiration and mentoring from successful business people to develop viable enterprises.
4.2.3.9 Business and Financial Decisions of Proprietors

This section examines the management of ISEs in terms of the following:

a) Record Keeping

The research findings indicate that over half (59 percent) of the proprietors kept records of their business transactions, while slightly less than half (41 percent) did not. However, there are significant variations when these results are desegregated according to age and gender. The results show that (41.7 percent) of the non – youth proprietors kept records of their business transactions compared to just under a third (32.8 percent) of youth proprietors. In gender terms, more male proprietors than female proprietors kept records of their transactions in both the non – youth and youth categories. In the non – youth category, while 41.7 percent of proprietors kept records, the majority of these were male. The results show that over half (56.9 percent) of male proprietors kept records, while only 26 percent of female proprietors did so. In the youth category, while 32.8 percent of youth proprietors kept records, they were mainly male youth. The results show that 40 percent of male youth proprietors kept records compared to 32.7 percent of the female youth proprietors.

b) Business planning

The research findings indicate that only slightly over a third (34.4 percent) of the proprietors operated according to a business plan. However, there are significant variations when the results are desegregated according to age and gender. The results show that over half (54.2 percent) of male non – youth proprietors operated according to a business plan, while only 23.8 percent of youth proprietors did so. In gender terms, more male proprietors than female proprietors operated according to a business plan. In the non – youth category, over half (54.2 percent) of male proprietors operated according to a business plan, while only 16.9 percent of female non – youth proprietors did so. In the youth category, 40.9 percent of male youth operated according to a business plan compared to only 18.4 percent of the female youth proprietors.

c) Investment Patterns

The research findings indicate that the great majority (71 percent) of the proprietors were spending their earnings on meeting household need, while only 26 percent were re – investing the earnings in the business. The remaining few were spending their earnings on entertainment (1.0) and other activities (1.4 percent). There are only significant variations when these results are desegregated according to age and gender. However, there are significant gender variations in the results when disaggregated according to the specific age category of youth. The results show that over a third (35.6 percent) of the male youth re-invested their earnings in the business, while 60.9 percent were spending their earnings on
meeting household needs. The others were spending their earnings on entertainment (2.3 percent) and other things (1.1 percent). In contrast, only 12.2 percent of female youth proprietors were re-investing their earnings in the business. The overwhelming majority (85.7 percent) of female youth proprietors were spending their earnings on maintaining the household, while 2.0 percent were spending it on other things. None indicated that they were spending it on entertainment. Even in the case of non-youth proprietors, slightly more male proprietors were re-investing their earnings in the business than female proprietors. The results show that 27.8 percent, while 70.8 percent were spending their earnings on meeting household needs. The remaining few were spending their earnings on entertainment (1.4 percent). On the other hand, 23.1 percent of female youth proprietors were re-investing their earnings in the business. The great majority (74.4 percent) of female youth proprietors were spending their earnings on maintaining the household, while 2.6 percent were spending it on other things. As in the case of female youths, none indicated that they were spending it on entertainment.

These findings suggest that the different life experiences and expectations of female and male proprietors, including youth proprietors, affect their attitudes toward savings and accumulation. The research results suggest that women, including female youths, are less likely to save for business purposes and entertainment than male proprietors. Savings by the majority of females are often used for household expenses. In contrast, savings by the majority of men are largely for non-household expenses which may include re-investing in the business and entertainment. However, the proportion of male proprietors who contribute to household expenditure, while less than that of female proprietors, is also significantly high.

4.2.3.10 Social Relations and Networking

In the context of this study, ‘social relations’ or ‘networks’ are seen as the relationships that informal sector proprietors enter into in an effort to enhance the performance of their enterprises. The relationships range from the exchange of market information to membership of an association. These relationships may be referred to as ‘social capital’. It is increasingly being acknowledged in the literature that social capital is critical to accumulation in business.

Although the overwhelming majority of respondents indicated that they were running their enterprises as ‘sole’ proprietors, the study findings suggest there is a high level of cooperation among proprietors. The majority (66.6 percent) of proprietors indicated that they were co-operating with other proprietors. However, very few proprietors belonged to formal and informal business associations. The results show that, overall, only a very tiny percentage (2.1 percent) of the proprietors belonged to informal and formal enterprise associations. However, slightly more non-youth proprietors belonged to enterprise associations than youth proprietors. The study shows that 2.7 percent of the non-youth proprietors belonged to a formal business association, while slightly more (9.4 percent) belonged to an informal association. On the other hand, only 1.5 percent of the youth proprietors belonged to a formal enterprise association, while slightly more (6.7 percent) belonged to an informal group. Membership of these associations entailed some benefits to
the proprietors. In the case of formal associations, members generally benefited from a variety of services, principally financial support (28.6 percent); marketing assistance (28.6 percent); information assistance (28.6 percent); and transport assistance (14.3 percent). On the other hand, the majority (66.7 percent) of informal associations members largely benefited from financial assistance. Other minor benefits included marketing assistance (12.5 percent); transport assistance (8.3 percent); and bulk purchase members e of supplies (4.2 percent). The research findings indicate that these benefits have a positive effect on the growth of business profits.

Available literature suggests that social relations and networking play an important role in the accumulation process in the urban informal sector. These relations are what may be referred to as ‘social capital’. As Mulenga (2001) and Collier (1998) observe, social capital in form of network interactions can enhance the development of small-scale enterprises in the informal sector by reducing uncertainty and information asymmetry. Through networks informal sector agents can obtain, rather cheaply, information about input and output markets, how markets operate or functions and use this information to comply to market standards (or technology requirements) and perhaps raise their competitiveness and productivity. This might occur in the sense that increased access to information on input markets might reduce procurement costs or improve product quality by adopting better inputs and technologies. The study findings suggest the existence of various forms of social relations and networking among proprietors in the informal sector. These range from borrowing money from friends to sharing market information and membership of informal and formal business association.

The existence of social relations and networking among ISOs is evident from their business cooperation. The research shows that the majority of proprietors indicated that they engaged in cooperating with fellow operators in business. The study suggests that the proprietors were engaging in bulk buying of stock, exchanging market information and business knowledge. This implies that ISEs have strong cooperative features. However, this should not be confused with the existence of cooperatives among ISOs. There is a high a high level of sole proprietorship among ISOs. The study results indicate that the emergence of networking among young people is not influenced by the ethnicity of the youth. The study shows that there is no statistical relationship between the ethnicity of a youth and membership of an informal or formal business association. This implies that in Zambia membership of an informal or formal business association or network appears to be influenced by perceived benefits economic and other arising from that network or association. This perception seems to be based on trust. In the study area it was observed that kinship and/or familiarity and trust seemed to exist among proprietors, although these varied between male and female proprietors. As already noted, this is in contrast to the situation in West and East Africa where ethnicity appears to be the major determinant of networking among proprietors (Africa Insight, 2001; Bangura, 2000). However, only very few proprietors, especially youth, were involved in business networking. Copestake, et al. (2001) seem to attribute this to the existence of suspicion, lack of business contacts and weak community organization in informal settlements.
Similarly, a small percentage of proprietors said that they were members of an informal or formal business association. The results show that … percent belonged to formal and informal associations, respectively. As in the case of social relations and other forms of networking, membership in formal and informal business association has a positive effect on business performance. This is largely because business associations provide local, on-going support to proprietors in the form of financing, marketing assistance, market information, and moral support, among other services (Parker, 1996). The study suggests that the few proprietors that were members of business organizations, formal or informal, were benefiting from financing, market information, and market information. The results show that there is a strong statistical relationship between membership in formal and informal business associations at (0.001 and 0.000) levels of significance, respectively.

Given the evident and assumed benefits of social relations and networks for accumulation in the informal sector, this study suggests that existing social relations and networks among youth proprietors should be perceived as an asset, or an open window of opportunity that could serve as a basis for the design of appropriate youth enterprise support programmes. The key consideration here should be the promotion of ‘sustainability’ of these networks. Sustainability is taken as the ability of the associations or networks to exist on their own and undertake advocacy, lobbying and other activities on behalf of their members. Promotion of sustainability requires designing external interventions in such a way as not to promote the dependence of associations in the informal sector on external agencies. This raises the key question of who should promote sustainability in the informal and formal associations of youth proprietors. It also raises the need to distinguish between the various forms of social capital upon which young people draw to pursue economic activities in the informal sector. As Mulenga (2001) observes, social capital is established and accessed by households who maintain strong ties between immediate family members, neighbours, close friends and business associates sharing similar demographic characteristics. Secondly, social capital is established when people with similar economic or political influence but from different ethnic, demographic and occupational backgrounds establish and maintain weaker ties amongst themselves. The first two types of social capital resources are distinguished as ‘bonding’ and ‘bridging’ social capital, respectively. Finally, poor people and those in positions of authority and influence such as politicians, bank officials, agricultural extensions and so on established and maintains close ties and links. This is referred to as ‘linking’ social capital. These initial results suggest that further investigation would be helpful prior to undertaking any interventions aimed at strengthening the operation of networks and associations, especially linking capital, in the informal sector.

4.3 Performance of the Enterprises
In the context of this study, the ‘performance’ of an enterprise is measured in terms of the volume of ‘daily sales’ and monthly returns. Daily sales are defined as the average amount of money that an enterprise was making per day. On the other hand, monthly returns are defined as the average ‘profit’ that an enterprise was making in one business month taking into consideration all costs incurred in running the business.

4.3.1 Daily Sales

The overwhelming majority (93.1 percent) of informal sector operators were making less than K100,000 (£23) in daily sales. Of these, a significant majority (84.7 percent) were making less than K50,000 (£8) in sales per day. Only 5.2 percent were making more than K100,000 (£18) in daily sales. Of these, 3.1 percent were making between K100,000 and K200,000 (£8 - £23) per day, while 2.1 percent were making between K200,000 – K500,000 (£23 - £83). Of those making less than K100,000 (£18) in daily sales, slightly over half (50.1 percent) were making less than K20,000 (£3), while slightly more than a third (34 percent) were making between K20,000 – K50,000 (£3 - £8). None were making more than K500,000 (£83). Although there are no significant variations in the daily sales of youth and non-youth proprietors, the differences are more pronounced when these results are disaggregated according to gender and the age category of youth.

The results suggest that more female non-youth proprietors were concentrated in the lowest earning category than male non-youth proprietors. Slightly more than half of the female proprietors were making less than K20,000 in daily sales, while 37.2 percent were earning between K20,000 – K50,000 (37.2 percent). Very few were making between K50,000 – K100,000 (3.8 percent); between K100,000 – K200,000 (1.3 percent); and between K200,000 – K500,000 (another 1.3 percent). A tiny percentage (2.6) indicated that they were not sure of their daily sales as it was always fluctuating. In contrast, slightly less than half (40.3 percent) of the male non-youth proprietors were making less than K20,000, while 37.2 percent were making between K20,000 – K50,000 (37.2 percent). Very few were making between K50,000 – K100,000 (3.8 percent); between K100,000 – K200,000 (1.3 percent); and between K200,000 – K500,000 (5.6 percent). About 2.8 percent of the proprietors were not sure of that they were making in daily sales on a constant basis. These results are also reflected in the youth category. Slightly more female youth proprietors (58.3 percent) were making less than K20,000 in daily sales than male youth proprietors (53.4 percent). The rest of the females youth were making between K20,000 – K50,000 (27.1 percent); between K50,000 – K100,000 (10.4 percent); and between K100,000 – K200,000 (3.4 percent). None of the youth was making more than K200,000. In comparison, 53.4 percent of the male youth were making less than K20,000, while 1.1 percent were making between K200,000 – K500,000. Other male youth proprietors were making between K20,000 – K50,000 (29.5 percent); K50,000 – K100,000 (11.4 percent); and K100,000 – K200,000 (3.4 percent). There are significant variations when these results are disaggregated according to the age category of youth.

In the age category 15 – 19 years, none of the youth were making more than K100,000 in daily sales. The results suggest that 57.9 percent of the youth were making less than K20,000, while 42.1 percent were making between K20,000 – K100,000. Of these, 31.6
percent were making between K20,000 – K50,000, whereas 10.5 percent were between K50,000 and K100,000. In the category 20 – 24 years, the results show that some youth proprietors were making more than K100,000 in daily sales. Of these, 5.2 percent were making between K100,000 – K200,000, while 1.0 percent were making between K200,000 – K500,000. The rest of the youth were making less than K100,000 in daily sales. Of these, 58.3 percent were making less than K20,000; a quarter (25 percent) between K20,000 – K50,000; and K50,000 – K100,000 (9.4 percent). In the age category 25 – 29 years, slightly less than half (42.5 percent) of the youth were making less than K20,000 in daily sales. Another 42.5 percent were making between K20,000 – K50,000. The rest were making between K50,000 – K100,000 (11 percent); between K100,000 – K200,000 (1.4 percent); and K200,000 – K500,000 (2.7 percent). There are significant gender variations in these results.

In the category 20 – 24 years, the results show that some youth proprietors were making more than K100,000 in daily sales. Of these, 5.2 percent were making between K100,000 – K200,000, while 1.0 percent were making between K200,000 – K500,000. The rest of the youth were making less than K100,000 in daily sales. Of these, 58.3 percent were making less than K20,000; a quarter (25 percent) between K20,000 – K50,000; and K50,000 – K100,000 (9.4 percent). In the age category 25 – 29 years, slightly less than half (42.5 percent) of the youth were making less than K20,000 in daily sales. Another 42.5 percent were making between K20,000 – K50,000. The rest were making between K50,000 – K100,000 (11 percent); between K100,000 – K200,000 (1.4 percent); and K200,000 – K500,000 (2.7 percent). There are significant gender variations in these results.

The results suggest that female youth proprietors consistently make less in daily sales than male youth proprietors in all three categories of youth. In the age group 15 – 19 years, all the female youths were making less than K50,000 per day. Of these, the overwhelming majority (83.3 percent) were making less than K20,000, while 16.7 percent were making between K20,000 – K50,000. In contrast, slightly over half (46.2 percent) of the male youth were making less than K20,000 in daily sales. The rest were making between K20,000 – K100,000. Of these, 38.5 percent were making between K20,000 – K50,000, while 15.4 percent were making between K50,000 – K100,000. This implies that younger male youths were not making more than K100,000 per day. In the age category 20 – 24 years, slightly less female youth proprietors were making less than K20,000 in daily sales than male proprietors although no female youth were making more than K200,000. The results suggest that 55.9 percent of the female youth were making less than K20,000, while 23.5 percent were making between K20,000 – K50,000. Other female youth were making between K50,000 – K200,000. Of these, 14.7 percent were making between K50,000 – K100,000, whereas 5.9 percent were making between K100,000 – K200,000. On the other hand, 59.9 percent of the male youth in the age group 20 24 years were making less than K20,000, while 25.8 percent were making between K20,000 – K50,000. The rest of the male youth were making between K50,000 – K100,000 (6.5 percent); K50,000 – K100,000 (4.8 percent); K200,000 – K500,000 (1.6 percent). A tiny percentage (1.6) of the youth were not sure of amount they were making in their daily sales. In the age group 25 – 29 years, slightly over half (56.7 percent) of the
female youth were making less than K20,000 per day in sales. Another 40 percent were making between K20,000 – K50,000, while 3.3 percent were making between K100,000 – K200,000. None of the female youth were making over K200,000. In contrast, just slightly over a third (34.1 percent) of the male youth were making less than K20,000. The rest of the male youth proprietors were making between K20,000 – K50,000 (41.5 percent); K50,000 – K100,000 (19.5 percent); and K200,000 – K500,000 (4.9 percent).

4.3.2 Monthly Returns

Overall, the majority (61.5 percent) of informal sector operators were earning less than K100,000 (£23) in monthly profits, while 38.5 percent were earning over K100,000. Of those earning less than K100,000 per month, 16.7 percent were making less than K20,000 (£8); 26 percent between K20,000 – K50,000; and 18.4 percent between K50,000 – K100,000. Of those making more than K100,000 (£18) in monthly profits, 14.2 percent were making between K100,000 and K200,000 (£8 - £23), while 9.4 percent were making between K200,000 – K500,000 (£23 - £83). Only 7.7 percent of the proprietors were making more than K500,000 (£83) per month. Although there are no significant variations in the daily sales of youth and non – youth proprietors, the differences are more pronounced when these results are disaggregated according to gender and the age category of youth.

The results suggest that more female non – youth proprietors were concentrated in the lowest earning category than male non - youth proprietors. The majority (68 percent) of female proprietors were making less than K100,000 in monthly profits, while 32 percent were over K100,000. Of those earning less than K100,000 per month, almost half (44.9 percent) were earning less than K50,000, while nearly a quarter (23.1 percent) were earning between K50,000 – K100,000. Others were earning between K100,00 – K200,000 (12.8 percent); between K200,000 – K500,000 (5.1 percent); and between K500,000 – K1,000,000 (3.8 percent). None were earning over K1,000,000. In contrast, just slightly half (50.6 percent) of the male non – youth proprietors were making less than K100,000 in monthly profits. The rest (43.7 percent) were making over K100,000 per month. Of those earning less than K100,000 per month, just slightly over a quarter (28.6 percent) as opposed to 44.9 percent among women were earning less than K50,000. The rest (21.4 percent) were earning between K50,000 – K100,000 per month. In the case of those earning over K100,000 in monthly profits, 18.6 percent were earning between K100,000 – K200,000; 11.4 percent between K200,000 – K500,000; 10.0 percent between K500,000 – K1,000,000; and 4.3 percent over K1,000,000. About 5.7 percent of the proprietors were not sure of that they were making in monthly profits on a constant basis as their earnings tended to fluctuate depending on sales that particular month.

These results are also reflected in specific youth categories. Although the results suggest that there were no significant variations in the monthly earnings of male and female youth proprietors, they varied according to specific age groups. In addition, none of the
female youth proprietors were earning over K1,000,000 in monthly profits compared to small percentage (1.1 percent) of male youth. Overall, the majority (63.1 percent) of the youth in the age category 15 – 19 years earned less than K100,000 per month in profits. However, more female youths were earning less than male youths. The results show that 67 percent of the female youth were earning less than K100,000, while 16.5 percent were earning between K100,000 – K200,000. None was earning more than K200,000 per month, while the rest were not sure of what they were earning. Of those earning less than K100,000 per month, 33.3 percent were earning less than K50,000, while the other 33.3 percent were earning between K50,000 – K100,000. In contrast, just slightly over half of the male youth proprietors were making less than K100,000, while 7.7 percent were making between K500,000 – K100,000. The rest of the male youth proprietors were making between K100,000 – K200,000 (23.1 percent) and K200,000 – K500,000 (7.7 percent).

In the age group 20 – 24 years, slightly less (61.4 percent) of the youth were earning less than K100,000 compared to those aged between 15 – 19 years. However, slightly more female youths were making more than male youths in monthly profits. The results show that 77.1 percent of the male youth proprietors were than K100,000 per month compared to 73.7 percent among female youths. However, none of the female youths were earning more than K1,000,000 compared to 1.6 percent among male youths. In the age group 25 – 29 years, 70 percent of the female youth proprietors were making less than K100,000 per month in profits. None of the female youth were making over K1,000,000. In contrast, just slightly over half (56 percent) of the male youth were making less than K100,000. The rest of the male youth proprietors were making between K100,000 – K200,000 (12.8 percent); K200,000 – K500,000 (17.9 percent); K500,000 – K1,000,000 (5.1 percent) and over K1,000,000 (7.7 percent).

The results suggest that female youth proprietors consistently make less in daily sales than male youth proprietors in all three categories of youth. This is largely a reflection of the gendered location in the subsistence sector of the urban informal sector and access to resources. It therefore points to the existence of certain constraints to the performance of female owned enterprises in the urban informal sector. The results also suggest that age, as reflected in specific youth categories, plays a key role in the accumulation process in the urban informal sector. Older youths are therefore likely to engage in more sustainable enterprises than younger youths given their experience, contacts, networks and access to resources. Consequently, their enterprises are likely to earn more than those owned by younger youths.

4.4 Factors Constraining the Growth and Performance of Youth Enterprises

Proprietors were asked to identify the major problems facing their enterprises. An analysis of the responses suggests that the proprietors face a variety of constraints. These range from a general lack of capital and skills to specific constraints experienced on particular self-employment activities (see graph below). Below is an analysis of the major constraints that proprietors, especially youths, face in growing their businesses.
4.4.1 Lack of Capital

The research findings indicate that business financing is one of the major constraints facing informal sector enterprises in urban areas in Zambia. More than a third (34.1 percent) of the proprietors identified lack of credit facilities as the major problem that they were facing in the informal sector. There were only slight variations in the results when they are disaggregated according to age and gender. Very few of the entrepreneurs interviewed ever obtained finance from a formal banking or credit institution for start-up capital or business expansion in the last five years. Most of the enterprises were financed from retained earning (personal savings and borrowing or grants from family members). Other enterprises were financed from informal lenders (Kaloba or Chilimba), and the
remainder from Non-Governmental Organization (NGO) and local associations such as co-operatives. There is no significant variation with respect to access to formal sources of business finance between youths and non-youths. Access to formal credit is virtually non-existent and the local associations and other micro-finance institutions and NGOs provide very little financing. There are several explanatory variables for the lack of capital in the informal sector.

First, the results indicate that lack of access to the private formal money market is a major problem among informal sector operators, especially young people. Currently, financial services for existing and potential proprietors working in the informal sector are not available. Formal and semi-formal financial institutions do not have networks that operate in informal settlements. In cases where young people have attempted to open an account with a bank in the city centre, they have been discouraged by the demand for minimum deposits of at least K50 000 by the banks. As a consequence, young people do not have bank accounts, because they cannot afford to put away such amounts for prolonged periods. Interviews with bank personnel revealed that most of the banks were largely involved in what they called ‘corporate banking’. This means that most bank credit facilities were confined to the large formal, private sector, especially South African firms. In addition, informal sector proprietors do not generally meet the criterion set by banks for accessing credit or loans. (Refer to Report II). Commercial banks also lack incentives to lend money to the informal sector.

Secondly, informal sources of credit cannot be relied upon to serve as a viable alternative source of finance for ISEs. In Zambia there are two types of informal credit arrangements. As already noted, these are locally known as kaloba and chilimba. The former provides short term credits, basically for transaction purposes, at interest rates that are normally higher than the commercial bank lending rates. The latter functions more like a co-operative of self-selected individuals or households who contribute an agreed amount of money every so often (normally monthly), which is then allocated to each member on rotational basis. These traditional credit arrangements help, though to a limited extent, to overcome capital constraints and contribute to sustainable livelihoods of most low-income groups. The tractability and effectiveness of such an informal credit arrangement lie in their smallness (small groupings or networks) such that uncertainty and transaction costs of operating such a credit scheme is substantially reduced. An analysis of the operations of informal sources of credit suggests that recruitment of new members stops when the cost of information gathering and enforcement implied by admitting an additional member to the group is just equal to the benefits the last member brings to the group at the margin. While informal credit sources may have a positive impact on people’s livelihoods, their contribution to micro-enterprise development is limited.

Thirdly, the research findings suggest that the depth of outreach of micro credit schemes, as already noted elsewhere in the report is very low. Interviews with micro credit practitioners revealed that so far micro credit schemes in Zambia have only lent out money to about 20,000 people out of thousands and thousands, if not millions, of potential entrepreneurs since their initiation in the 1990s. Another factor was debt capacity. Micro credit
practitioners, such as those from CARE’s PULSE, generally took the view that only market traders with more than K100,000 of stock would be able to service a debt. For this reason, they mainly focused on those who were already involved in enterprise activities. Likewise, they left out the majority of proprietors, mostly female youths and younger male youths, whose stock was valued at less than K100,000. Informal interviews and focus group discussions with non – youth and youth proprietors raised bitter complaints about the credit delivery methodologies of micro credit schemes. The proprietors complained that many of them were deterred from borrowing by several factors, including what they described as ‘high’ micro loans costs, failure to raise the initial deposit of money generally demanded by micro credit schemes and fear that the credit schemes would seize collateral if they defaulted in repayments. Others complained about being ‘mortgaged’ to poor performers through the requirement that they should form or join associations which could guarantee the loans of other members. In the case of government – funded youth credit schemes, lack of proper credit management and monitoring systems have constrained their operations and sustainability.

These results suggest that unless tailor - made financial services targeted at informal sector entrepreneurs, especially young people, are introduced, existing and potential youth proprietors in informal settlements are not likely to have access to any financial services. This implies that their ability to run viable enterprises in the urban informal sector, and therefore capacity to accumulate, will be greatly diminished. Consequently, informal enterprises might not generate sufficient means for youth to pursue independent livelihoods. As a result, young people might continue working in highly concentrated, low return activities.

4.4.2 Lack of Demand

More than a quarter (28.9 percent) of the proprietors identified lack of demand as the major problem that they were facing. More than a third (34.1 percent) of the proprietors identified lack of credit facilities as the major problem that they were facing in the informal sector. There are only variations in the results when they are disaggregated according to age and gender.

This lack of demand for informal sector products should be interpreted as arising from high competition or low levels of consumer demand in different enterprise activities in the urban informal sector. This is evident from an analysis of the results by sector. The results suggest that lack of demand was largely cited by those engaged in trade activities, while manufacturing those in manufacturing and services tended to cite lack low levels of consumer demand. These results raise several issues: 1) high concentration in some sub - sectors of the informal sector due to what is known as ‘easy of entry’. This mainly affects activities that do not require skill intensity and capital; activities that require large capital outlays or skill intensity are relatively sheltered from excessive competition. These activities include carpentry, metal fabrication, tailoring, construction and transport.

4.4.3 Lack of Skills
This was identified by some 10.4 percent of the respondents as the major problem that their enterprises were facing. Of these, 8.0 cited lack of entrepreneurial skills, while 2.4 percent cited lack of technical skills. There are some variations when these results are disaggregated according to the type of enterprise activity. The results show that those engaged in trading and service activities largely want business management skills. On the other hand, those engaged in manufacturing activities largely want technical skills.

4.4.4 High Cost of Raw materials and Business

This was identified as the major business constraint by 20.2 percent of the proprietors. Of these, 15 percent cited high cost of raw materials as the major problem, while 5.2 percent identified the high cost of doing business. This was a problem largely affecting manufacturing activities such as carpentry. The implication of this is that proprietors involved in manufacturing activities were likely to be producing goods of an inferior quality, thus further reducing their competitiveness.

4.4.5 Other Constraints

Other constraints on the performance or growth of enterprises run by young people in the informal sector were specific to particular activities. The constraints on trading-related activities were, for example, generally trading area and commodity specific. In this regard, street vendors operating in the city centre complained of harassment and disturbance by the council police. As Mulenga (2000) observes, the authorities discouraged street vending on two main accounts. Firstly, licensed retailers complained of "unfair competition" from street vendors, because the latter neither paid trading license fees nor property rates, but traded openly outside the formal retail shops, offering cut prices and obstructing potential customers. Secondly, street vending is considered a nuisance, because it creates congestion, which makes it easy for pickpockets, while making it difficult to keep the streets clean. (Refer to Report II).

The youth complained that these problems affected the operations of their businesses. As a result, many of them claimed that they were not realising enough profits to either re-invest in the business or diversify their activities. The effects of these constraints are reflected in their earnings from the proceeds. The research findings suggest that the majority of enterprises were realising less than K200,000 in daily sales. These low daily sales are reflected in monthly returns. The generally low levels of sales and profits in the informal sector raise serious questions about the extent to which ISEs generate sufficient means for youth to pursue independent livelihoods. This is the focus of discussion in the next section.
4.5 Independent Youth Livelihoods

This section examines the extent to which ISEs generate sufficient means for youth to pursue ‘independent’ livelihoods. In the context of this study, ‘independent’ livelihoods is defined as the ability of the youth to attain economic independence. The term ‘independent’ youth livelihoods is used interchangeably with the term ‘sustainable’ youth livelihoods. In this study, economic independence is taken as the ability of the youth to: 1) ‘maintain’ himself or herself; and/or sustain a legal marriage. We use the phrase to ‘maintain’ himself or herself in the sense of a youth of starting or having his own household. The term ‘household’ is used here to refer to an economic unit. This unit is defined as “a single person living alone, or a group voluntarily living together, having meals prepared together and benefiting from housekeeping shared in common” (Dictionary of Economics, 1972:196). In the African context, youth establish must establish a household, attain economic independence or marry to attain the status of ‘adulthood’. This status presupposes ‘economic independence’. The ability to pursue an independent livelihood is, therefore, examined in terms of the ‘households’ in which the youth live and their contribution to household income or expenditure. This especially applies to male youth who are under customary and traditional pressure to become economically independent and start their households. In this regard, we are largely using the status of male youth as a proxy measure for the attainment of ‘independent’ or ‘sustainable’ youth livelihoods.

4.5.1 Households in which youth live

Overall, the research findings suggest that slightly less than half (44 percent) of respondents were living with parents and relatives. Of these, 20 percent were living with parents, while 24 percent were living with relatives. Close to half (44 percent) were living with a spouse. The remaining few were living alone (4.0 percent) and ‘other’ arrangements (8.0 percent). ‘Other’ arrangements mainly involved co – habitation. However, there are significant variations when these results are disaggregated according to involvement in enterprise activities. The results show that the majority (64.8 percent) of non - proprietors were living with parents and relatives. Of these, 38.8 percent were living with parents, while 26 percent were living with relatives. Only 29 percent were living with a spouse. The remaining few were living alone (2.8 percent) and ‘other’ arrangements (2.1 percent). On the other hand, only slightly over a third (35 percent) of proprietors were living with parents and relatives. Of these, 18.2 percent were living
with parents, while 16.8 percent were living with relatives. Almost half (46.2 percent) of proprietors were living with a spouse. The remaining few were living alone (10.5 percent); friends (1.7 percent) and ‘other’ arrangements (7.0 percent). These variations are also reflected in specific non–youth and the youth categories.

The research findings suggest that the overwhelming majority (83.3 percent) of male non–proprietor youths were living with parents and relatives. Of these, slightly over half (51.1 percent) were living with parents, while almost a third (32.2 percent) were living with relatives. Only a mere 7.8 percent were living with a spouse. The remaining few were living alone (3.9 percent); friend (2.2 percent); and ‘other’ arrangements (2.2 percent). In contrast, more than a third (34.1 percent) of male proprietor youths were living with a spouse or alone. Of these, 19.3 percent with a spouse, while 14.8 percent alone. The rest were living with parents (38.6 percent); relatives (20.5 percent); and other (1.1 percent). These variations are also reflected in specific youth categories with more proprietor youths living with a spouse than non–proprietor youth. The results show that the overwhelming majority of young people in the age group 15 – 19 years among both proprietor and non–proprietor youths were living with parents and relatives compared to older proprietor youths in the age group 25 – 29 years. The results further indicate that more (44.8) proprietor youths were household heads compared to non–proprietor youths (17.2 percent).

4.5.2 Contribution to Household Income

Overall, the results suggest that only about a third (30.2 percent) of the respondents were contributing to household income. The rest of the household income came from parents (32.4 percent); spouse (20.5 percent); guardians (14.8 percent); friends (1.1 percent); and others (0.5 percent). However, there are significant variations in the contributions of non–proprietors and proprietors among both youths and non–youths. In the case of non–youths, the study shows that the majority (63.8 percent) of proprietors were contributing to household income. Other contributions came from a spouse (19.5 percent); parents (8.7 percent); guardians (5.4 percent); friend (0.7 percent) and others (2.0 percent). Comparable figures for non–proprietor adults show that less than half (45.5 percent) were not contributing to household income. Most of the income came from a spouse (39.4 percent). Other contributions came from parents (9.1 percent) and guardians (6.1 percent). These variations are more pronounced in the youth category.

The results show that the majority (62.5 percent) of the male youth proprietors were contributing to household income. The rest of the contributions came from parents (28.4 percent) and guardians (9.1 percent). In contrast, the great majority (77.5 percent) of the male non–proprietor youth were relying on parents and guardians for a living. Of these, slightly more than half (51.1 percent) were relying on parents, while 26.4 percent were relying on guardians. The others were relying on a spouse (1.7 percent); friend (1.7 percent) and others (0.6 percent). This reveals a high ratio of dependency on the households.
4.5.3 Implications for Independent Livelihoods

These results suggest that running enterprise activities in the urban informal sector allow almost half of the proprietor youth to pursue independent livelihoods. This is evident from their contributions to household income and the households in which they live.

The research findings demonstrate that:

- More than a third of the proprietor youth live with a spouse or alone;
- The majority of the proprietor youth make contributions to household income; and
- Almost half of the proprietor youths are household heads.

The predominance of youth proprietors among young people who both live with a spouse and contribute to household income suggests that they have a more definite and sustainable source of livelihood than the non–proprietor youth. This is evident from the following findings:

- The great majority of non–proprietor youths live with parents and relatives;
- Less than a quarter (18.5 percent) of the non–proprietor youth contribute to household income; and
- Less than a tenth of the non–proprietor youth are household heads.

The above findings suggest that youth enterprise development has the potential to serve as a means of improving youth livelihoods. However, it is also significant that a considerable number of youth proprietors cannot make contributions to household income or live alone. This implies that there is a limit to which youth enterprise activities can be a source of ‘independent’ or ‘sustainable’ youth livelihoods under the existing conditions and environment.
When the figure of the youth whose enterprises cannot generate sufficient means for them to pursue independent livelihoods is added to that of the non–proprietor youth, it is evident that the majority of young people in Zambia are currently not able to pursue sustainable livelihoods. These findings appear to suggest that the majority of male youth in Zambia are failing to start a conventional male career track as heads of households and as persons of authority who are in charge.

The inability of young men to establish independent households before having a definite and reliable livelihood is also evident from their marital status. The results indicate that more proprietor youths are likely to marry than non–proprietor youths. Given that the proprietor youths are only a small component of the youth population, it is evident that the marriage age among young people is rising. Mulenga (2000), in a survey of youth livelihoods in the Copperbelt Province, reached similar conclusions. According to Mulenga, during the pre-economic crisis period in Zambia, when wage employment was widely available, most young men married within a year or so of finding formal employment, while most young women married between the ages of 16 and 20. However, the acceptable marriage age for young men in the absence of formal employment or engagement in more sustainable enterprise activities seems to have increased to the mid and late twenties in recent years. Mulenga notes that the increase in the marriage age for young men has also extended to young women, as most are not able to meet suitable partners while in their late teens and early 20s. His study revealed that the bulk (74 percent) of young people in the sample who were married were more than 20 years old. It is therefore no longer unusual for young women and men to be single well after the ages of 20 and late 20s, respectively. Young people who do not enter formal employment or undertake more sustainable enterprise activities are thus more likely to take longer to establish independent households than in the past. Focus group discussions conducted among youth by Mulenga revealed that those who engaged in lucrative enterprise activities were regarded as ‘quite well to-do’. The youth observed that young women or their parents/guardians rarely turned down marriage proposals from successful youth entrepreneurs.

Mulenga further observes that the inability of young men to establish independent households before having a definite and reliable livelihood is also evident from their reluctance to take responsibility for the welfare of young women who become pregnant outside wedlock. He argues that previously such pregnancies led to marriages, especially when unmarried young men already in formal employment were involved. In the current economic climate, however, young men and their families no longer readily take responsibility for unmarried teenage mothers and their children. Consequently, the young mothers have to depend on parental support, which compounds the welfare problems of such households and of the mother and child.

These findings seem to be pointing to the emerging phenomenon of a prolonged period of ‘youthhood’ in Zambia. Not surprisingly, the categorisation of youth in the broad age range 15 – 35 years in the study area appears to be a reflection of the obtaining concrete socio-economic situation in which most young people currently find themselves. It suggests that the period of youthhood in Zambia is getting longer than the officially
prescribed upper age limit of 25 years. Studies from other parts of Africa reveal a similar trend. As already noted, in some African countries like Sierra Leone, young people who go beyond the official definition of youth and are not yet economically independent are known as ‘Youth Man’. This term is a metaphor for Africa’s poverty. It is a reflection of the inability of many young people in Africa, including Zambia, to pursue independent sustainable livelihoods. In practical terms, this indicates that more and more male youth in Zambia are becoming ‘Youth Men’. In the local lingua, such youth are referred to as ‘John isa tulye ubwali’. The literal English translation is that “John, come and eat nsima” – ‘nsima’ being the staple food in Zambia. As in the case of the Sierra Leone neologism, this phrase is a metaphor for the inability of the majority of young people in Zambia to pursue ‘independent’ livelihoods.

On the basis of these results, we can conclude that while youth enterprises can generate sufficient means for youth to pursue ‘independent livelihoods’, this is currently not being realised for the majority of youth. Many enterprises owned by young people appear to be ‘hand - to - mouth enterprises’ that mainly operate to mitigate the immediate impact of poverty of their owners. However, even for the youth who seem to have more reliable means of livelihoods, the ‘sufficiency’ of the returns from the enterprises should be seen in the context of the cost of living. At the time of the survey, the estimated cost of the ‘food basket’ for an average family of six in Lusaka computed by the Jesuit Centre for Theological Reflection (JCTR) was about K276,000. Going by this amount, it is obvious that the majority of youth were earning less than the ‘food basket’ cost necessary to sustain a ‘reasonable’ life. This implies that they were not earning enough from enterprise activities to live on. However, these results should be interpreted cautiously. The cost of the food basket is for a household of six. Here we are referring to the ability of young people to start new households which may not average six members.

Nonetheless, a minimum monthly income of K200,000 is widely seen as the amount necessary to sustain lives in Zambia today. However, the potential of the urban informal sector as a source of improved livelihoods should be seen in the broader national context. Several reports indicate that given a national poverty incidence of over 70 percent, the majority of people in Zambia earn less than K200,000 a month. Consequently, most people are unable to afford three meals a day. In focus group discussions we were told that people had to compromise in the quality and variety of the food they consumed. Consequently, in nutritional terms most families lack a balanced diet. This indicates that people do not seem to ‘care’ any longer about the contents of the meals they take as long as their stomach feel ‘full’ to prevent hunger. The educational, medical and other social demands aggravates the financial security situation in a majority of households. The people are literally leading a ‘hand - to – mouth’ life or existence. In such a situation, there is no money for saving (banking) or reinvesting in enterprise activities.

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14 At the moment Zambia does not have an official poverty datum line.
15 The ‘food basket’ is a monthly survey of the cost of food for a family of six in Lusaka which is conducted by the Economic and Social Development Research Project of the JCTR. It is a basket of only basic food commodities which does not necessarily meet the nutritional requirements of a good diet.
Notwithstanding the foregoing, the urban informal sector provides opportunities for sustainable employment, and therefore possibilities for high earnings and accumulation, to some youth proprietors, especially older youth engaged in seemingly high value-added business activities. These activities are usually capital intensive, require entrepreneurial skill intensities and strong business links (networks) with formal sector enterprises. Given this differentiation, youth enterprise (and general informal sector) promotion strategies will require to reflect explicitly the dichotomy between youth and non–youth proprietors on the one hand and younger youths and older youth proprietors on the other hand.

4.6 The Future Aspirations of Youth

The study suggests that young people’s current socio-economic circumstances mediate not only actual job opportunities but also their aspirations and perceptions with respect to employment and livelihoods. Thus, in spite of the many problems that the youth are facing in running enterprises in the urban informal sector, the majority of them still nurse hopes of finding a better future in this sector. This is evident from responses on their future aspirations. The study shows that the majority (63.6 percent) of youth proprietors expressed a desire to improve their lives by starting or growing their business ventures in the informal sector. Of these, almost a third (30.7 percent) indicated that they would expand their current business activity; 19 percent would continue with their current business; and 13.9 percent would start a new business activity. This is evident from the graph below. Only 13.9 percent of the youth proprietors indicated that they would quit their informal enterprise activity to look for waged employment in the formal sector. Similar views were expressed by non–youth proprietors as well.

Graph 31:
As the graph shows, there does not seem to be any significant differences in the views of youth proprietors and non–youth proprietors.

Similar views were also expressed by the non–proprietor category. This is shown in the graph below. This implies that self–employment in the urban informal sector will continue to attract youth due to declining levels of expectation. This is also manifest in the progressive increase in self–employment among young people in the 1990s, as reflected in the age category of enterprises. The study indicates that declining expectations in urban areas are compelling young people to go into enterprise activities in the urban informal sector. Thus, contrary to received wisdom, there is a lot of interest in self–employment among young people.
Future Aspirations of Non-Proprietors

Aspirations

These findings seem to contradict the conventional wisdom that young people have a negative attitude towards self-employment in the urban informal sector (Mulenga, 2000; Hoppers, 1980). For instance, Mulenga, in a study of youth livelihoods in Zambia’s Copperbelt, argues that despite their low educational attainments and lack of skills, most young people prefer formal employment to other livelihoods. According to Mulenga, the majority of young people in his sample hoped to earn their future livelihoods from formal employment, despite the poor economic prospects for the Copperbelt. It is argued that formal wage employment is preferred to other livelihoods, because it promises higher wages, fringe benefits and relative security.

Indeed, while this might have been true in the past, it does not seem to be the case any longer. The present study suggests that the expressed desire for waged employment among youths is driven more by the need to raise sufficient capital to start an enterprise in the informal sector than to rely on waged employment as a source of income. This is because most of these young people lack sufficient resources to engage in lucrative self-employment activities. They are consequently mostly engaged in low value trading
related activities, selling food stuffs, groceries. A few even trade in restricted and prohibited commodities, such as marijuana and petrol.

Thus, while it is tempting to view the expressed desire to engage in informal enterprise activities as a desperate attempt by young people with few alternatives, rather than a conscious choice, the study seems to suggest that this is the outcome of a much larger and complex attitudinal change in people’s perceptions of the benefits arising from entrepreneurship and waged employment in the formal sector.

Apart from declining expectations of finding formal employment, low formal sector wages and the desire for independence seem to be the main factors that influence young people’s positive attitudes towards, and therefore choice of, self – employment in the urban informal sector. This is evident from the responses of the proprietors when asked whether they would quit their enterprise if offered a job. Slightly over half (50.5 percent) indicated that they would not quit, while 48.8 percent said they would so. A tiny percentage were not sure. Those who said they would not quit cited low formal wages, having to wait for the month-end before receiving a salary, among other factors, as reasons why they would want to remain in business. Also asked whether they agreed that engaging in enterprise activities in the urban informal sector was a ‘waste of time’, the majority (70 percent) disagreed. Of these, 41.7 percent ‘disagreed’, while 30.4 percent ‘strongly disagreed’.

It could also be argued that the expressed interest in starting or growing enterprise activities among young people reflects an awareness that their limited education and lack of training would only confine them to poorly paid formal occupations. The probable perception was that earnings from such occupations would still constrain their capacity to ‘make ends meet’. Available literature suggests that the on-going economic crises and restructuring programmes in most African countries has adversely impacted on the professional classes (see Mustapha, 1991). Consequently, an increasing number of professional are being compelled to engage in multiple livelihood activities in the urban informal sector. The combination of lack of formal employment opportunities and declining formal wages have not only resulted in the ‘devaluation’ of the educational certificate, but also seems to result in a positive change in attitudes towards the informal sector. In addition, the current liberal economic environment tends to encourage a spirit of entrepreneurship.

However, the desire by youth to start or grow their enterprises in the urban informal sector should not be over – generalised. The research results indicate that while youth as a group expressed strong desire to start or grow their enterprises in the urban informal sector, desegregation of the results according to specific youth categories reveals significant variations in the aspirations of younger youths and older youths. The younger youth tended to express a strong desire for wage employment in the urban informal sector compared to older youths, while many more were uncertain about what they intended to do. This seems to be a reflection of the differing life experiences of younger and older youths. The declining expectations among older youths seem to compel them to seek new
forms of livelihoods in the urban informal sector. On the other hand, younger youths, fresh from school or just starting out in life, seem to have high expectations.

The study findings also indicate that is a lot of interest in informal and formal vocational training among the youth proprietors in the belief that training could enhance the performance of their enterprises. However, there is also a sense that the training available is not ambitious enough and does not direct young people to pathways out of poverty. This implies the need for great flexibility in state – sponsored and NGO – sponsored training programmes. In particular, the training programmes should focus on the needs of various informal sector activities. The pervasiveness of gender discrimination against girls impacts on their ambitions and educational access.

Given the great interest expressed in starting or expanding an enterprise in the informal sector among both youth and non – youth proprietors, there is need to address the constraints that affect the development and growth of enterprises. However, this should be based on a careful assessment of the specific needs of various youth categories. As already noted, an analysis of the socio – economic and enterprise characteristics of youth proprietors and youth non – proprietors suggests that they are not a homogeneous entity. Differences between the youth proprietors are closely tied to their age and gender. The evidence on the structural differentiation of youth enterprise activities appears so compelling that there is a case for delineating youth enterprise development into three stages defined by age.

The three categories are ‘pre-entrepreneurs’ in the age group 15-19 years; ‘budding entrepreneurs’ in the age group 20-24 years; and ‘emergent entrepreneurs’ in the age group 25-29 years. We shall call this categorization the ‘process of youth enterprise development in the informal sector’. However, these results may be positively or negatively influenced by variables like gender, education, and location of enterprise.

4.7 Conclusion

This report has examined the status of youth enterprise activities in the urban informal sector in Zambia. An analysis of the results raise the following key findings: 1) the great majority of young people are largely involved in short term survival strategies; 2) less than 25 percent of the youth are engaged in running enterprise activities as proprietors in the urban informal sector as proprietors; 3) there is significant structural differentiation in the enterprise activities of young people. The study argues that youth proprietors working in the urban informal sector go though several phases before they establish or engage in sustainable enterprise activities. Youth in each of these stages experience different problems and needs relating to the enterprise activities that they undertake; 4)also compared to non – youth proprietors, youth proprietors are disadvantaged in terms of lack of access to resources such as contact, networks, membership of business associations and experience; 5) However, more female youth proprietors and younger male youth proprietors seem more disadvantaged than older male youths. This implies that the strategy for the promotion of youth enterprise development should be a highly differentiated approach aimed at addressing the specific needs of different segments of
youth proprietors. Local conditions should be the key factor in the choice of intermediary institutions and design of policies and programmes aimed at facilitating youth enterprise to become more productive and sustainable.

Chapter Five

Conclusions and Recommendations

5.0 Introduction

This chapter gives a summary of the main research findings on the nature of youth enterprise activities in the urban informal sector in Zambia and the existing policy and institutional framework for promoting youth enterprise development in Zambia. On the
basis of these findings, the chapter makes recommendations for the selection of an appropriate mix of institutions and interventions for promoting youth enterprise development in the urban informal sector. However, these are given in Report II.

5.1 **Summary of Key Findings**

This section gives a summary of the main research findings on the nature of youth enterprise activities in the urban informal sector in Zambia and the existing policy and institutional framework for promoting youth enterprise development in Zambia.

5.1.1 **The Non–Proprietor Youth**

The study reveals the existence of different livelihood activities undertaken by young people in informal settlements. The research results indicate that most of the non–proprietor youth were involved in short term survival strategies. The major short term survival strategy was casual work or piece work. This was particularly the case among younger youths, the majority of whom were not involved in running informal enterprises. These young people generally lacked the capacity to set themselves up in business due to, among other factors, lack of capital, skills and business contacts. These findings suggest that the current economic liberalization programme has not been able to provide the youth with the livelihood and economic opportunities they had hoped for. While the past decade has seen important economic policy changes, the overall social and economic position of the majority of the youth in the country remains somewhat bleak. This is particularly true of youth from low resource endowed communities such as Chawama Compound. As a consequence, youth effectively remain an ‘excluded’ and ‘marginalized’ social group. They have limited access to resources, especially capital and training opportunities. While these problems are not unique to youth, they tend to affect disproportionately young people. As a group, young women tend to be more vulnerable than young men. In a highly patriarchal environment, young women tend to be marginalized in relation to skills development and institutional support. This often leaves them vulnerable to behavioural and health related hazards. In this sense, promoting youth enterprise development is widely seen as a way of improving youth livelihoods.

5.1.2 **The Proprietor Youth**

In general, the study shows that the majority of informal sector proprietors face a variety of problems. However, the study demonstrates that these problems tend to affect disproportionately more youth proprietors than non–youth proprietors.

In sum, the following are the key findings of the research:

1) **Low Participation of Youth as Proprietors in the Urban Informal Sector**
At any given time, less than 25 percent of the youth will be involved in running enterprise activities in the urban informal sector as proprietors compared to the majority (about 70 percent) of non–youths or adults;

- Youth are involved in a narrow range of enterprise activities compared to adults. The youth, especially younger male youths and female youths are mostly involved in trading activities while non–youth proprietors are involved in a wide range of enterprise activities, including manufacturing and services;

2) Youth – Proprietor and Non – Youth Proprietor Dichotomy

Compared to adults,

- More young people are generally disadvantaged in terms of access to resources such as capital;
- More young people start their enterprises with lower levels of initial capital;
- More youth enterprises are likely to fail;
- More enterprises owned by young people have a lower market value or inventory;
- More young people operate from the streets
- More young people do not bring experience and contacts to the business;
- More enterprises owned by youth tend to rely on simple tools or have no equipment at all;
- More young people make less in daily sales and monthly profits

However, both non–youth and youth proprietors face the following problems

- Lack of access to lucrative markets as they both largely rely on the local community
- Lack of access to sub–contracting arrangements with large formal businesses
- Lack of access to suitable working space
- Violation of state and council laws; and
- Lack of access to adequate resources.

3) Structural Differentiation in Youth Enterprise Activities
Youth proprietors are not a single entity. There is strong evidence of structural differentiation in the enterprise activities undertaken by young people;

Young people go through different enterprise experiences before they graduate into running more viable enterprise activities. These experiences can be broadly categorised into three phases: ‘pre – entrepreneurs’ in the age group 15 – 19 years; ‘budding entrepreneurs in the age group 20 – 24 years; and ‘emergent’ entrepreneurs in the age group 25 – 29 years.;

The time dimension inherent in engaging in more sustainable enterprise activities among young people is long;

Youth proprietors in different age categories face specific needs and problems. This implies that accumulating vital entrepreneurial attributes increases with age; and

As in the case of the non – youth and youth proprietors dichotomy, young youths tend to face more problems than older youths. The above pattern of results in the non – youth and youth proprietors dichotomy repeats itself in the youth category.

4) Youth Independent Livelihoods

Close to half of the enterprises generate ‘sufficient’ means for youth proprietors to pursue independent livelihoods. On the other hand, less than a quarter of non – proprietor youth are pursuing independent livelihoods. The majority are dependent on parents and/or guardians.

More proprietor youth contribute to household income than non – proprietor youth;

More proprietor youths tend to live with a spouse than non – proprietor youths; and

More proprietor youths tend to marry than non – proprietor youths.

5) Future Enterprise Aspirations of Youth

More and more youths, including non – youths, are intending to start or grow an enterprise in the urban informal sector;
• However, the majority of youth proprietors, like non—youth proprietors, start their enterprises out of economic necessity rather than choice. This implies that the likelihood of emerging entrepreneurs sprouting from the micro enterprise seed—bed in the urban informal sector without assistance appears to be limited.

6) Gender

The evidence on the nature of youth enterprise activities in the urban informal sector suggests that both location in the subsistence segment of the informal sector and limited access to resources are gendered phenomena. This raises the question of whether there should be special programmes targeted at girls, or at least concerted efforts made which are aimed at addressing the special needs of female youth. This should be aimed at removing social, cultural and other constraints that contribute to female disadvantage in the informal sector. In our view, female youth proprietors deserve special attention given the many economic and socio—cultural constraints that they face. This calls for gender sensitivity and equity in programme conception, design and implementation.

5.2 Policy Recommendations

Detailed recommendations for the study are presented in Report II. Here we can only state the following:

5.2.1 Need for a highly differentiated approach to promoting youth enterprise development.

In terms of planning, the categorization of youth proprietors into three groups calls for different policies and programmes suitable to various segments of youth proprietors. This means that the problems of younger youths aged between 15—19 years who are just starting out or embarking on an enterprise should be responded to differently from those of older youth in the emergent category. This suggests the need for a highly differentiated approach to promoting youth enterprise development.

We can in this respect use the process of youth enterprise development to give an indication of where sound youth enterprise policies, strategies and programmes should be. The policies and programmes should be highly targeted to address the specific needs of the three categories of youth proprietors working in the informal sector, as discussed below.

1) ‘Pre-entrepreneurs’

Young people in this formative category are just starting out in life and are uncertain about the future. These youths may therefore be viewed as ‘vulnerable’ for a range of adverse behaviors, from drug and substance abuse to teenage pregnancy. This vulnerability arises from adolescents' developmental status as people in ‘transition’, or
people in ‘formation’. The youth in this age category are making transitions from ‘child’ status to ‘adult’ status, from the ‘security’ of their parents' home to the responsibility of their ‘own’ families and homes, and from school to work or to tertiary education.

Given the unemployment and uncertainty about their future that young people in the age group 15-19 years are likely to face, the promotion of youth enterprise should aim at creating awareness and understanding of what ‘enterprise’ is and what it takes to own and manage a business so that the youth can consider self-employment realistically as a career option. White and Kenyon (2000) warn that there is a danger in ‘selling’ enterprise as the best option for everyone and forgetting that successful enterprise development begins with the initiative coming from young people themselves. These youths may also require other non – enterprise support systems to guide them in their cognitive, emotional, and sexual maturation which tends to involve experimentation, growth, and reversals.

2) ‘Budding’ entrepreneurs

This is the transition group between low and high participation in the urban informal sector. Young people in this group face three pathways: 1) the ‘subsistence’ segment of the informal sector; 2) the ‘sustainable’ segment of the informal sector; and ‘graduation’ into the formal sector. Programme support for these youths should be aimed at helping them to set up viable enterprises in the urban informal sector. The support services should include training, business advice, and access to finance.

3) ‘Emergent’ entrepreneurs

This is the stage when youth are in their prime. Compared to younger youths, more older youth will be involved in more sustainable enterprise activities. Their needs are therefore different from those of younger youths. The needs of ‘emergent’ entrepreneurs mainly revolve around growing their enterprises. However, as White and Kenyon (2000) observe, growing or expanding an existing business is an aspect often forgotten in enterprise promotion programmes and requires specific skills, knowledge and attitudes that differ from those of establishing a new business. A different set of training needs is therefore required among ‘emergent entrepreneurs’ compared to those who are starting out for the first time. Among others, these include: the management of business finances; time management; stress management; improving sales; managing and reducing costs; debt recovery techniques; stock control techniques; marketing; recruitment (employing the right people); and negotiation skills.

5.2.1 The Role of General Support Institutions

This should seek to address the non – youth and youth proprietor dichotomy. As already noted, youth proprietors, especially younger youths, seem to be more disadvantaged than non – youth proprietors. However, older youths, especially the ‘emergent’ entrepreneurs tend to share many of the problems the general population experience in small business development. This implies that older youth should be facilitated to graduate from
specialized youth institutions to general agencies and programmes as anybody else in society. However, critical to this facilitation is the need to harmonise youth policies and programmes with the general enterprise support framework. The Ministry of Youth, as the lead government institution responsible for youth affairs, should take the initiative in harmonising existing youth and policies programmes with the general enterprise support policy and institutional framework. Report II examines the existing policy and institutional framework for promoting youth enterprise development in Zambia and therefore discusses these issues in detail.

References


Education in Sub-Saharan Africa (Washington: World Bank, 1988)
Appendices
Appendix I: Data Collection Methods

The following were the methods used for collecting qualitative data:

a) Observation

The observations by the researcher and research assistant began with conducting what are known as transect walks in Chawama compound. These are systematic walks which were used to familiarise the researcher with the study area, observe peculiar features and take a first hand look at the way youth in the informal sector conducted their enterprise activities as well as the conditions in which they worked. Thereafter, two particular forms of observation were used, depending on the obtaining situation in the study area. These are participant-as-observer and non-reactive observation. The former involved the researcher being open about his intentions to the observed and asking questions about their activities. This was done in order to record, at close range, the goings-on in the manner in which the proprietor youth relate both to the market and external institutions. The other form of observation involved the researcher not participating and asking questions about the activities of the observed. It was mainly used when the observed were either busy or the researcher didn’t want to be noticed by the observed.

b) Focus Group Discussions

These were discussions that took place in small groups of between five and eight young people. The discussions were facilitated by the researcher and the assistant researcher. The researcher facilitated five of the six discussions that were conducted. The FGDs allowed youth to openly discuss and share ideas and views on particular research themes such youth problems, their causes, effects and possible solutions. This includes information on the way youth engaged in informal sector activities, the constraints they faced and how they resolved them. The FGDs were also used to investigate in depth some of the issues arising from the sample survey. Four FGDs were held in the study area: one group for male informal sector operators, another one for female informal sector operators and two similar groups for the non-informal sector youth. The separation of males and females as well as informal and non-informal sector youth into distinct groups was intended to maximise discussion within the groups without any restraints. The separation of males and males is born out of research experience, which suggests that in African countries, certain norms and cultural practices prevent women from ‘fully’ expressing themselves in the presence of males. A total of 42 youths and non-youths were interviewed in this way.

c) Semi-structured Interviews

This involved guided interviewing in which some of the questions and topics were pre-determined, while the rest came up during the interview. A checklist was used to pose open-ended questions and to probe issues as they arose during the course of the interview. This form of interview was used to collect information on the following issues: 1) how the category of youth is being defined in contemporary Zambia; 2) the responsiveness of the existing policy and institutional framework to the enterprise and livelihood challenges of youth in Zambia; 3) role of micro and small scale support institutions and NGOs in promoting youth enterprise; 4) existing relations between youth and social institutions in society; 5) perceptions of youth well being and ill being, and; 6) youth’s own attempts at resolving problems facing them (their interactions and social relations). It should, however, be mentioned that different interview guides were designed for different institutions. This was done in order to obtain more specific and focused information on the activities of the institutions in relation to the subject under investigation.

Meetings and interviews were held with government officials and NGO personnel. The government officials were mainly selected from the Ministries of Youth, Labour, Commerce and Finance. The selected officials comprised planning and programme officers. Selected NGO personnel were largely programme and projects officers responsible for youth enterprise development initiatives. These officers were selected from over 20 NGOs, including micro credit institutions. The researcher also conducted personal interviews with several representatives of youth organizations. In addition, meetings with top management from a number of private, formal companies were held.
At the request of officials from the selected institutions, especially those from commercial banks, the
research assistant and enumerators delivered the semi-structured questionnaire to their premises in advance
of the actual visit to these institutions by the researcher. This arrangement gave the officials ample time to
select who would respond to the questions in the questionnaire, or at least who should handle what aspects
of the questionnaire. In some cases, the researcher, research assistant and enumerators made several repeat
visits to the selected institutions that agreed to cooperate. In all, 24 NGO officials, six representatives of
bilateral organizations, 12 government officials, 11 bankers, 16 Company Directors (comprising Managing
Directors and General Managers), seven representatives of youth organisations, were interviewed for the
study. In addition, representatives of chambers of business were also interviewed. There were times when
the officials were not in their offices at agreed times (for quite understandable reasons), hence the repeat
visits to try and chance them. Given the busy schedule of some of the people who had agreed to be
interviewed, the interviews were conducted over a period of three months.

As already noted, the research team also held meetings and interviews with 20 community leaders or key
informants in Chawama township. These were people who were accessible, willing to talk and were
presumed to have great knowledge about their area and youth issues due to their long stay in the research
site or elevated social position in society. It was not difficult to construct a chain of key informants who
were interviewed for the study. Members of the RDC in Chawama helped the researcher to identify the
community leaders who comprised school teachers, religious leaders, police and youth leaders. Interviews
with these people were used to obtain information on who they considered to be a youth, basic problems
facing the youth in their area, causes of the problems, their effects and consequences on the youth and
society, and what the community was doing to resolve some or all of the problems facing young people in
the area.
Appendix II: Selection of CSAs and SEAs

The selection of CSAs and SEAs in Chawama was done in three stages. In the first stage, a sample of CSAs was randomly selected using an established interval. In the second stage, a representative sample of SEAs was selected. Use of a mixed household and enterprise survey necessarily meant the use of households as the sampling unit. The statistician and cartographer hired from CSO advised that a minimum sample of 20 SEAs and 400 households would be representative of households in Chawama, given that there were an estimated 8000 households in the area. A minimum of 400 households represented five percent of the estimated number of households. The CSO officials indicated that the household surveys and LCMS carried out by the Central Statistical Office in Zambia are generally based on the selection of a minimum 15 SEAs from each urban informal settlement in Lusaka. Following this advice, a total 20 SEAs were selected for the study in Chawama from various CSAs. The selection of the SEAs was done with a predetermined interval. A total of 440 households were selected for the study in order to compensate for likely non-responses.

In the third stage, all dwelling units in each of the selected SEAs were numbered. The numbering or ‘listing’ was done with the help of members of the RDC and enumerators employed on the survey under the guidance of the CSO officials. Houses from which to draw respondents were randomly selected from the prepared lists using an established interval and visited. Since the estimated population of each of the CSAs and SEAs was known, more households were selected from SEAs with a larger populations than those with smaller populations. The study could not use the density of informal sector activities as the basis for selecting households as this would have required use of a list of economic activities in Chawama, which we did not have. As Verma (1992) argues, either the population density of an area or the density of economic activities can be used, depending on the availability of information. Moreover, use of population density was chosen because it would allow us to investigate the extent to which households in Chawama were involved in running enterprise activities in the informal sector as a means of improving their livelihoods.

Each enumerator was allocated a minimum of two SEAs and (s)he subsequently completed a questionnaire for all relevant respondents (s)he came across. Enumerators were given strict instructions to only interview people aged between 15-65 years from the selected households. As already noted, this was based on the assumption that the selected respondents would include people from the four target groups. The researcher also felt that interviewing all people aged between 15-65 years would also reveal the extent of their involvement in running enterprise activities in the urban informal sector. However, not more than one person belonging to the same target group or doing the same business was to be interviewed from one household. Similarly, the selection of informal sector units was done according to the definition of the ‘informal sector’ adopted in the study.

The selection of respondents from the sampled households generally went well. There were no reported cases of any selected individual turning away an enumerator or declining to be interviewed. However, some of the respondents complained that similar research exercises had been conducted in the past but that nothing tangible had been done for the local people. In general, however, the research team managed to collect a lot of information on the livelihood and enterprise activities of Chawama residents, especially young people. The involvement of local community leaders and enumerators resident in Chawama made the whole research exercise particularly successful. 16

On average each enumerator visited 20 households as enumerators working in SEAs with fewer households were re-assigned to assist those working in places with a higher population density. From the 440 households

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16 The success of the research is reflected in the large numbers of youths and non-youths who turned up for focus group discussions. Each time an FGD was conducted over twenty people would turn up. Given that the number of people required to hold an FGD is usually restricted to not more than twelve, the researcher had to find an innovative way of talking to those that were not allowed to participate in FGDs. Thus, in addition to the four FGDs conducted in Chawama, the researcher addressed two separate meetings of young people and adults in Chawama.
selected for the study, a total of 756 respondents were interviewed between October 18 and November 19th, 2000. A total of 20 community leaders were also interviewed for the study. Each of these leaders was selected from the sampled 20 SEAs. The selection of this large number of community leaders was aimed at obtaining views that were representative of all the areas of Chawama. The researcher also interviewed informal money lenders. A further six people who were practicing another form of informal money lending system called ‘chilimba’ were interviewed for the study. Unlike ‘kaloba’, ‘chilimba’ is a milder form of informal money lending which involves small group of people pooling resources together and then lending the money to one group member at a time.