Being “Real” about Youth Entrepreneurship in Eastern and Southern Africa

Implications for Adults, Institutions and Sector Structures

by

Francis Chigunta,
Jamie Schnurr,
David James-Wilson
and
Veronica Torres
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Foreword

At the Millennium Summit in 2000, the Heads of State and Governments made a commitment to “develop and implement strategies that give young people everywhere a real chance to find decent and productive work”. The Millennium Declaration emerged from the Millennium Summit, which resulted in the creation of the Youth Employment Network (YEN) by the UN Secretary-General. The YEN is led by the International Labour Organization, the World Bank and the United Nations Secretariat, and its Secretariat is housed in the ILO in Geneva.

For many years the ILO has been working on various aspects of policies and programmes that respond to the challenges of youth employment. Following its commitment to the YEN, the ILO’s work on youth employment gained renewed momentum with an increasing demand for support and action coming from the ILO’s tripartite constituents in governments, employers’ organizations and workers’ organizations. The discussion on youth employment at the International Labour Conference in June 2005 marks a significant milestone in the development of this work.

In Sub-Saharan Africa, the issue of youth unemployment and underemployment remains as one of the major challenges for governments and development partners alike. It is the region that has the largest proportion of young women and men in the overall population. Many governments in Africa have tried to address the youth employment challenge, and their commitment was strengthened at the African Union Extraordinary Summit of Heads of State on Employment and Poverty Reduction in Ouagadougou, Burkina Faso, in September 2004. For the ILO as for many other agencies, a major obstacle in trying to tackle this problem is the lack of reliable and up-to-date data and related analysis on the scale, distribution and complexity of employment/unemployment and livelihood situations in general, as well as on effective policies, programmes and approaches for young African women and men.

Policies at national and international levels are undoubtedly important. However, what makes a real difference in day-to-day lives of young women and men are the interactions with their families, peers and communities, as well as with those adult practitioners such as youth workers, teachers, trainers and other service providers. This working paper starts with the realities facing young women and men in Eastern and Southern Africa. It takes account of their increasing adult roles and responsibilities, and the corresponding risks and opportunities that young women and men face in this sub-region, in particular in relation to their prospects for self-employment and entrepreneurship. Furthermore, it proposes a new approach – Accompanied Livelihood Development – an approach that is based on mutual respect and learning between young people, practitioners and sector agencies that are in the position to support young citizens in their transition to productive and healthy adults.

It is our intention that this paper can contribute to the accumulated lessons and practices of policy makers, practitioners and development agencies so as to help make policies and programmes more effective in Africa as well as other parts of the world. Ultimately we would wish to enhance the ILO’s contribution to providing decent, productive work for young people everywhere.

The ILO would like to acknowledge the respective inputs provided by Francis Chigunta, Jamie Schnurr, David James Wilson and Veronica Torres in completing this valuable working paper. In addition, special thanks go to Takafumi Ueda (responsible for Youth Entrepreneurship activities within the ILO’s SEED Programme) for his vision and leadership in guiding this publication to its completion. Mr. Ueda provided ongoing
direction for the focus of the paper and insightful comments on its content, which will have
direct implications for the future of this work. He showed insight and foresight to draw on
the experiences of young people and those who work with them, as well as those who are
passionate about trying to understand how to work more effectively with young women
and men so they can realize their potential. Without this leadership, this paper and the
knowledge in it would have remained in the minds of a few individuals, such as the team
of authors, without being widely shared with the development community.

Gerry Finnegan
Director a.i.
Programme on Boosting Employment through
Small Enterprise Development (SEED)
Key terms

**Employment** is difficult to define. As Stewart (1978) and O’Higgins (2001; 2002) observe, there is little agreement about how the employment problem should be measured, or defined. Stewart (1978: 32) defines ‘employment’ as ‘working for an employer for wages’, while ‘unemployment’ is the ‘active seeking of employment, at the ruling wage’. In developing countries with small formal sectors, other forms of employment such as self-employment predominate.

**Entrepreneurship** is a multifaceted phenomenon that cuts across disciplines. In this paper, the term entrepreneurship is used to denote a way of thinking, reasoning and acting that is opportunity oriented. It is much more than starting a new business. It is the process whereby individuals become aware of the self-employment career option, develop ideas, take and manage risks, learn the process and take the initiative in developing and owning a business.

**Livelihood** is defined as young people’s capabilities/capacities to generate and maintain their means of living, to enhance their well-being and still be able to withstand shocks and stresses.¹

**Entrepreneur** is one who is willing to take the risk to engage in self-employment. The forms of engagement can vary from survival to growth-oriented activities.

**Micro-enterprises** are known by various names such as informal, survival or subsistence enterprises. These are very small enterprises, most of them employing only the owner and possibly one or two family members or one helper. However, not all micro-enterprises are informal.

**Self-employment** is the “practice of owning and operating a small enterprise as a means of livelihood; working for one’s own account, often in the ‘informal sector’” (Grierson, 2001:1). This definition embraces an enormous range of activities, from the humble to the exotic: artisans, craft and other manufacturers, shopkeepers, and so on. Excluded from this definition are illicit activities that are prohibited by law such as drug trafficking, smuggling, tax evasion and prostitution. In Africa, the term ‘entrepreneurship’ is generally used to mean ‘self-employment’ (Naude and Halange, 2000).

**Small enterprises** are usually formal enterprises. Although many remain small, they have the potential to grow. They often employ non-family members on a regular basis.

¹ To a large extent, this definition is drawn from Robert Chamber’s discussion of sustainable livelihoods. For a detailed discussion of sustainable livelihoods, see Chambers and Conway (1992).
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Executive summary

The promotion of youth entrepreneurship as a means of improving youth livelihoods in developing countries has recently attracted increasing attention from scholars and policy makers alike (Carr-Hill and Leach, 1995; McGrath and King, 1995; D’Souza and Thomas, 1995; Schnurr, 1998; Bennell, 2000; Curtain, 2000). Most of this attention has focused on Sub-Saharan Africa (SSA) where many countries are faced with seemingly overwhelming problems posed by ever growing numbers of unemployed youth (Boeh-Ocansey, 1995; Oketch, 1995; Imboela, 1997; Mulenga, 1997; 2000; Nafukho, 1998; Barasa and Kaabwe, 2001). Employment and economic opportunities in the formal sector of the economy have generally contracted. This situation has compelled unemployed young people, especially those not at school, to venture into self-employment in a range of activities, some legal and some illegal.

Sections 1 and 2 of this paper present a situational analysis of the livelihood context and challenges facing young people. It has taken a thorough look at the current experience of young people in Africa, and has described both the challenges they face and the enormous determination and resilience they continue to demonstrate. Emphasis is given to the loss or degradation of traditional structures in post colonial Africa – along with the failure of institutions such as public schools to replace them. The connection between the absence of adult support and the period of never ending youth that Pinnock calls eternal liminality is a key constraint to a healthy productive youth. The Pinnockian Rite of Passage is used as a powerful metaphor for the period of transition from childhood to adulthood referred to as adolescence or youth. In this time of symbolic death and re-birth, young people in traditional and modern societies progress through a series of life changing events and ceremonies, eventually emerging as adults ready to assume new responsibilities in the lives of their families and community.

Sections 3 and 4 examine the relevance of entrepreneurship and enterprise as a livelihood strategy and outline the types of entrepreneurship and enterprise activities that young people are engaged in. It presents an age-based framework for understanding stages of youth entrepreneurship and enterprise activities and the types of skills and knowledge requirements and demands of African youth. Section 5 of the paper draws from the evidence presented in Sections 1-3 and the age-based framework presented in Section 4 and examines the implications for adults, their institutions and the sectors structures. It presents a livelihood development intervention model and strategy for supporting the entrepreneurship and livelihood skills and knowledge requirements and demands of young Africans in their transition to economic independence. It raises a set of fundamental questions for those looking at ways to support the efforts of African youth to build sustainable livelihood options for themselves. The now widely accepted Sustainable Livelihood Framework has been connected to the Life-Cycle approach and the adolescent and youth developmental stage, outcomes and challenges universally evidenced in adolescence and young adulthood. An Accompanied Livelihood Development framework driven by Enterprise Initiative has been articulated as a synthesis of these two concepts. Section 6 concludes with what the authors believe apply (in adapted forms) to young people and the adults and institutions that support them in Canada, Switzerland and Tajikistan as much as they do to young people on the continent of Africa.

2 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 held in 1994, SSA now includes all countries south of the Sahara, including Namibia and South Africa. In this study, the term ‘SSA’ is used interchangeably with the term ‘Africa’.
The question of what needs to change – and who needs to change – for an Accompanied Livelihood Development approach to succeed is explored within a call for a shared “enterprise initiative” paradigm shift or transformation among adolescents and youth, adults who work with them, youth serving institutions, and youth focused government and public policy structures. How this change might fully come about depends on the political will and the enterprise initiative of all those concerned including the international development community.

Plenty of isolated empirical evidence exists to illustrate that capacity building for adolescents and youth and youth workers in the area of micro-enterprise development needs to occur jointly – not in distinct sessions as in traditional training programmes which see youth workers developed into the role of experts and youth kept in the role of dependent clients. Youth need to “teach” youth workers just as much as youth workers need to “teach” youth about enterprise and initiative – and that both need hands on experiential learning environments that emphasize shared risk taking, innovation and trust building.

Similarly, youth serving institutions interested in developing micro-enterprise support and micro-finance programming streams have found that they cannot do so successfully without creating an internal culture that emphasizes “social entrepreneurship” among their staff at every level. Successful institutions have found that they need to be open to being influenced by innovative practitioners within their teams, and to provide opportunities for emerging practice leaders to integrate new effective practices within institutional structures.

Strong youth serving institutions need to have mechanisms to influence the policy frameworks and funding priorities of government structures with a mandate to respond to the needs, requirements, and aspirations of young people. Successful institutions can serve as ambassadors from the youth serving sector and can be drawn into policy formulation and funding prioritization forums. This requires openness on the part of government structures to being influenced by the enterprise and initiative shown by institutions – moving from the role of trying to pick “champions” towards that of responding to, and sustaining the work of those who rise up based on their own merits and demonstrated track record of innovation, initiative and enterprise.

Thus out of a shared need to develop an Accompanied Livelihood Development Approach emerges a shared need to do this development work together. Sustainable livelihood options for young people can neither be expected to trickle up from youth (based on their isolated efforts) or trickle down to youth (based on abstract planning by institutions and governments). To commit to an accompanied approach to livelihood development is to commit to a shared exploration of the challenges and opportunities of a re-invigorated enterprise initiative culture – where innovation, creativity and determined efforts on the part of a generation of African youth may serve as the bellwether for a continent-wide renaissance and the long awaited re-emergence from the legacy of colonialism.

Government and public policy structures and processes, funding priorities and political agendas have a key role to play in fostering the success of an Accompanied Livelihood Development. Government sector-wide structures will need to examine their own capacity to support an initiative-driven culture at the level of youth serving institutions (many of which are government led, or government funded). Moreover, as some leading researchers have pointed out, governments and the international institutions that advise/fund them have been reluctant to see the adolescent and youth development sector as a priority development entry point. This seems even more evident at a time when the “sector-wide approach” is emerging as the preferred development mode of operation.
Perhaps it is only a matter of time until a critical mass of expertise and initiative will trigger a “tipping point” much the way first, “women and development” and then “gender” eventually captured the attention of the development community.
1. The situation of youth in Africa

1.1 Emergence of ‘youth’ as a development ‘entry point’

During the early years of independence in the 1960s and 1970s, young people in Africa did not pose a serious social problem. As a consequence, unemployed and ‘disadvantaged’ youth were not seen as a major target for governments and funding agencies (Bennell, 2000; Mulenga, 2000). As Argenti (2002) and de Waal (2002) observe, youth as a social group largely went unnoticed, or ignored by national and international researchers and policy makers whose methods of analysis and decision-making were broadly insensitive to the challenges facing young people in making the transition to economic independence. According to de Waal (2002), this is largely because age was not taken as an important dividing line between social groups.

Since the mid-1970s, however, concerns have been rising over the socio-economic situation of young people in much of Sub-Saharan Africa (SSA) and the prospects of creating additional livelihood opportunities for them (Mandela, 1991; Mkandawire, 1996; 1997; 2000; Schnurr, 1998; Bennell, 2000; Curtain, 2000; Bakilana and de Waal, 2002; Temba and de Waal, 2002). The protracted and deep-rooted economic crisis that has affected nearly every SSA country since the early 1980s has adversely impacted on the well-being of the majority of people (Stewart, 1985; 1995; Okelo, 1989; Mustapha, 1992; Mwanza, 1992; Basu and Stewart, 1993; Ghai, 2000; Owusu, 2000; Saitoti, 2002). As a consequence, many ordinary women and men have experienced a decline in their welfare owing to a decline in real incomes and declining social sector expenditure per head (Basu and Stewart, 1993; Stewart, 1995). This fall, which appears to have been exacerbated in a number of countries by war, civil strife and environmental disasters (see Bangura, 1997; Stewart, 2000; Mkandawire, 2002), is manifest in the general decline or reversals in the major social indicators of progress as well as the widespread and deepening poverty in much of Africa. World Bank, IMF, UNDP and UNICEF reports show that over 40 per cent of the population of SSA are living in absolute poverty or on a purchasing power parity (PPP) of less than a US$1 per day. However, it is youth, women and other vulnerable people who seem to have particularly borne the brunt of the economic crisis and the measures adopted to restructure the economies (Mkandawire, 1996; 1997; Kanyenze, et al., 1999; Bennell, 2000; Sarr, 2000; Argenti, 2002; de Waal, 2002).

Detailed information on the situation of youth in Africa is not available, but in the context of a high and growing incidence of poverty and the documented adverse social impact of economic restructuring, there is increasing concern that large sections of young people have become ‘marginalized’ and ‘excluded’ from education, healthcare, salaried jobs and even access to the status of ‘adulthood’ (Brenner, 1996; Abdullah, 1998;
It is in the area of employment that young people have especially been affected. Current estimates indicate that youth constitute 40-65 per cent, and in some cases 75 per cent, of the urban unemployed in many African countries (Kanyenze, et al., 1999; Sarr, 2000; ECA, 2002; Okojie, 2003).

The high rate of unemployment among young people is giving rise to a sense of despair about the prospects of improving their livelihoods in many African countries (Bennell, 2000). Scattered evidence suggests that, in the absence of engagement in productive activities, idleness and frustration predispose young people to risky behaviours, including exposure to drug and substance abuse as well as the risk of HIV/AIDS infection (see Mtonga and Mkandawire, 1995; Mkandawire, 1996; 1997; de Waal, 2002). Other negative outcomes include youth involving themselves in crime, organized violence and protests (Bazenguissa-Ganga, 1999; Momoh, 1999). In extreme cases, unemployed young people, as in Sierra Leone, Liberia and the Democratic Republic of Congo, join, or are coerced into joining, rebel movements (Richards, 1995; 1996; Bangura, 1997; Abdullah, 1998; Honwana, 1999; Kopoka, 1999a; 1999b; Galperin, 2002; Mkandawire, 2002; Rwaboni, 2002; West Africa, 12-18, February, 2002).

1.2 Understanding ‘youth’ in the African context

In this paper, the term ‘youth’ is used interchangeably with the term ‘young people’. The continuing debate on who is a ‘youth’ in Africa has not resolved the confusion surrounding this concept. Not only does the perception of youth vary historically and culturally, it also varies from one context to another and even within contexts (Mkandawire, 1996; 1998; 2000; Bennell, 2000; Curtain, 2000; 2001; Argenti, 2002; De Waal, 2002). As Kanyenze, et al., (1999) observe, the definition of ‘youth’ appears to depend much on which dimension of ‘youth’ takes precedence. It can be demographic (age); cultural (notions of adulthood); biological (attainment of puberty); social (attainment of ‘maturity’ or marriage-ability); or economic (ability to sustain oneself).

Sociologically, ‘youth’ denotes an interface between ‘childhood’ and ‘adulthood’. However, ‘youth’ as a social group is generally defined in terms of chronological 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 and Ghana). In an attempt to ‘standardize’ youth programmes, international organizations, in particular 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. With colonialism, mission education, social and economic development, and the ratifications of international

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3 In many African societies, especially rural Africa, the status of ‘adulthood’ is largely determined by marriage. Those who are not married, or are not able to do so for economic or other reasons, as many young people in Sub-Saharan Africa currently are, will still be regarded as ‘children’, whatever their chronological age. Hence, it is not uncommon to find a 12 year old girl who, by virtue of being married, will be considered an ‘adult’, while an unmarried 40 year old man will still be considered a ‘youth’ or ‘child’ and still be dependent on the father for support (Mkandawire, 1997). Brenner (1999) and Abdullah (1998) observe that in Mali, Burkina Faso, Ivory Coat, Guinea-Conakry and Senegal, ‘adulthood’ is defined as the capacity to sustain a marriage.

4 It should be noted that the notions of ‘childhood’ and ‘adulthood’ are socially constructed categories (Boyden, 1997).
conventions by African governments, the concept of a single chronological age of maturity has gradually been introduced, though not fully accepted, across SSA (Table 1).

**Table 1.1: Definition of youth age, the age of majority⁵ and the age of the right to vote in selected African countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Youth age</th>
<th>Majority age</th>
<th>Voting age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>12-29</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Ghana</td>
<td>15-35</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Malawi</td>
<td>14-25</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>15-30</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Tanzania</td>
<td>15-35</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Zambia</td>
<td>15-25</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Uganda</td>
<td>18-30</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>South Africa</td>
<td>15-35</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Lesotho</td>
<td>12-35</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Nigeria</td>
<td>12-30</td>
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<td>18</td>
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<tr>
<td>The Gambia</td>
<td>12-30</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Kenya</td>
<td>15-35</td>
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<td>18</td>
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<tr>
<td>Mozambique</td>
<td>18-35</td>
<td>18</td>
<td>18</td>
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<tr>
<td>Mauritius</td>
<td>14-25</td>
<td>18</td>
<td>18</td>
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</tbody>
</table>

Source: Mkandawire, 1996.

In this paper, we realize that the term ‘youth’ in the African context involves a complex set of challenges, with a range of characteristics and behaviours that cut across age segments in different social contexts. For analytical purposes, the paper uses the age category 15-29 years as the ‘definition’ of youth. However, in adopting the 15-29 years age cohort as our operational definition of youth, we acknowledge its limitations as an analytical category. Nevertheless, we have adopted it in the paper for several reasons. Stretching the definition of youth beyond 29 years becomes such a large and heterogeneous group that it ceases to be a meaningful analytical category. Moreover, in Africa, many young people assume ‘adult’ roles and responsibilities at an early age. In many African countries young people, out of necessity, take on adult roles and responsibilities much earlier than the age of 15. In fact three of the countries listed in Table 1.1 above define youth as beginning at the age of 12. Bynner (1997) adds that by the mid to late twenties the transition process is over; most young people’s careers have stabilized and adult identities formed.

The evidence used in the paper is drawn from research conducted in Malawi, Zambia and South Africa as well as from the experience of the authors. While the primary geographic focus of the paper is on Eastern and Southern Africa, the authors believe that the context, challenges and opportunities facing young people and the proposed models, strategies and mechanisms apply to Africa and many developing countries in general.

⁵ The age at which most civil rights are accorded to young people.
2. Transition to independence and ‘rites of passage’

2.1 The economic context

The notion of ‘independent’ adolescent and youth livelihoods is derived from how youth transition in traditional African societies is understood (World Bank, 2000; Argenti, 2002; de Waal, 2002). In these societies, girls would be married shortly after attaining sexual maturity and consolidate their adult status when they became mothers, while boys would achieve ‘adult’ status by degrees, through initiation, eligibility to fight, marriage, acquisition of land, and elevation to the position of ‘elder’. This normative expectation persists in contemporary Africa, including urban areas where income depends largely on salaried employment and self-employment.

Given the general absence of formal wage employment in most of SSA, we need to understand how self-employment or micro-entrepreneurship can generate sufficient means to produce ‘independent’ livelihoods for youth. Thus, our prime focus in this paper is on ‘youth micro-entrepreneurs’ … any young person aged between 15 and 29 years who owns a micro or small enterprise.

There is growing evidence of the problematic transition of young people in Africa, especially SSA. Traditionally, ‘transition’ has been seen as a movement or pathway to work. Typically, therefore, transition programmes for youth have been designed to promote movement from the school to post school activities, including post secondary education, vocational training, integrated employment (including supported employment schemes), and continuing adult education (Bynner, 1997; World Bank, 2002; Nagi, 2002; Schnurr, 2002).

This situation does not apply to the majority of African young people today. The majority of young people in Africa do not complete secondary school, while only a negligible proportion acquire tertiary education. While there has been some attempt to create vocational pathways at the upper secondary school levels, these are not accessible to most youth.

The problem of unemployment, especially youth unemployment, has become critical and labour absorption problematic in much of SSA (Ghai, 1989; ILO, 1999; Curtain, 2000). It is difficult to provide accurate statistics on youth unemployment in developing countries, especially Africa, as available estimates of employment and unemployment face the conceptual and design limitations imposed by definition and measurement problems of ‘employment’ and ‘youth’. This makes it difficult to assess the scope of the problem and trends associated with youth unemployment. Nevertheless, existing estimates indicate that in Sub-Saharan Africa, unemployment affects between 15 to 20 per cent of the work force (ILO, 1992; Social Watch, 1998). As previously noted, these estimates indicate that young people comprise 40 to 75 per cent of the total number of unemployed. The levels of youth unemployment vary from country to country but are generally double and sometimes triple the adult rate. A recent report on youth unemployment in Southern Africa by the Youth Development Network (YDN) of South

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6 We define ‘ownership’ as the individual who controls both the decisions within the enterprise (in terms of personnel, purchasing, production, and so on) as well as the decisions regarding use of business profits.

7 In many countries, especially those at war or recovering from war, data on employment and unemployment is not available.
Africa (2003) confirms this. Unemployment in Africa has affected youth from a broad spectrum of socio-economic groups, both the well and less well educated, although it has particularly stricken a substantial fraction of youth from low-income backgrounds and limited education in urban areas. The problem of unemployment is particularly critical for young women. Girls are often disadvantaged in the labour market because of the perceived conflict between employment and family and the limited range of casual opportunities they offer (Okojie, 2003).

The causes of youth unemployment in SSA are complex and multidimensional. In general, they can be categorized into demand and supply side problems (see Kanyenze, et al., 1999; Chigunta and Mkandawire, 2002; Okojie, 2003). They include inappropriate skills, poor economic growth, and growing youth populations.

Kanyenze, et al. (1999) argue that any strategy to address the problem of youth unemployment in Africa must be based on boosting labour demand on a sustainable basis through pursuit of appropriate economic policies that improve the conditions for enterprises to operate smoothly and hire people. They, however, recognize that employment growth in the formal sector can only be a partial answer to the problem. Hence, they recommend that a general revival of the economy should, by establishing linkages to informal activities, also boost demand and economic activity in the informal sector.

Similarly, Todaro (2000) stresses that too much emphasis cannot be placed on the expansion of the modern industrial sector to solve the unemployment problem in developing countries, especially Africa. Echoing this view, Schnurr (1998) argues that, given the current fluidity of the economic situation in much of Africa, the challenge facing youth cannot be addressed by merely constructing ‘stationary paths’ from school to the formal economy. He suggests a need to understand the full complexity of underemployment among young people, especially among those working in the informal sector, and create flexible systems to respond to their needs.

The growing problematic transition of young people in Africa today implies that there is no systematic process aimed at preparing both out-of-school youth and in-school-youth (including school leavers) for training and employment, especially in entrepreneurship and self-employment. As a result, the sequence has become home-school/street-youth-unknown. In contrast, young people in Britain and other western countries have several possible occupational statuses at 16 – school, work, and training (Bynner, 1997).

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8 In Botswana, 42.5 per cent of young people were officially unemployed in 1998 compared to 13.1 per cent of adults. In Namibia, 37.0 per cent of youth were unemployed in 1997 compared to 15.2 per cent of adults. In Lesotho, 47.4 per cent of youth were unemployed in 1997 compared to 35.8 per cent of adults. In Zambia, it is presently estimated that over 60 per cent of youth are unemployed compared to 30 per cent of adults. Even in relatively prosperous South Africa, unemployment among youth stands at 62 per cent compared to 40 per cent among adults.

9 Schnurr argues that this approach is premised on the understanding that part of the solution lies in developing the capabilities of youth to respond to changing circumstances; part in the need to ‘develop’ and ‘modernize’ the informal sector; and part in improving the links between education and non-formal training and employment opportunities.

10 In the traditional African society, there were sequences for the maturing individual: for men, child-single man/warrior/labourer-married self-supporting adult elder, for women, girl-wife-mother (de Waal, 2002a).
2.2 The social context: Factors influencing the transition to independence

The problematic transition of youth in contemporary Africa is influenced by several factors. The key factors include the changing nature of the family, disintegration of traditional community structures, and the inadequacy of formal education systems.

The changing African family

In Africa, the family is said to have collapsed as a key socialization agent due to a number of causal factors (Mlama, 1999; Akuffo, 2001). These include poverty, the ‘feminization’ of poverty, the phenomenon of teenage pregnancies and general social change. It is argued that the combined impact of these factors has been to reduce the ability of parents to fend for their children.

This situation raises a number of questions. What are the implications of family breakdown on the preparation of young for adult and working life? What type of socialization do these young people go through? What values do youth from broken families acquire, especially in the streets? How essential are these values to enterprise and micro-entrepreneurship development?

Disintegrating community structures

In the traditional African society, communities comprising members of various extended families and lineages were also key socialization agents in the development of young people. This, however, is not true of youth in contemporary Africa. The disintegration of traditional society, which started with, and resulted primarily, from colonial intervention, created alien political, economic and social institutions. It is argued that these institutions undermined the African traditional system of empowering youth, which was controlled by their elders (Mulenga, 2000; de Waal, 2002). In recent years, rapid urbanization (which has brought people from different, sometimes hostile ethnic groups together), widespread economic decline and restructuring processes have conspired to undermine traditional kinship structures (Bennell, 2000).

The impact of these social changes on the preparation of young people for adult and working life needs to be clearly investigated. It is also not clear the extent to which local communities can support enterprise and entrepreneurship development in Africa.

The inadequacy of formal education systems

In its present form, ‘school’ is another institution that is going through a crisis in Africa. Here we are using the term ‘school’ to refer to the education system in all its forms and levels, especially from primary up to senior secondary school level. Some observers have suggested that the 1990s witnessed disintegration in public schools in terms of quality, infrastructure and teacher and student morale (Moser and Holland, 1997; Mlama, 1999; Mulenga, 2000; Bridges-Palmer, 2002).

Another factor influencing the school drop-out rate is the cost-sharing policy introduced by government. The effect of this policy is yet to be properly evaluated. Nonetheless, initial surveys and media reports show many examples of the mismanagement of the concept and the inability of many schools to translate cost sharing in a way that does not penalize pupils from very poor families (Ibid.). Consequently, children from such families are forced to drop out of school. According to de Waal (2002), 45 million children in SSA aged between 6-11 years do not attend school. Other
factors influencing the school drop-out rate, especially among girls, include pregnancies and withdrawal (Bridges-Palmer, 2002; Okojie, 2003).

It is also important to note that the relevance of schooling itself is increasingly questioned. Until recently, the ‘school’ in Africa was widely seen as an important means for social mobility in modern society. But nowadays attending school no longer holds the hope for employment or a better future. More and more young people in contemporary Africa are failing to find jobs in a largely stagnant formal sector. Not surprisingly, many young people perceive formal education as ‘useless’ to their livelihoods.

The type of education that pupils receive compounds the problem. Recent surveys in southern Africa show that there is general dissatisfaction with the school (Chigunta, 2001; Kambewa, et al., 2001; Mkandawire, 2001). Neither does it prepare them to go into self-employment enterprise activities. The system is largely geared towards providing basic literacy and numeracy skills for eventual expression in the formal labour market.

The quality of education also appears to be a growing problem in many African countries (Okojie, 2003). This raises questions about whether young people in contemporary Africa are functionally literate or have acquired other competencies. Bridges-Palmer (2002), for example, reports that a reading test administered at Grade 6 in Zambia revealed that 75 per cent of pupils were still illiterate at this stage. This has implications for training youth in technical and vocational skills.

Given the above situation, the ‘school’ as an institution is not necessarily a place adequately equipped to provide a moral framework for young people. In particular, the capacity of the school to handle youth in recent years seems to have been taken unawares in dealing with drug and substance abuse among pupils, leading to increased incidences of violence, including riotous behaviour, vandalism, and destruction of property (Mlama, 1999). The ‘school’ also seems incapable of dealing with the effects of the HIV/AIDS pandemic on teachers and students (Okojie, 2003).

2.3 Youth responses to the transition challenge

The employment and other problems facing African youth are compelling them to innovate in ways that have hitherto been unknown. Mkandawire (1996; 1997) observes that such youth are less inclined to be involved in begging because it assumes an inferior social position and is perceived as less aggressive. They, therefore, tend to earn their livelihood by a set of ingenious variations of petty trading, casual work, borrowing, stealing, pick-pocketing and other illegal activities. Chigunta (2003) makes a distinction between what he calls ‘casual’ and ‘non-casual’ forms of work.

_Casual forms of work_

A review of literature suggests that youth in SSA are left with one of four alternatives, or a combination thereof, regarding their livelihood pathways: remain without work; find some casual wage-earning work; engage in some illicit activity; and start an informal enterprise activity (Hoppers, 1994; Chigunta, 2003). As discussed later, the third option of engaging in some illicit activity is becoming a livelihood strategy for an increasing number of youth in Africa. However, the overwhelming majority of young people resort to the first option and, to varying degrees, options two and four.

11 Indeed, the youth, especially the school-going ones, see their friends, brothers, sisters and cousins who complete school before them staying for long periods at home without gainful or productive employment.
**Remaining without work and ‘just sitting at home’**

Recent survey data from Zambia suggest that the majority of relatively educated non-proprietor youth in a township called Chawama were just ‘sitting at home’ and/or ‘doing nothing’. In local parlance, ‘sitting’ at home means ‘having completed, or dropped out of school and not earning an income’ (Hansen, 1997). This appears to contradict the common view that the major problem in Africa is ‘underemployment’ and not ‘open unemployment’ (ILO, 1972; Schnurr, 1998; Bennell, 2000). It is generally argued that people in Africa, including youth, cannot afford to be ‘unemployed’ because everyone must work in order to survive. As a result, people tend to engage in various forms of income-generating activities. While this might have been the case in the 1970s, recent evidence demonstrates that this is no longer the case.

Another indicator of the unemployment status of young people is their major sources of income. Female youth, especially older youth (58.2 per cent), tend to rely on a spouse or boyfriend. The unemployment and underemployment status of youth is further reflected in the almost visible phenomenon of ‘fluid’ idleness among young people variously called the grin in Mali (Brenner, 1999) and pote in Sierra Leone (Abdullah, 1998). This phenomenon is also increasingly becoming common in other parts of Africa, and is known locally as ‘park shopping’ in South Africa (Mkandawire, 2000) or kuchega-cheza in Zambia (Chigunta, 2003).

While some adults across Africa see these social sites for youth as a breeding ground for criminals, available evidence suggests that the pote and other such sites allow unemployed young people to erect a supportive social structure despite the seemingly chaotic life on the streets (Brenner, 1996; Abdullah, 1999). Recent survey data from Zambia suggest that these social sites serve as an entry point into entrepreneurship, especially in the informal sector (Chigunta, 2003). Young people, mostly young men, lend each other money to engage in petty trading and other enterprise activities. In other instances, they cooperate in running business ventures. However, little is known about the attitude and value formation process among such youth.

**Disappearing casual work**

Studies suggest that unemployed youth tend to engage in short term survival strategies such as casual work (Bennell, 2000; Chigunta, 2003). However, opportunities for manual jobs that youth traditionally entered have declined in many African countries. In Zambia, only 10.8 per cent of youth were involved in casual work (Chigunta and Mkandawire, 2002; Chigunta, 2003). Of these, the overwhelming majority (81.0 per cent) were men, while only 19.0 per cent were women.

In most African countries the socio-cultural construction of casual work is as gendered as the socio-cultural construction of ‘youth’ (Mkandawire, 1997; Chigunta and Mkandawire, 2002; Chigunta, 2003). There are cultural reasons for these gendered patterns of casual work and low female participation.

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12 Many unemployed youth, mostly young men, tend to congregate at their friends’ make-shift stalls, bus stations, bottle stores, shebeens (the African beer garden illegally run by women), taverns and bars in order to converse.

13 This means that there is a masculinization and feminization of casual work among young people. Young women tend to go for what they see as ‘feminine’ work such as domestic work. In contrast, young men tend to go for what they see as ‘men’s work’.
Despite the gendered nature of casual work, the adverse economic situation and declining opportunities for traditional sources of casual work in many parts of Africa have led to a form of gender role renegotiation among both youth and non-youth (Mulenga, 2000). In Rwanda, many women, including female youth, have been forced to go into construction work along major roads in the capital, Kigali. In Zambia, many unemployed women have been driven into such activities as ‘stone crushing’ (Chigunta, 2003). In the past, this activity would have been regarded as ‘men’s work’. On the other hand, young men are increasingly seeking work as domestics. Survey data from Zambia also suggest that the unemployment status of unemployed youth tends to be fluid.

Although there is little documented data in many countries, a small minority of the unemployed youth in urban Africa appears too ‘wasted’ to engage in *kubaza-baza* ‘proper’ or, at least, in part time informal trading. In Zambia, such youth are known locally as the *imimbulu* or ‘wild dogs’ in Bemba street lingo. These young people, many of them in ragged and dirty clothes, have turned the streets into a permanent home.14 Other ‘wild dogs’ constitute what Bromley (1978) calls ‘dependent informal workers’. They use hired wheelbarrows to carry luggage for customers, while others survive by engaging in various menial activities, including stealing, pick-pocketing and touting (Okojie, 2003).

Given this situation, it is not surprising that there are emerging reports of changing attitudes to work among young people, especially young men, in contemporary Africa (Chigunta, 2003). It appears that many African youth have reduced their expectations about the kind of work they would get and have scaled down their job preferences. Much of the literature on youth unemployment in Africa suggests that the high aspirations of youth for white-collar jobs (the so-called ‘white collar mentality’) is a major cause of youth unemployment (Mandela, 1991; Mulenga, 2000; Okojie, 2003).

**Household work**

There isn’t much data on the involvement of youth in household work in many African countries. But the numbers could be high. Young people, mainly young women, are engaged in domestic work. They often help their hosts with reproductive work.15 This paper calls these ‘household workers’. For girls, household work mainly involves child minding, cleaning, washing, fetching water and cooking. It is, however, mostly unpaid work.

**Apprenticeship**

Apprenticeship is generally taken to refer to learning a skill or a craft by working under the supervision of a skilled or master craftsman (Mulenga, 2000). A review of literature shows that apprenticeship is the main avenue to self-employment in the informal sector and thus a pillar of informal sector development in many parts of Africa, especially West Africa and to some extent Eastern Africa (King, 1977; McGrath and King, 1995; Barasa and Kaabwe, 2001). Generally, apprenticeship training focuses on acquiring skills through

14 The ‘wild dogs’ look drunk most of the time and can be seen either sleeping in shop corridors during the day or engaging in vicious fist fights with each other over small amounts of money or food. They seem to have become addicted to alcohol and marijuana and spend whatever little money they have on ‘bomb’ and ‘smoke’ (street parlance for an illicit potent gin – and cigarettes, respectively). As a result, the *imimbulu* are generally despised among urban youth for their perceived lack of ‘street manners’. Their distinguishing features are unkempt hair, bruised and cut lips, with blood shot eyes and sometimes long and criss-crossing knife marks on their faces.

15 Moser and Holland (1997: 71) define ‘reproductive work’ as ‘childbearing and child rearing’ responsibilities and domestic tasks carried out mainly by women to guarantee the maintenance and reproduction of the labour force. On the other hand, they define ‘productive work’ as ‘work done by both men and women for cash or kind including both market and home or subsistence production’.
practical work relating to the production of specific goods or services, mainly in metal work, carpentry and motor mechanics.

This is contrary to the situation in other parts of Africa where apprenticeship is not a major source of skills. A study in Zambia revealed that only 6.0 per cent of youth (mostly young men) in the sample indicated that they were involved in some form of apprenticeship (Chigunta, 2003). Even among the few youth apprentices, many were dropping out on account of low wages, with many of the ‘drop-outs’ going into street vending. Mulenga (2000) made similar observations in Nkwazi in the northern part of Zambia. These results attest to the weak apprenticeship system in Southern Africa (Aryee, 1981; Mulenga, 2000). This can be attributed to a variety of factors. However, questions have been raised about the quality of training, especially its theoretical content.

**Non-casual forms of work**

Available evidence suggests that the decline in the urban opportunity structure predisposes some African youth to risky behaviours or ‘negative outcomes’ (Kaplan, 1994; Chigunta and Mkandawire, 2002). Denied legitimate means of earning a living, some young people, especially males, tend to develop competitive survival strategies and compensatory behaviours. Some engage in drug abuse, petty crime, violent criminal offences and other illicit activities as a livelihood option. The main illicit activities identified in the literature involve young men (the ‘Kuwait Boys’ as they are known in Zambia) dealing in illegal fuel, selling marijuana, engaging in extortionist behaviour and in brewing illegal beer (Kaplan, 1994; Chigunta, 2003).

**Young women and prostitution**

Among the socially less visible female youth, prostitution is a major means of livelihood. Many reports suggest that some unemployed and single female youth, and in some cases even married ones, are involved in prostitution (mostly at night). Increasingly, younger girls (in some cases as young as 11 and 12 years) are said to be selling sex.

**‘Deception’ and other youth survival strategies**

A review of literature reveals that some young people are engaged in deception or ‘sweet talk’ as a means of survival, while others use confidence tricks. There is also a growing problem of extortionist behaviour among urban youth, especially at bus stations (Kaplan, 1994; Chigunta, 2003). Other young people are involved in the vandalism of public property, especially state schools.

Anecdotal evidence also suggests that there has been an increase in ‘Pentecostalism’ among both young women and men in Africa (Spinks, 2002). Particularly attractive to youth is the Gospel of Prosperity and the support network that Pentecostal churches provide in the midst of an urban society where decreasing education, unemployment, and poverty dominate daily life.

Other studies suggest that some young people are engaged in ‘scavenging’ for food and items to recycle as a livelihood strategy. Chigunta (2003) also reveals that, although there is no empirical data, it is rumoured that some young men in countries like Zambia have become ‘professional mourners’ – moving from one funeral house to another where they can at least eat some food or drink beer provided for ‘genuine’ mourners. In more desperate circumstances, as in some parts of Rwanda and Uganda, some young people are said to ‘camp’ near known accident spots to steal from the accident victims.
Apart from the religious youth, it is not likely that young people involved in these activities are likely to acquire attitudes and values critical to enterprise and entrepreneurship development in Africa. Promoting entrepreneurship among such youth will require interventions aimed at re-orienting their attitudes and values.

2.4 The transient and permanent nature of youth livelihood activities

This paper suggests that, in the present circumstances, the involvement of African youth in short-term survival strategies is not a transitional phenomenon. Young people who fail to gain access to occupational skills by dropping out of education and training face increasing difficulties in recovering their position, especially given current high levels of unemployment in a context of economic decline.

The persistent economic crises in many countries have produced a marked difference in the opportunity structure that youth have been able to access in contemporary Africa compared to their older siblings. Through the early 1970s, young people who completed school were almost certain to get jobs because of the ‘Africanization’ of both the public and the private sectors in many countries (Chigunta and Mkandawire, 2003).

Existing studies suggest that little or nothing is being done to replace disintegrating social support institutions, including the family, school, kinship structures, and public institutions with new forms of effective socialization and social control in many African countries (Bennell, 2000). In the absence of such control, young people are generally alienated from mainstream society and mainly end up in streets where they create their own social worlds and fashion new social orders (Comaroff and Comaroff, 1999). Significantly, in the absence of discernible livelihood opportunities for young people, ‘gangsterism’ appears to have become a meaningful space of the ‘participatory expression’ for youth.

Across Africa, the youth involved in illicit activities are seen as delinquent and are widely stereotyped as ‘criminals’, ‘violent’, or ‘hooligans’ in public discourse (Momoh, 1999). This has led to the negative labelling of youth in much of Africa. In Tanzania, the unemployed youth or those engaged in petty trade roaming the streets are called the ‘Manchinga’; in Uganda and Kenya they are referred to as ‘Bayaye’; in Nigeria they are called ‘Jan Banga’, ‘Jaguda Boys’, or the ‘Area Boys’; in Algeria they are referred to as ‘Hittiste’; in South Africa they are called ‘Tsotsis’; in Zambia, they are called ‘Kaponya’ or ‘Eagle-eagle’, and so on. Abdullah (1998) has termed the urban unemployed out-of-school youth in Africa the ‘pseudo lumpen proletariat’.

At best, the negative labelling of youth motivates the State to limit and undermine the autonomy of young people through certain aspects of youth policy; for instance, those on the registration of youth organizations tend to be restrictive (Fowler and Collings, 1993). At worst, the negative labeling of young people seems to provide cover for repressive state policies towards what are officially regarded as ‘undesirable’ social elements in society. It is doubtful that this situation can encourage the formulation of supportive policies to promote entrepreneurship.

2.5 The Pinnockian rite of passage

Based on the evidence provided above, we suggest that the Pinnockian gang rite of passage captures the emerging livelihood situation of youth in contemporary Africa.
Pinnock (1997) has contrasted rites of passage in stable and supportive settings with those in less stable (disintegrated) settings. In the former, at a particular stage of the young people’s growth, they socially separate from the community in search of their own identity. Pinnock characterises this as a traditional rite of passage. In this rite of passage, childhood ends as the young person goes into ‘free fall’. At this point, however, social rituals and understandings take over and guide the young person through a period of liminality (symbolic death) towards social re-integration. This process moves from symbolic death to symbolic re-birth. Through this transitional stage, it is anticipated that the young person will be re-integrated into society through the symbolic re-birth that comes from liminality. At this stage, the young person is said to have reached adulthood.

In contrast, in disintegrating societies, social separation may result in eternal liminality, as the society lacks resources to hold the young person through this transition. Pinnock characterizes this as a gang rite of passage. In this rite of passage, the young person invokes a break with his or her society and goes into ‘free fall’. In the absence of a ritual social safety net, the young person goes into eternal liminality, bringing about ‘dispersion’ and often even actual death. This is because re-integration into society becomes an increasingly remote possibility. The young person enters adulthood with no re-integration process. As a result, the young are metaphorically dispersed from the norms and values of that society. This situation implies that many African youth are entering adulthood without an effective social re-integration process.

This raises questions about the preparation of many youth for adult and working life in contemporary Africa. What type of attitudes, values and behaviours do such youth acquire? How relevant are these attitudes and values to enterprise and entrepreneurship development? What types of policy and programme interventions are required to promote entrepreneurship among potential but ill-socialized unemployed youth?
3. The relevance of entrepreneurship, self-employment and enterprise for African youth

3.1 Entrepreneurship and youth

There are a number of benefits from the promotion of youth entrepreneurship or self-employment that are commonly discussed by commentators (Blanchflower and Oswald, 1998; Fowler and Collins, 1991; White and Kenyon, 2000; OECD, 2001; Grierson, 2002; Kapitsa, 2002). While caution should be exercised so that entrepreneurship is not seen as a ‘mass’ or wide-ranging solution which can cure all society’s social ills, it is argued that entrepreneurship has a number of potential benefits.

An obvious, and perhaps significant, benefit of entrepreneurship is that it creates employment for the young person who owns the business. This is especially the case in an economy subject to rationalization, change and restructuring. Many experts believe that this could bring back the alienated and marginalized youth into the economic mainstream (Curtain, 2000; White and Kenyon, 2000). There may also be a direct effect on employment if new young entrepreneurs hire fellow youth from the ‘dole’ queues (Curtain, 2000). In this way, entrepreneurship could help address some of the socio-psychological problems and delinquency that arise from joblessness.

Youth-run enterprises (YREs) also provide valuable goods and services to society, especially the local community (OECD, 2001; Stone, et al., u.d).16 This results in the revitalization of the local community. It has also been observed that new small firms tend to raise the degree of competition in the product market, thereby bringing gains to consumers (Curtain, 2000). In addition, the enterprises may create linkages between youth entrepreneurs and other economic actors, such as through sub-contracting, franchising, and so on (White and Kenyon, 2000).

Youth entrepreneurship also promotes innovation and resilience as it encourages young people to find new solutions, ideas and ways of doing things through experience-based learning (OECD, 2001; White and Kenyon, 2000). In certain circumstances, young entrepreneurs may be particularly responsive to new economic opportunities and trends. This is especially important given the ongoing globalization process. It is increasingly accepted that youth entrepreneurs can present alternatives to the organization of work, the transfer of technology, and a new perspective to the market (White and Kenyon, 2000).

White and Kenyon further note that social and cultural identity is promoted through youth enterprises, as there is a stronger sense of community where young women and men are valued and better connected to society. They argue that enterprises give young people, especially marginalized youth, a sense of ‘meaning’ and ‘belonging’. This can shape the identity of youth and encourage others to treat them as equal members of society. A popularization and democratization of entrepreneurship can allow the disadvantaged in society to succeed regardless of social or family background (OECD, 2001).

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16 Stone, et al., u.d, in a survey of YREs in Minnesota, USA, observed that they build houses, publish books, run restaurants, staff child care centres, provide business services, and offer other services and goods.
Moreover, the success of the ‘new economy’ – however defined – is dependent on the promotion of a culture of entrepreneurship. It has been observed that youth have the capacity to understand it and be its pioneers. This is reflected in high youth participation in Internet business start-ups (OECD, 2001; Curtain, 2000).

In a broader sense, ‘entrepreneurship’ helps young women and men develop new skills and experiences that can be applied to many other challenges in life. In the Oxford Thesaurus, ‘enterprise’ is defined as “resourcefulness, initiative, drive, imagination, enthusiasm, zest, dash, ambition, energy, vitality, boldness, daring, audacity, courage, get up and go…” It is worth noting that these attributes are generally associated with youth.

In that sense, youth have “the qualities of resourcefulness, initiative, drive, imagination, enthusiasm, zest, dash, ambition, energy, boldness, audacity, courage…” (Schnurr and Newing, 1997:2). Ghai (1988:21) also notes that: “youth are known to possess qualities of enthusiasm, motivation, enterprise, risk-taking, flexibility, energy, resourcefulness and willingness to try new approaches”. Bennell (2000) in this regard argues that the challenge for governments, NGOs and international bodies seeking to improve youth livelihoods is to “tap into the dynamism of young people and build on their strong spirit of risk-taking”.

Carlos Borgomeo, Vice Chair of the OECD LEED Directing Committee and President of Imprenditorialita Giovanile (IG) supports this view: “Youth has a natural disposition for innovation and change on which we can capitalize, as long as we are clear that successfully launching a new enterprise – however small – is a process of innovation.” (OECD, 2001:9)

The Centre for Youth Entrepreneurship Education adds that: “Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities”.17

It follows that policies to promote youth entrepreneurship need not be seen as a departure from the broad policy orientation needed in any case. This is based on the recognition that not all young people can become entrepreneurs in a business sense. Enterprise life skills can help youth adapt well to other non-entrepreneurial careers.

Given this situation, the promotion of youth enterprise in general and youth entrepreneurship in particular is vital. The importance of this promotion should also be seen in the context of improving social attitudes towards entrepreneurship. Collectively, these influences are referred to as an ‘enterprise culture’.18 The concepts of entrepreneurial thinkers (and doers) and an enterprise culture link to Chambers and Conway’s notion of adaptive livelihood capabilities and the notions of enterprise life skills and initiative are explored, in an operational context, in Section 5 of this paper (Chambers and Conway, 1992).


18 Drawing on Gibb (1988), White and Kenyon (2000) define an ‘enterprise culture’ as a “set of attitudes, values and beliefs operating within a particular community or environment that lead to both ‘enterprising’ behaviour and aspiration towards self-employment” (p. 18).
The improving social attitudes towards entrepreneurship are also evident among young people. Recent survey data suggest that more and more young people in both developed countries and developing countries increasingly view entrepreneurship as a viable career option.19

The importance of promoting enterprise and entrepreneurship is also reflected in the increasing role that self-employment plays in job creation across the world. In most African countries, self-employment is emerging as an important source of employment, livelihoods and economic dynamism. Most of the employment is created in the informal sector.20

In spite of the apparent benefits of entrepreneurship, as discussed above, there is little empirical data on how far the perceived benefits of youth entrepreneurship are realized in reality in Africa. Moreover, it is not clear what form of youth entrepreneurship governments seek to promote.

3.2 Does entrepreneurship make sense for African youth?

Specific responses to the livelihood challenges facing African youth may vary from one country to another, but a notable convergence has been a growing interest in, and emphasis on, the role and potential of the informal sector in employment generation (Mulenga, 1998; 2000; Nafukho, 1998; Barasa and Kaabwe, 2001). The belief in these countries is that young people are ‘natural entrepreneurs’ who only need access to credit to become self-employed (Mkandawire, 1996; Motts, 2000; Mulenga, 2000).21

At global policy level, the need to promote youth entrepreneurship has culminated in the convention of a panel on the Youth Employment Network (YEN) by the Secretary General of the United Nations as well as a civil society-driven Youth Employment Summit (YES) held in Alexandria, Egypt.22 Both the YEN and YES have identified entrepreneurship as a key priority in the promotion of youth livelihoods and employment.

At a local level, this has resulted in the emergence of a discourse on ‘youth livelihoods and entrepreneurship’ in much of Africa in recent years. As discussed later, this discourse has led to the introduction of Entrepreneurial Skills Development Programmes (ESDP) in countries like Gambia and Nigeria in West Africa, Malawi and Zimbabwe in Central Africa, Swaziland in Southern Africa, and Uganda and Kenya in

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19 This also includes transition countries.

20 Indeed, contrary to earlier predictions, the informal sector has been growing in developing, and to some extent in developed, countries (ILO, 2002).

21 In Zambia, for example, Constituency Youth Project Funds (CYPFs) have been introduced, with a view to providing venture capital to young people with sound business projects.

22 Francis Chigunta was the key speaker on youth entrepreneurship at the YES.
Eastern Africa. The belief in these countries is that promoting small business enterprises can solve the unemployment problem.

However, important basic questions regarding this effort remain unanswered. Given the many political and economic problems facing Africa, why is entrepreneurship seen as one solution to the problem of unemployment? To what extent can entrepreneurship generate sufficient means to produce ‘independent’ youth livelihoods? Is there a danger that this emphasis on entrepreneurship could become yet another elusive panacea like earlier programmes in ‘vocationalization’, ‘education for rural development’, ‘education for self-employment’, and labour planning projections? (Nakufho, 1998). If entrepreneurship has a role to play in alleviating the youth unemployment problem in Africa, what should the governments do to promote entrepreneurship? Are formal education institutions in Africa being assigned impractical and unfeasible tasks? Should African governments support ESDPs simply for improving youth unemployment, or, more ambitiously for transforming their societies by creating an enterprise culture like that existing in Asian countries? (Ibid.).

The answers to these questions depend on the particular conditions in each African country and should be addressed within the context of the challenges of entrepreneurship that will be discussed later. As noted above, there are a number of benefits from the promotion of youth entrepreneurship or self-employment that are commonly discussed by commentators. It is also important to consider the attitudes of African youth towards self-employment.

**Attitudes of young people towards self-employment and entrepreneurship**

The dominant view in the literature is that young people in Africa have a negative attitude towards self-employment, especially in the informal sector (Mandela, 1991; Okojie, 2003). It is generally argued that young Africans prefer formal employment to self-employment because of the ‘white collar’ mentality that they acquire from school.

This paper argues that attitudes of young people towards self-employment vary from country to country, mainly depending on economic, social, political and historical factors. Thus, Motts (2000) reports that in South Africa, with its relatively strong economy compared to other African countries and legacy of Apartheid, many young people see self-employment as a ‘stop-gap’ measure as they look for formal employment. Mkandawire (2001) also observed that the motivation for youth participation in the informal economy in South Africa is for purposes of meeting short-term needs, such as raising funds to meet the cost of a wedding, to construct their own house, to feed themselves, to buy their girlfriends gifts, to help out a sick sibling. Hardly any of those interviewed saw informal sector activities as their long term and permanent source of livelihood (see Box 3.1, below).

In Zambia, for instance, the Government, unable to underwrite a labour market in which there is regular or secure employment, has identified establishment of micro enterprises in the informal sector as a potential means of improving youth livelihoods. In its National Youth Policy (NYP) adopted in 1994 and the National Programme of Action for Youth (NPAY) prepared in 1997, the Government has explicitly stated that creation of enterprises in the informal sector is the only way in which young people could improve their livelihoods (MYS, 1996; MYS, 1997). This belief is also reflected in the earlier creation of the ‘Vendor’s Desk’ in the Office of the President in 1993.
Box 3.1
The future aspirations of South African youth

Despite the potential benefits of youth entrepreneurship as a source of employment and economic dynamism in South Africa, the legacy of Apartheid has contributed to the minimizing of entrepreneurship as a valid career choice and creates barriers to youth interested in pursuing their own business ventures. For more than fifty years government policies and subsequent legislation was used to discourage Blacks from competing with Whites in the world of work. The long-term effects on subsequent generations of these discriminatory practices have not been spelt out clearly, but their adverse impact on attitudes to different types of jobs, career choices and the value place on certain options cannot be ignored. To a large extent, this may explain why some 90 per cent of South African (Black) youth are seen as job seekers (Motts, 2000). But, while young South Africans operating in the informal sector assume that their activities are short-term, available data suggest that, for most of them, this is turning out as a permanent feature of their livelihood (Mkandawire, 2001).

Attempts to generalize the South African experience to the rest of the African youth is not supported by recent evidence from other African countries. Contrary to the South African situation is the Zambian and Malawian experience where there is a strong desirability of informal sector employment among both non-proprietor youth and non-proprietor adults (Chigunta, 2001; 2003; Chigunta and Mkandawire, 2002; Kambewa, et al., 2001). In a recent survey of Zambian youth, Chigunta (2003) revealed that the majority of young people (51.1 per cent) in the sample wanted to start their own business in the informal sector. What is also surprising is the relatively large proportion of respondents who wanted an informal job. Of the 39.8 per cent of respondents who wanted a job, more wanted a job in the informal sector (21.9 per cent) than in the formal sector (17.9 per cent). Similarly, in Malawi, a survey revealed that the majority of sampled youth wanted to start their own businesses (Kambewa, et al., 2001). However, there are some significant variations in these results according to age and gender (see Table 3.1).

Table 3.1: Future aspirations of youth in Zambia (in numbers and per cent)

<table>
<thead>
<tr>
<th>Aspiration</th>
<th>15–19 years</th>
<th>20–25 years</th>
<th>26–29 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td>Formal job</td>
<td>13 (19.1)</td>
<td>17 (16.3)</td>
<td>35 (34.0)</td>
</tr>
<tr>
<td>Informal job</td>
<td>11 (16.2)</td>
<td>29 (27.9)</td>
<td>18 (17.5)</td>
</tr>
<tr>
<td>Start own business</td>
<td>35 (51.5)</td>
<td>50 (48.1)</td>
<td>48 (46.6)</td>
</tr>
<tr>
<td>‘Other’</td>
<td>9 (13.2)</td>
<td>8 (7.7)</td>
<td>2 (1.9)</td>
</tr>
<tr>
<td>Total</td>
<td>68 (100.0)</td>
<td>101(100.0)</td>
<td>103 (100.0)</td>
</tr>
</tbody>
</table>

Source: Fieldwork, 2000/1; *Rounded off to 100.

These findings imply that there is a larger latent demand for a kind of entrepreneurial behaviour or self-employment among young people in Africa than is generally reported in many studies. The majority of unemployed youth in some African countries could, therefore, be seen as potential entrepreneurs. However, ‘potential’ should not be confused with ‘capable’.

In Malawi, even the few formally employed youth intend to start their own businesses. The survey data suggest that 57.0 per cent of them would like to start a business if they had a chance.
Significantly, the findings contradict existing studies, which portray most African youth as having a negative attitude towards self-employment, especially in the informal sector. It is tempting to account for the desire of over half of youth to set up businesses in the informal sector as arising from their perceived lack of choice or desperation. Indeed, this may be true for some young people, especially younger youth. But research suggests that the expressed interest in self-employment between both young people and adults in contemporary Africa is an outcome of a complex combination of factors (Chigunta, 2003). Among others, these include a decline in the expectations regarding the availability of formal jobs, low wages in the formal sector and, significantly, a positive change in the political and social environment of entrepreneurship as a consequence of economic liberalization.

This change is manifest in the positive attitude towards the self-employed among both non-proprietor youth and non-proprietor adults. Asked whether self-employment was a waste of time, the majority of respondents (72.1 per cent of Zambian youth and 70.2 per cent of adults) disagreed in Zambia (Ibid.). Not surprisingly, over half of the respondents (56 per cent of youth and 55.3 per cent of adults) did not view the self-employed as ‘poor’.

Studies suggest that aspiring youth entrepreneurs face constraints in trying to set up a business. In Zambia, the majority of potential youth entrepreneurs (72.4 per cent) cited lack of capital as the major reason that they were not self-employed. The remaining few cited lack of technical skills (14.8 per cent); lack of business skills (6.7 per cent), and; ‘other’ (6.2 per cent). This suggests the need to come up with interventions aimed at addressing the needs of potential youth entrepreneurs, especially those who intend to set up enterprises in the informal sector.

### 3.3 The informal sector

In recent years, the informal sector has emerged as an important source of employment and income in most African countries (de Soto, 1989; McGraffey, 1989; 1991; Tripp, 1997). As used here, the term ‘informal sector’ will be taken to refer, broadly, to those enterprises that operate outside formalised institutions. This sector encompasses a wide range of activities, from marginal to lucrative; many of its enterprises are small, many are unregistered; its entrepreneurs include both non-youth and youth of both sexes; their income is unmeasured and unrecorded. The term ‘informal sector’ will be used interchangeably with the term ‘micro enterprises’ or ‘informal businesses’ in this paper.

Charmes (1998) estimates that the informal sector in Sub-Saharan Africa accounts for 77.4 per cent of non-agricultural employment (up from 66.5 per cent in 1980). Among individual countries for which statistics are available, the figures reach 60 per cent in Chad and 56 per cent in Tanzania. Similarly, the share of the informal sector in non-agricultural gross domestic product (GDP) is estimated at between 14 and 60 per cent, in Sub-Saharan Africa (with an average of 41 per cent).25 The successful features of the informal sector appear to be sustainable because of their greater congruence with local values and institutions and their adaptability to available technology, resources, and socio-economic conditions.

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25 For individual countries for which data is available, this reaches 60 per cent in Chad, 22 per cent in Ghana and between 20-30 per cent in Nigeria (Barwa, 1995). Carr (2000), drawing on ILO sources, suggests that over 90 per cent of all new urban jobs in SSA will be in the informal sector.
Although the importance of the informal sector is now widely recognized, informal entrepreneurs have continued to operate under considerable constraints in an environment that does not encourage small, income-generating activities. They face licensing and tax disincentives (paying such fees necessitates paying bribes, for example), and then, they face harassment from the state and council police because they do not have licenses or operate from ‘illegal’ spaces. Institutional access to credit for informal enterprises is virtually non-existent in most African countries. All of these factors serve as disincentives for the urban self-employed, especially young people who are showing remarkable staying power through their own self-reliant efforts.
4. The youth enterprise pathway: Activities, characteristics and challenges

4.1 Types of youth enterprise activities

In spite of a significant growth of entrepreneurship research in Africa, especially from the 1990s, surprisingly little work has been done on the participation of young people in enterprise activities. The available studies show that a majority of young entrepreneurs in Africa work in the informal sector (Okojie, 2003).

These studies can be divided into two broad categories: the marginalist literature and the more optimistic literature. The marginalist literature suggests that youth participation in the informal sector is characterized by low productivity, low returns and poor prospects. Ghai (1988) argues that in initiating business enterprises, young people are handicapped by lack of experience, skills, knowledge and a habit of disciplined work. As a result, youth mainly find themselves in the street-type activities such as hawking and shoe-shining.

Similarly, Kopoka (1999a; 1999b), in a study of youth in Dar-es-Salaam, Tanzania, argues that young people are more likely to be involved in ‘marginal activities’ in the informal sector than adults. Mulenga (1997: ii), in a study of youth working in the informal sector in Zambia, also concluded that only a few of them demonstrated what he calls “the entrepreneurial attributes of vision, motivation and patience to nurture micro enterprises.”

Kanyenze, et al. (1999), in a review of the literature on youth unemployment in Anglophone Africa, also argue that young people working in the informal sector generally find themselves relegated to ‘ease of entry’ activities prone to lateral expansion, low returns and long hours of work. Consequently, youth are found in the vending, street type activities such as car washing and car watching, making and selling simple crafts, and so on. This is a view supported by Carr (2000).

On the basis of these studies, it may be argued that self-employed African youth, especially those working in the informal sector, lack the necessary means to develop viable enterprises or to move into the more remunerative activities within the sector. Consequently, they are forced to go into ‘marginal’ activities within the informal sector, from which they derive low returns and marginal existences. But a major critique of the marginalist studies is that, by treating youth entrepreneurs as a homogeneous group, they mainly provide a speculative rather than empirically tested explanation of the experiences of youth working in the informal sector in Africa.

In contrast, the more optimistic studies appear to suggest that youth working in the informal sector in Africa have the potential to develop viable enterprises over time. They indicate that the apparent predominance of young people in un-remunerative jobs in the informal sector does not necessarily mean that these young people cannot move, or are not moving, into more remunerative activities.

Hoppers (1994) argues that there is need to take cognisance of the different types of work situations associated with self-employment, particularly those involving youth. He notes that many young people display a good variety of entrepreneurial skills in exploiting opportunities and developing viable enterprises. As soon as their basic needs are met, young people tend to move from ‘subsistence’, through ‘security’, to ‘commercial’ livelihood activities. According to Hoppers, the short-term income from
casual activities often functions as stepping-stones for young people to a more substantive business effort.

King (1996), in a longitudinal study of informal sector operators in Kenya covering a twenty-year period, warns against too ready an adoption of the ILO’s 1995 World Employment Report’s distinction between what it calls ‘dead-end survival activities’ and ‘small-scale activities with the potential for growth and technical upgrading’. He observes that there is a co-existence of ‘survival/subsistence’ and ‘entrepreneurial’ activities at different stages. The life histories of King’s sample revealed that many of those who had now established themselves as entrepreneurs would have looked very much more like subsistence self-employed in the 1970s when they often engaged in casual (kibarua) work. This has led King to conclude that subsistence activities should be seen as a stage towards a more enterprise-oriented modality.

It is also worth mentioning that information and communication technology (ICT) has become an important enterprise activity and source of employment for African youth in recent years (Okojie, 2003). The number of computer shops, Internet service providers and trainers and phone shops is on the increase in urban centres in Africa, especially in the capital cities such as Nairobi, Kampala, Kigali and Lusaka. Most of these enterprises are manned by youth. However, they are inaccessible to the unskilled or poorest youth.

A review of literature shows that the availability of financial capital in the informal sector is very low (Abumere, et al., 1998). The majority of young people rely on their own personal savings, and to varying degrees, parents, relatives and friends, as their major source of start-up capital. In terms of space, male youth mostly operate from streets, while young women tend to operate from municipal markets.

4.2 The socio-economic characteristics of young entrepreneurs

Age distribution

Contrary to the view that the informal sector in Africa is dominated by very young or old people (Mandela, 1991), recent survey data from Zambia revealed that just over a quarter of youth (25.5 per cent) aged between 15-25 years were ‘proprietors’ (Chigunta, 2003). The majority of entrepreneurs (68.8 per cent) were non-youth proprietors aged between 26-65 years (Table 3.1). This confirms the findings of an earlier study by Mulenga (2000) which established that only 25.1 per cent of youth were engaged in small enterprise activities, while the majority were non-proprietors.

Table 4.1: Age and gender of informal entrepreneurs in Zambia (by numbers and per cent)

<table>
<thead>
<tr>
<th>Enterprise Ownership</th>
<th>Age and gender</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15–19 years</td>
</tr>
<tr>
<td></td>
<td>Men</td>
</tr>
<tr>
<td>Yes</td>
<td>13</td>
</tr>
<tr>
<td>No</td>
<td>74</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
</tr>
</tbody>
</table>

The level of youth proprietary participation in the informal sector seems to increase with age. The survey data from Zambia show that only 9.5 per cent (or 19 out of 200) of those aged between 15-19 years were ‘proprietors’ (Chigunta, 2003). This increased to 34.9 per cent (118 out of 338) among youth aged between 20-24 years and 57.7 per cent (or 71 out of 123) among those aged between 26-29 years, respectively. This trend continued among higher age categories – rising to 65.3 per cent in the age group 30-34 years and 78.6 per cent among those aged between 35-39 years. However, it started to fall off for those aged 40-44 years (66.7 per cent) and above.

The evidence from other African countries supports these findings. In Ghana, a survey of small-scale enterprises revealed that younger youth aged 15-25 owned only 5.5 per cent of enterprises, while those aged between 26-35 years owned 33.8 per cent (Osei, et al., 1993). In Borno state, Nigeria, a survey by Yusuf and Schindehut (2000) put the median age of small-scale entrepreneurs at 34.7 years. In South Africa, a study of informal sector operators by Morris and Pitt (1995) put their average at 37.5 years. In Mali, Kessous and Lessard (1993) reported that the average age of an entrepreneur in their survey was 42.2 years.

This evidence suggests that participation in entrepreneurship in Africa, as in other parts of the world, is concentrated within the middle age group. The high average age of informal entrepreneurs is probably related to the importance of age and its associated attributes in relation to access to resources (savings) needed to start a business, especially in the informal sector, and the time needed to gain urban experience and to establish business contacts. This illustrates the importance of the time dimension for learning about enterprise (see also McGrath and King, 1995). This contradicts assumptions in the current youth enterprise promotion models which treat youth as ‘natural entrepreneurs’.

**Education and experience**

The common view in literature is that the level of education among informal entrepreneurs or informal sector operators (ISOs) (Todd and Shaw, 1980), including youth, in Africa is very low. Contrary to this view, recent studies have revealed a relatively high level of education among ISOs, especially young people (see Table 4.2). In a study of youth in Zambia, Chigunta (2003) established that the overwhelming majority of proprietors (93.4 per cent) had been to school. Of these, slightly over half (55.5 per cent) had been to secondary school, while 37.2 per cent had only been to primary school. However, post-secondary education is almost non-existent in much of Africa.

These findings are consistent with recent studies of the informal sector in other parts of Africa. In Malawi, Kambewa, et al. (2000) established that 96.0 per cent of youth in their study had attended formal school. In Nigeria, Abumere, et al. (1998) revealed a high level of educational attainment among informal traders. Even in South Africa, despite the historical legacy of Apartheid, Mkandawire (2000) established that 76 per cent of youth in a deprived area of the country were considered as literate, while over 40 per cent had completed Grade 12.

The high educational attainment among youth entrepreneurs, especially those working in the informal sector, in contemporary Africa may be a reflection of the numerous school leavers who, on completion of school, tend to find alternative employment opportunities in this sector. It may also reflect the recent entry of workers employed in the formal sector on account of the large-scale retrenchment and rationalization exercises occasioned by the advent of Structural Adjustment Programmes (SAP). This supports the suggestion that the effects of the economic crisis and restructuring have substantially raised the educational levels of those in the informal sector.
sector as better educated people who cannot find jobs elsewhere have entered the sector (Abumere, et al., 1998).

Table 4.2: The education of proprietors by age group and sex in Zambia (by numbers and per cent)

<table>
<thead>
<tr>
<th>Education Level</th>
<th>15–19 years</th>
<th>( \text{Men} )</th>
<th>( \text{Women} )</th>
<th>20–24 years</th>
<th>( \text{Men} )</th>
<th>( \text{Women} )</th>
<th>26–65 years</th>
<th>( \text{Men} )</th>
<th>( \text{Women} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>1(7.7)</td>
<td>-</td>
<td></td>
<td>6(8.0)</td>
<td>3(7.0)</td>
<td></td>
<td>3(4.3)</td>
<td>7(8.9)</td>
<td></td>
</tr>
<tr>
<td>Lower Primary</td>
<td>6(46.2)</td>
<td>-</td>
<td></td>
<td>3(4.0)</td>
<td>1(2.3)</td>
<td></td>
<td>2(2.9)</td>
<td>8(10.1)</td>
<td></td>
</tr>
<tr>
<td>Upper Primary</td>
<td>-</td>
<td>1(16.7)</td>
<td></td>
<td>20(26.7)</td>
<td>19(44.2)</td>
<td></td>
<td>9(12.9)</td>
<td>37(46.8)</td>
<td></td>
</tr>
<tr>
<td>Junior Secondary</td>
<td>5(38.5)</td>
<td>3(50.0)</td>
<td></td>
<td>22(29.3)</td>
<td>13(30.2)</td>
<td></td>
<td>23(32.9)</td>
<td>11(13.9)</td>
<td></td>
</tr>
<tr>
<td>Senior Secondary</td>
<td>1(7.7)</td>
<td>2(33.3)</td>
<td></td>
<td>23(30.7)</td>
<td>7(16.3)</td>
<td></td>
<td>23(32.9)</td>
<td>15(19.0)</td>
<td></td>
</tr>
<tr>
<td>College</td>
<td>-</td>
<td>-</td>
<td></td>
<td>1(1.3)</td>
<td>-</td>
<td></td>
<td>9(12.9)</td>
<td>1(1.3)</td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
<td>1(1.4)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13(100.0)*</td>
<td>6(100.0)</td>
<td></td>
<td>75(100.0)</td>
<td>43(100.0)</td>
<td></td>
<td>70(100.0)*</td>
<td>79(100.0)</td>
<td></td>
</tr>
</tbody>
</table>


However, there are disparities in educational attainment between male and female youth. Table 4.2 shows that the majority of female proprietors are concentrated in the primary education category, especially upper primary. There are only slight variations when these results are disaggregated according to specific youth categories. Despite this disparity between women and men, these results reveal a significant improvement in the educational status of young women compared to the situation in the past (Bardouille, 1991; Moser and Holland, 1997).

Available studies also suggest that older ISOs tend to have a lower level of education than younger operators (Todd and Shaw, 1980; Mhone, 1990). The study by Chigunta (2003) shows that more youth proprietors (55.5 per cent) in the sample had been to secondary school than non-youth (45.3 per cent). The possible explanation for this is the increase in school enrolment between 1965 and the mid-1980s in much of Sub-Saharan Africa. However, the gains in education are presently being reversed due to a reduction in public expenditure and introduction of cost-sharing as part of SAP. This may have implications for the future training of potential and existing youth entrepreneurs.

Questions have been raised about the quality of education that young people in SSA receive today (Bridges-Palmers, 2002). There are increasing concerns about both the quality and ‘relevance’ of education in Africa. Bridges-Palmers suggest that a growing proportion of schoolchildren in SSA are functionally illiterate. This may have implications for the training of youth in technical skills. As McGrath and King (1995) observe, a good basic education is the foundation on which future training and work experience must build in both the formal and informal sectors.

In the literature, there is an ongoing debate as to whether higher educational levels are necessary in the informal sector (McGrath and King, 1995). Empirical studies linking education and training to entrepreneurial success have had contradictory results (Kiggundu, 2002). In Zambia, there appears to be some association between educational level and enterprise ownership. A study by Chigunta (2003) found a significant, albeit weak, association between education and enterprise ownership. This may reflect the fact
that, although the educated are likely to have more information about access to resources, technology and market conditions, they still face barriers to entry in the informal sector.

Todd and Shaw (1980) suggest that experience may be more important for success in the informal sector than education. Mandela (1991) supports this view. As used here, ‘work experience’ refers to the skills, knowledge and attitudes garnered from the work place, especially in the formal sector.

Contemporary African youth lack job experience. In Malawi, more than half of the youth (59 per cent) in a survey indicated that they had not worked before (Kambewa, et al., 2001). This is supported by recent survey data from Zambia which show that the majority of proprietors (56.1 per cent) had not been employed before (Chigunta, 2003). This situation implies that young people lack the necessary managerial and work experience which can only be gained from the work place. However, there are significant variations when these results are disaggregated according to age and gender.

The data from Zambia show that more non-youth proprietors (57.0 per cent) had been employed before, while the majority of youth proprietors (59.9 per cent) had not worked before compared to older youth (56.7 per cent). This is probably due to lack of readily available employment opportunities for young people in the study area. As a result, most youth, especially younger male youth and female youth, do not bring many skills (such as technical, managerial, strategic, personnel, and marketing skills) and experience to their business from previous experience as workers. This implies a limited transfer of skills from the formal to the informal sector among youth.

**Social background**

Young people in Africa today are more likely to be living with their parents or kinsmen than forming their own households. Although data is generally not available, evidence from Malawi shows that more than half of the youth (51 per cent) were living with their parents or guardians (Kambewa, et al., 2001). In Zambia, the majority of youth (66.4 per cent) were living with either parents or relatives (Chigunta and Mkandawire, 2002).

The relatively lower proportion of young people who lived with parents or guardians in Malawi compared to Zambia largely appears to be a reflection of the rural setting of the former where young people are expected to marry at an early age. But in both rural and urban areas in Malawi and Zambia, the majority of youth come from families without a background in business. This implies that they are not likely to have picked up entrepreneurial attitudes and values from their parents or guardians. This has implications for enterprise and entrepreneurship development among young people in Africa.

**Skills acquisition in the informal sector**

In Africa, it is generally the case that artisans, especially young people, working in the informal sector have not received skills training (McGrath and King, 1995). In spite of their lack of technical skills, most youth and non-youth proprietors do not view skills training as a priority (Bennell, 1999). On-the-job training appears to be the main source of skills for artisans, especially young people.
of skills in the informal sector, which contradicts the view that the formal sector is the main source of skills used in the former.

But contrary to the view that informal entrepreneurs have no interest in skills training, recent studies suggest that this lack of interest could be attributed to the marginal and low skill nature of many informal activities (Chigunta, 2003). According to Chigunta, as the enterprise begins to grow, the owner requires new skills. Thus, the apparent lack of interest in skills training may not necessarily be a rejection of training but of the type of training available. Informal activities vary in the nature and level of skills required (see also Kent and Mushiri, 1995; McGrath and King, 1995; Barasa and Kaabwe, 2001). This questions the current emphasis on a homogeneous package of ‘soft’ inputs, especially credit only, in the minimalist approach to enterprise development.

**Gender distribution of youth entrepreneurs**

As noted above, both location in the subsistence segment of the informal sector and limited access to resources are gendered phenomena. Socialisation processes and socio-cultural constraints associated with gender limit the participation of women in self-employment. Much has already been written about these constraints (Bardouille, 1981a; 1981b; 1982; Okelo, 1989; Sanyal, 1991; Buvinic, 1993; Gaidzanwa, 1993; Mayoux, 1995; McGrath and King, 1995; Moser and Holland, 1997; Massow, 1999; Okojie, 2003). In this paper, the point to emphasize is that women face higher levels of adversity from an early age. But, depending on intra-household time allocation and spousal support, some women run relatively viable and profitable enterprises.

The evidence cited above indicates that the level of entrepreneurship among women is lower than among men across age groups in much of Africa. In Zambia, for instance, more adult men (71.4 per cent) were self-employed than adult women (66.1 per cent) (Chigunta, 2003). In particular, more male youth (32.8 per cent) were self-employed than female youth (18.3 per cent). Among younger youth aged 15-20 years, only 5.4 per cent of female youth were self-employed compared to 15.1 per cent of male youth. This is contrary to the current youth enterprise promotion models which ignore the socio-cultural and gender dimensions of self-employment. This calls for gender sensitivity in enterprise and entrepreneurship development programmes.

**Rural/urban distribution of youth**

In recent years, there has been a rapid increase in informal enterprise activities in rural areas as the evidence from Malawi – a predominantly rural country – indicates (Kambewa, et al., 2001). Changes in agriculture occasioned by structural adjustment programmes have resulted in a diversification of rural livelihoods. The dominant activity in the informal sector in rural areas is agriculture, while in urban areas it is informal trading. Data on the proprietary participation of rural youth is scanty, while in urban areas there is a concentration of young people in informal trading activities.

**4.3 The pathway to enterprise**

The analysis of youth entrepreneurship suggests that the different youth sub-groups attain different levels of participation in entrepreneurship (Hoppers, 1994; King, 1996; Chigunta, 2003). Recent work by Chigunta (2003) suggests that age and gender mainly determine the kind of work positions accessible to youth in different periods of time. In particular, it is older youth that find their way into these positions than younger youth. A variety of reasons accounts for the disparity in levels of participation according to age.
Recent findings by Chigunta (2003) lead us to categorize youth entrepreneurs 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. Each of these categories has its respective key features and characteristics.

**Pre-entrepreneurs**

Chigunta (2003) characterizes this as the ‘formative’ stage in youth enterprise development. It comprises young people mainly in the age group 15-19 years. Not only are the pre-entrepreneurs still young, but they also lack the maturity, knowledge of the urban economic situation and the social networks and contacts which, as we have seen, are needed in achieving success in self-employment. As noted above, only a small proportion of youth (9.6 per cent) were engaged in self-employment in this age group. It is suggested that younger youth tend to be more restless, mobile, try out different jobs to see what suits them and are generally unsettled (Hoppers, 1994; Chigunta, 2001; Chigunta, 2002a; Chigunta, 2003). They may take up a job for some time with the intention of making some money that allows them to move around and try something better thereafter. Occasionally, they drift in and out of casual work (known as *kibarua* in Kenya or *kubazabaza* in Zambia). Chigunta (2003) suggests that only at a later stage, depending on resources, family circumstances, kinship networks, social relations, contacts, opportunities, may they become interested in settling down into some more permanent economic activity.

**Budding entrepreneurs**

This is the second or ‘blossoming’ stage in youth enterprise development, mainly comprising young people who are 20-24 years old (Chigunta, 2001; Chigunta, 2000a; Chigunta, 2003). These older youth are likely to have gained some experience, skills, contacts, and capital to enable them to run their own enterprises. As previously noted, the level of self-employment increases to a third of young people (33.4 per cent) in this age group. These youth often face three enterprise pathways: remaining stuck in marginal activities; going out of business; and running successful enterprises. The majority of these young people are likely to be engaged in marginal enterprise activities.

**Emergent entrepreneurs**

Chigunta (2003) notes that this is the prime stage in youth enterprise development. It comprises young adults in the age group 26-29 years who are in the prime of their youth. The *emergent entrepreneurs* have a higher level of maturity than youth in the lower age groups. They are likely to have accumulated vital experience and contacts in business or in other areas of life. As noted above, the majority of young adults (57.7 per cent) in this age group were proprietors.

This age categorization of youth entrepreneurs shows the importance of the life cycle approach in understanding youth entrepreneurship. The categorization, while not necessarily mutually exclusive, offers some pertinent insights into the role of ‘age’ in youth enterprise development. First, it suggests that ‘age’ is an important factor determining the extent of youth participation in entrepreneurship. As Hoppers (1994) observes, ‘age’ has implications for professional maturity, outlook on life and general experience of young women and men in the urban informal sector.

Secondly, the age categorization suggests that the assumption of homogeneity of experience and interests among youth entrepreneurs is false. This is contrary to much of the literature which treats youth entrepreneurs as a homogeneous group. Thirdly, and related to the above, the categorization demonstrates that it is older youth (those in their
27

20s) that are more likely to have success with entrepreneurship than younger youth (those in their teens).

These findings imply that the low level of self-employment among youth and their short-term income generation from casual activities should be seen as stepping-stones towards a more substantive business effort or a more enterprise-oriented modality in older life. This confirms the findings of a longitudinal study of informal artisans in Kenya by King (1996) which revealed a co-existence of ‘survival/subsistence’ and ‘entrepreneurial’ activities at different stages in the lives of informal artisans. The implication is that youth acquire experience, skills, contacts, and so on, as they grow older.

However, a better understanding is needed of the age group of youth entrepreneurs and types of business ventures that they pursue. Is success a function of the extent to which the characteristics of different age groups match characteristics of the entrepreneurial context? Or is it a function of existing opportunities?

4.4 Youth enterprise along the enterprise continuum

The age categorization of African youth entrepreneurs suggests that youth-run enterprises can be placed at different points on the enterprise continuum. Conceptually, pre-entrepreneurs and budding entrepreneurs can be viewed as an entry point into informal and micro-enterprises. On the other hand, emergent entrepreneurs can be seen as running micro and small enterprises.

The linkage between informal and formal sector activities

In most African countries, the linkages between formal and informal activities is very low (Abumere, et al., 1998). Since very few informal enterprises have formal contractual arrangements with the government and larger formal private sector firms, it is clear that sub-contracting relations are not the dominant modality of informal firm behaviour. This suggests exclusion and isolation of informal entrepreneurs, especially youth, from the larger formal economy. Existing studies do not support the notion that informal activities rely primarily on locally produced goods.

This neither supports the dualism approach to the informal sector which assumes autonomy of the informal sector nor the complementary approach which assumes strong linkages between the formal and informal sectors. The problem is that the formal sector in many African countries is stagnant and consequently cannot provide a growing market for the products of the informal sector. However, some forms of accumulation in the informal sector do not depend on the formal sector. While the formal sector as a whole continues to stagnate, there is growing demand for certain products, especially foodstuffs and imported groceries, so this part of the informal sector does not reflect the output demand theory which links the informal sector to a cyclical formal economy (Pedersen, 1998).

These findings imply that the informal sector in many African countries is not dynamically linked to growing formal economies. Most informal sector operators rely on local, usually low-income markets to sell their products. The heavy reliance of ISOs on low-income markets is likely to impede their growth. Thus, one of the key challenges for promoting youth entrepreneurship is to connect youth entrepreneurs to higher value markets (socially or geographically). This can lead to surplus accumulation which could allow young people to pursue ‘independent’ livelihoods.
Entrepreneurship and ‘independent’ youth livelihoods

In this paper, an ‘independent’ livelihood is defined as the ability of the young person to attain economic independence. As previously noted, ‘economic independence’ is taken as the ability of the male youth to establish an independent household and/or sustain a legal marriage. We are using the status of young men as a proxy measure for the attainment of ‘independent’ youth livelihoods. The earnings of youth entrepreneurs are used to assess the extent to which enterprises can generate sufficient means to produce ‘independent’ youth livelihoods. Discussion in this section will mainly focus on the recent work of Chigunta in Zambia (Chigunta, 2001; 2002a; Chigunta, 2003; Chigunta and Mkandawire, 2002).

Sufficiency of earnings

The ‘sufficiency’ of the returns from the enterprises has to be seen in the context of the cost of living.27 In Zambia, the estimated cost of the ‘food basket’ for an average family of six in Lusaka computed by the Jesuit Centre for Theological Reflection (JCTR) at the time of the survey by Chigunta was about K276,000 (about GB£55).

However, the food basket should be used cautiously. Critics argue that the JCTR-computed food basket is based on the needs of people in formal employment and does not, therefore, reflect the needs of those working in the informal sector (SARPN, 2002). It also ignores non-monetary intra-household network transactions, including the barter system. Moreover, the cost of the food basket is for a household of six. Here, we are referring to the ability of a young man to start a new household which may not average six members. Nonetheless, a minimum monthly income of K200,000 (£40) was widely seen as the amount necessary to sustain lives in Zambia at the time of the survey.

Going by this amount, it is obvious that the majority of youth, who were earning less than K200,000 (£40), could not meet the full costs of the ‘food basket’ necessary to sustain a ‘reasonable’ life. Despite this, the study revealed that proprietor youth can develop sustained economic activities and can, it seems, sustain fairly large and relatively successful households. This is evident from their marital status, households in which youth live, household headship, and contribution to household income. This is contrary to the view of youth as secondary workers in the literature (Mandela, 1991).

Marital status

More proprietor male youth (21.6 per cent) were married than non-proprietor young men (11.0 per cent). This was particularly the case among older youth, with a quarter of proprietor male youth (24.1 per cent) married compared to just 12 per cent of non-proprietor male youth. These findings suggest that young men engaged in self-employment are more likely to start a family than those that are either doing nothing or engaged in various forms of casual and non-casual work.

Households in which youth live

The study by Chigunta (2003) indicates that more than a third of male proprietor youth (34.1 per cent) were either living with a spouse or alone. Of these, 19.3 per cent were living with a spouse, while 14.8 per cent lived alone. The rest were living with parents (38.6 per cent); relatives (20.5 per cent); and other (1.1 per cent). In contrast, the

27 At the moment, Zambia does not have an official poverty datum line.
overwhelming majority of non-proprietor male youth (83.4 per cent) were living with parents and relatives. Only 7.7 per cent were living with a spouse, while 7.0 per cent lived alone. Nearly all proprietor and non-proprietor younger youth lived with parents and relatives.

**Household headship**

Chigunta (2003) suggests that more male proprietor youth (44.8 per cent) were household heads compared to only 17.1 per cent of non-proprietor youth. Although household headship is considerably lower among younger male youth (15.4 per cent), it is still much higher than the corresponding figure for non-proprietor younger youth (4.1 per cent). The high proportion of household heads among male proprietor youth contradicts the common view that most youth engaged in self-employment are ‘secondary workers’, that is, those who are not the main earners in the household (Mandela, 1991).

**Household income**

Contrary to the ‘secondary worker’ view of youth, the study by Chigunta (2003) shows that the majority of male youth proprietors (62.5 per cent) were contributing to household income. The rest of the contributions came from parents (28.4 per cent) and guardians (9.1 per cent). In contrast, the great majority (77.5 per cent) of the male non-proprietor youth were relying on parents and guardians for a living. Of these, slightly more than half (51.1 per cent) were relying on parents, while 26.4 per cent were relying on guardians. The others were relying on a spouse (1.7 per cent); friend (1.7 per cent) and others (0.6 per cent). This implies that proprietor youth are more likely to have a sustainable source of income than non-proprietor youth.

### 4.5 Key constraints and risks facing young micro-entrepreneurs

**Pre-entrepreneurs**

This being a probationary or transitional stage, the key challenge that pre-entrepreneurs who are just starting out in life on their own are choosing is what they want to do. As noted above, ‘age’ is associated with certain limitations in youth. This implies that younger youth are less likely to have the resources, social networks, business contacts, and work experience needed to engage in enterprise activities. Nor should enterprise be as ‘the’ solution to all youth problems. 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.

The view of this paper is that young people in this age category mainly require awareness and understanding of what enterprise is and what it takes to own and manage a business so that they can consider self-employment realistically as a career option. Then, should a young person decide to explore further, or to start their own business, the second step – the provision of practical support services (such as training, advice, access to finance) – can be provided.

Lang, et al., (u.d) suggest that business start-up for pre-entrepreneur youth is likely to involve the following stages:

**The formative stage:** This relates to the various factors (including environmental) that influence the development of the desire to become an entrepreneur as well as
attributes and attitudes that are highly correlated with entrepreneurial success. At this stage, it is important to encourage young people to acquire appropriate entrepreneurial skills, motivations, attitudes, attributes, behaviours, and values.

The developmental stage: This relates to the more specific learning and targeted skill development that will equip and prepare an individual to move to the start-up and launch of a business venture. These are learning skills and strategic skills. Learning skills relate to the willingness and ability of a person to acquire information, knowledge, and experience from the world around them that is relevant to their entrepreneurial success. On the other hand, strategic skills relate to how a person sees the world, envisions what is possible/desirable, and identifies entrepreneurial opportunities in the world around them.

The start-up stage: This refers to the specific skills that are relevant for a successful entrepreneur who is looking to advance an entrepreneurial venture to a period of growth and expansion. These are tactical skills for start-up. Tactical skills are important to conceptualizing a business, developing a business plan and establishing, launching, and operating a business. The start-up stage also requires access to credit or finance for youth entrepreneurs.

Budding entrepreneurs

These young people are just starting to run their own business. The major challenge that they face is to increase the rate of survival and success in new businesses. White and Kenyon (2000) observe that growing or expanding an existing business is an aspect often forgotten in enterprise promotion programmes. It requires specific skills, knowledge and attitudes that differ from those of establishing a new business.

This means that budding entrepreneurs have a different set of needs from those of pre-entrepreneurs. They mainly need tactical skills for growth – these are skills that are important to moving a business into and through a period of growth and expansion. They include business management, 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); risk management; and negotiation skills (Weeks and Kenyon, 2000). Other needs include access to working capital and advice (through such mechanisms as mentoring and business counseling).

Emergent entrepreneurs

The needs of emergent entrepreneurs aged 26 years and above are largely different from those of lower categories of youth entrepreneurs. Many of the emergent entrepreneurs, especially those operating in low income markets, are likely to be running enterprises that are not growing, with only very few graduating to the formal sector or running viable enterprises. The major challenge that these young adults face is to transform their enterprises into commercially viable and competitive small businesses. They, therefore, mainly need tactical skills for growth and transformation.

Recognizing that certain skills are important for the entrepreneur to have, while others can be accessed or employed, we have divided these skills into two categories:

- Skills one should have: capacity to plan, communication, marketing, interpersonal, basic management, quantitative/analytical, personal effectiveness, team building and leadership.
- Skills one can access/employ: specialized management talent, advanced planning, specialized marketing advice/services, record keeping, legal, accounting, research, technical, financial/financing, information management, and so on. Other needs relate to access to working capital; access to new technologies and equipment; and new product development and value addition.

**Gender differences**

As previously noted, age categorization in itself is incomplete. There are other categorizations of youth such as gender. The low proprietary participation of female youth in the informal sector and their concentration in marginal trading activities can be explained by both the above cited factors for youth as a social group and the different socialization processes of young women and men (Chigunta, 2002b; 2003). Thus, compared to male youth, female youth face a ‘triple challenge’: the challenge of informal sector constraints, ‘age’ and ‘gender’.

The existence of ‘age and gender-related’ barriers to entry in the informal sector casts some doubts on the notion of ‘ease of entry’ in the informal sector (ILO, 1972) as it applies to youth, especially younger youth and women. This means that some activities are more difficult to enter than others. ‘Ease of entry’ is, therefore, likely to vary according to activity and the age or gender of the person involved.

**4.6 Challenging the conventional trends and perspectives**

**The prolonged nature of ‘youth’ and dependence**

The above findings suggest that youth entrepreneurship has social and economic value. To address the question raised earlier regarding the relevance of entrepreneurship for African youth, it appears that entrepreneurship makes sense for African youth. Depending on the measure used, between 30-60 per cent of male proprietor youth can develop sustained economic activities and can, it seems, establish independent households. Seen from this angle, this group of young people does not correspond to the image of youth as ‘socially dependent’. They seem to have acquired the status of ‘adulthood’ as they have the power and ability to support others.

However, it is important to note that a significant proportion of proprietor youth, especially younger youth, do not earn sufficient income to pursue ‘independent’ livelihoods. This raises questions about the extent to which many young entrepreneurs in Africa are engaged in decent work. It would appear that these young people are trapped in low-value activities that generate low returns to ensure what the ILO calls ‘decent work’ among youth.

When the number of youth who are not earning enough is added to that of the majority non-proprietor youth, it is evident that most young people in Africa are not able to pursue ‘independent’ livelihoods. The majority of these young people are failing to start a conventional male career track as heads of households and as persons of authority who are in charge. Not surprisingly, most African youth still live with parents or guardians at an age when they would be expected to lead their own households if they had been in a rural agrarian setting (Bennell, 2000; Chigunta and Mkandawire, 2002).

This situation points to the emerging phenomenon of a prolonged period of ‘youth’ as a position of social dependence in contemporary Africa (Brenner, 1996; Abdullah,
This may explain why young people in such countries as Malawi and Zambia tend to describe a ‘youth’ in the broad age range 15-35 years (Kambewa, et al., 2001; Chigunta and Mkandawire, 2002). This implies that the period of ‘youth’ in many African countries is getting longer than the common officially prescribed upper age limit of 25 years. Thus, for many young Africans, ‘youth’ is not serving as a transitional phase to a more established social status, but seems to becoming an enduring limbo. Available evidence suggests that these young men have become a particularly problematic group in many SSA countries (Moser and Holland, 1997; Bennell, 2000). Instead of leaving their ambivalent status behind and entering into adulthood by marrying and/or establishing an independent household, a growing proportion of unemployed African youth, especially those living in urban areas, are unable to attain any other social status. In Sierra Leone, young people who go beyond the official definition of youth but are not yet economically independent are known as ‘Youth Man’ (Abdullah, 1998). This term is a reflection of the inability of young people to reproduce themselves in contemporary Africa. We need to find out what extended dependency means for youth’s preparation for working and family life. What are young people’s aspirations as they attempt to become adults? What are their changing financial needs? What forms of support are needed to empower such youth?

The phenomenon of extended dependency among youth is contributing to household extension in many parts of Africa. In Zambia, Moser and Holland (1997) observed an increase in household extension in Chawama Township to accommodate young adult unemployed men who were unable to remain economically independent. In Africa, it is a common practice for household owners to provide rent-free shelter and provision of basic subsistence needs to those that they accommodate. Because the opportunities for unemployed young men to secure jobs in the city are constrained, they have developed a coping strategy of moving among various extended households of relatives. Although some remain in a single household for long periods (especially if the host household is relatively well off), many are forced to shift households – moving when the hosts can no longer support them. An increasing number of these young people may also form ‘households of convenience’ or what are known as ‘nominal households’ (Banda, 1990; Imboela, 1997). This involves a number of youth living together to meet rental costs from odd informal jobs earnings. Other young people simply ‘waste away’ due to drug and substance abuse and eventual disease.

In many parts of Africa, the unemployed young men are seen as a significant drain on household resources, especially if they stay long. This tends to create some inter-generational tension. First, parents resent the idea of supporting grown-up children. Secondly, the different expectations that women and men, the young and the old, living in the same household have about ‘appropriate’ behaviour lead to tensions. These factors are reflected in the way youth define themselves as marginal. In Zambia, those youth who ‘just sit at home’ resentfully refer to themselves as ‘John isatulye ubwali’. This is ichiBemba for “John, come and eat nsima” – nsima being the staple food in Zambia. The implication is that such youth are ‘hopeless’ – only good enough to be called to eat nsima, which they do not even work for. It is not clear at all whether or at which point in their lives such youth are able to accumulate the resources necessary to shed their social dependence and attain economic independence and achieve effective participation in the social and political life of their communities.

It is important to note that household extension in Africa is also influenced by the increasing number of young women that are not moving away from the home because they are deciding not to get married and start their own households. According to Moser

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28 There are growing signs of this phenomenon in the West but for different reasons (Cote, 2000).
and Holland (1997), nearly two thirds of unemployed adult women in Chawama were dependants, with those with children forming sub-units as ‘hidden household heads’ within wider extended households. This is seen as normal. In much of Africa, the passage from youth to adulthood is not identical for girls and boys. Young women appear to move directly from childhood (nubile phase) to adulthood (fertility confirmed by the birth of a child), while young men need to become economically independent and start a new household in order to attain the status of adulthood.

This highlights the contemporary social problem of masculinity among young men in SSA, which challenges the self-identity of young men who are brought up to believe that they are household heads and breadwinners. However, the notion of social dependency is becoming complex in contemporary Africa. As previously noted, with 40 per cent of the African population under 15 (not yet youth), the economic and health crisis (high adult mortality and morbidity rates due to poverty and HIV/AIDS) is pushing ‘children’ to leave school, head households and earn a livelihood. This raises questions about what it means to be a ‘youth’ and an ‘adult’ in Africa today. Changes in life expectancies are also creating new categories of ‘child’, ‘youth’, and ‘adult’. People in many parts of Africa are living shorter and shorter lives – a matter which is not taken fully into account by most African countries in terms of rights and duties.

This situation suggests an urgent need to improve the overall situation of African youth. To make a significant impact on improving youth livelihoods in Africa, there is a need to address the key constraints and risks facing both potential and existing youth entrepreneurs.

**Differences between youth and adult entrepreneurs**

Recent evidence suggests that there are significant differences in the socio-economic characteristics of youth and non-youth proprietors (Chigunta, 2003). Compared to adults, the majority of youth tend to be single, most have not worked before and the majority still live with parents. But contrary to a popular view, there is, as noted above, a high level of educational attainment among both youth and non-youth ISOs.

The importance of age is also reflected in enterprise activities undertaken by youth and non-youth proprietors. As previously noted, most youth, especially younger youth, are likely to be involved in a narrow range of activities, mostly informal trading, and to some extent, low value services. In contrast, the majority of non-youth proprietors (mostly males) are involved in manufacturing and service activities. This supports the view that young people, especially those working in the informal sector, generally find themselves relegated to activities which have relatively easy entry and which are prone to lateral expansion, low returns and long hours of work. Overtime, however, some young people tend to expand or diversify their enterprise activities.

Research findings also question the validity of prevailing assumptions about the need to treat ‘youth entrepreneurship’ differently from ‘adult entrepreneurship’ at a firm level. Chigunta (2003) found no significant differences in the operational constraints facing youth and adult-run enterprises (see also White and Kenyon, 2000). Youth entrepreneurs share many of the problems the general population experiences in small business development, including a lack of technical and business management skills, adequate capital, access to infrastructure and social isolation. Thus, the general factors critical to success in business are similar for both youth (mostly emergent entrepreneurs) and non-youth.

Significantly, the findings imply that youth entrepreneurship cannot be abstracted from the situation of the informal sector as a whole in Africa. Most youth
entrepreneurship development models overlook the complex nature of livelihoods and entrepreneurship, including obtaining economic conditions and societal infrastructure. The view of this paper is that any policy approach that narrowly focuses on promoting ‘youth entrepreneurship’ without attempting to address the broader constraints affecting the informal sector or entrepreneurship in general is not likely to succeed.

However, it would seem that youth (especially pre-entrepreneurs) differ from non-youth or adults in their ability to translate an idea into a business, given the environment which they encounter as they begin to gather resources. While a large proportion of young people have positive attitudes towards self-employment, as previously noted, they tend to experience more problems in forming businesses than non-youth. As noted above, this is due to, inter alia, the minimal skills, experience, capital, networks and status that are normally associated with youth.
5. Accompanied livelihood development: The implications for practitioners, institutions and sector structures

5.1 Setting the stage

Sections 1-4 of this paper describe a complex array of factors and trends affecting young people and their access to the assets and development of the capabilities to become productively engaged in some form of self-employment or enterprise activity.

First, they cite a growing lack of confidence among young people in the relevance of the academic programmes offered – especially among those who see older siblings and relatives receiving no economic advantage from additional years of study. They speak of a rapidly shifting burden of school expenses from the State to families (even where fees are officially waived for poor families), and they point to the ways schools all too often brutalize students psychologically and physically – especially adolescent girls, who leave when schools no longer feel safe (UNFPA and Population Council, 2003). Secondary schools are especially in trouble, and no longer represent a viable pathway to opportunity for most young people, many of whom leave school at the age of 12 or 13 when they finish their primary education – and some of whom leave even earlier.

Second, is the collapse of traditional family and community vehicles that served to support young people as they transitioned from childhood, through adolescence and into young adulthood. A growing number of young people caught in a permanent state of disconnect from family and community, young people who have lost access to traditional systems of empowerment and socialization and who have fewer and fewer adult reference points in their lives. Related research by others shows that the impact of HIV/AIDS on families has only further exacerbated the economic pressures felt by young people. As older family members get sick and die, additional burdens fall on younger family members to become caregivers and economic contributors – and this while family assets are often entirely depleted through medical costs, the loss of income from sick wage earners, and/or decreased food production by weakened adults (Donahue, 2003).

In the literature, there has been little discussion regarding types of institutions and interventions that are appropriate to facilitate the development of youth entrepreneurship. Annex 1 presents some of the more conventional approaches to youth employment. They include: 1) Active Labour Market Policies; 2) Public Employment and Labour Market Services; and 3) Entrepreneurship Skills Development Programmes. These programmes generally focus on employment except for the Entrepreneurship Skills Development Programmes. The argument being put forth in this paper and in particular in the remainder of this section is that these conventional approaches to supporting young people fall far short of what is needed for young people to be expected to realistically engage in productive entrepreneurship activity, whether it be self-employment, enterprise development or some other form of productive livelihood development.
The challenges facing younger youth: 
The need to invest early

This paper focuses on the “youth age-cohort” of youth defined as those aged 15-29 years. However, as stated in Section 1, livelihood challenges start long before the age of 15. It is in these early years of the adolescent and youth life-stage that social investments can go a long way to averting the challenges and risks with which young people are presented with later in life as a consequence of decisions made in earlier years. Box 5.1 provides an example of the costs of not investing early.

Box 5.1
The costs of not investing early
Lessons from research in Sub-Saharan Africa

Key findings of research conducted in Zambia, Malawi and South Africa with the support of the International Development Research Centre (IDRC), revealed some disconcerting factors regarding the context and decision-making challenges facing young girls aged 10-15. Research results in all three countries revealed that, beginning at the age of 10, up to 50 per cent of young girls start to strategize about marriage and more specifically linking up with a male (usually five+ years older) not for emotional or exploratory reasons, but as an intentional coping strategy. They believed this was one of the only ways to mobilize themselves both socially and economically. This strategy would often result in premature marriage and pregnancy along with a host of other health, social and economic risks and consequences that over their and their children's life cycle begin to show exponential costs. By the time they are 18, they are often saddled with child-rearing responsibilities that more than likely will lead to their sons and daughters repeating the cycle. In the meantime, their most productive cognitive learning and skills development years have past them by. Furthermore, the conditions they have found themselves in have done serious harm to their sense of self-esteem and belonging. Despite this adversity, they continue to cope and provide for themselves and their children. The IDRC research identified the age cohort of women between 10 and 15 as perhaps the most opportune to invest in, considering the exponential costs on one hand or benefits on the other, to society over the medium and long term (Chigunta et al., 2002).

The imperative of investing early is essential to effective livelihood development. As illustrated in Table 1.1, several African countries define youth at the age of 12. This corresponds to the vast reality facing African youth, i.e. that they begin to face adult challenges and responsibilities at a very early age. This reality is also illustrated by the fact that at the age of 12, these young people have the right to vote and with that, the full right to adult privileges and the resources (e.g. property ownership) essential to livelihood development (see Table 1.1). We believe that livelihood support needs to begin at the age of 12, and what is considered the beginning of what is commonly referred to in the life-cycle and developmental psychology literature as “adolescence”. From this point in the paper we will talk interchangeably about adolescence and youth as a continuum in the transition from childhood to adulthood or in the context of this paper, from economic dependence to independence.

What are the appropriate opportunities and strategies for investing pro-actively in adolescents and youth? What kinds of interventions can provide the scale and scope of support required? Take the case of young female adolescents cited above or working children more generally. Out of necessity, they are faced with “adult” livelihood challenges and responsibilities of developing strategies to mobilize themselves economically to support themselves and, in many cases younger siblings, and in turn contribute in a significant way to household income. However, they do not have the same opportunity to exercise their rights, to access and develop core livelihood assets and

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29 Research by the ILO reinforces the findings in Sections 1-4, and shows that over 40 per cent of children aged 5-17 in Tanzania are already economically active, with 66 per cent of these in the 15-17 age group (Rau, 2002).
capabilities as adults in their community do. Some of these constraints involve perceived “legal” issues (e.g. access to financial services) while others are social and cultural in nature (e.g. definitions of “child/youth” and ways in which they are perceived by adults). Despite these blatant inequities, through determination and a set of innate capabilities, older children find creative ways to survive and in many cases develop in productive and healthy ways (UNICEF, 2003).

The resilience of the adolescent and youth

The image of a passive young person waiting for something to happen, for someone else to do something before they get on with their lives, is an incomplete one. While older children (12-18) recognize the need for support, encouragement and the presence of trusted adults, they have also begun to discover and value their own capacities and assets, and want to work along side of adults – in fuller partnership – to develop effective pathways to decent work and social protection. The international coalition brought together by UNAIDS in Geneva in November 2001 articulated 12 principles and 5 key strategies for OVC programming. Strategy No. 3 is to “strengthen the capacity of children and young people to meet their own needs”, and in elaborating upon this strategy the assembled group declared that:

“Overall, it is important to recognize that young people are not the problem, but an essential part of the solution. Support for them as they plan and carry out actions to meet their needs is crucial. This goes beyond addressing the impact of HIV/AIDS to preventing infection in the first place. Where HIV prevention has been most successful, young people have been at the forefront”. (UNICEF, 2003).

And what has the response of older children and youth been to these dire circumstances they find themselves in? While some despair and turn to self-destructive behaviour, this is still a small minority. Despite sensationalized reports to the contrary, a great number have undertaken what some researchers have called an unprecedented period of innovation. They have had to generate and shape new areas of informal micro-enterprise and petty-trading, they have formed loosely structured self-help groups where they turn to for advice, protection and even informal credit, and they have assumed growing roles in the economic lives of the households in which they reside. This enterprise initiative is what is referred to in Section 3.1 as the need for the development of enterprising life skills. Box 5.2 provides an illustration of how a group of young people in Malawi have formed a cooperative as a way of generating income and sharing each others’ support and resources.
Box 5.2
Entrepreneurial initiative and social assets at work
Informal youth cooperative in Malawi

The crafts and curio’s cooperative in Lilongwe, Malawi, consists of a number of young Malawians who have cornered the market on selling woodcrafts to tourists. The young people have taken the initiative and established a supply chain throughout rural Malawi that provides the means to source a range of unique wooden crafts and furniture. The Coop consists of about 50 adolescents and youth and is organized around groups of 3-4 young people who carry a range of different products.

They have developed, perhaps the most critical form of social capital, that is the ability to work together, trust each other and share responsibilities in a manner that allows everyone to contribute, using their particular strengths and assets and resources and where the group as a whole benefits. An example of this is the leadership that is established by the older youth aged 25 and older. The result has been a sustained craft market in the centre of Lilongwe that provides the opportunity for over 50 adolescents and young people to not only maintain their incomes, but to develop a set of marketing, financial, customer service skills, selling quality wood crafts and furniture ranging from chess tables, Noah’s Arks, walking sticks, chairs, batik paintings, to more simple key chain holders, etc.

There are however constraints to the growth of their cooperative. They have reached the stage where they could use financing to develop more permanent structures to grow their business. There are opportunities in the international market place vis-à-vis the Internet and other channels that the group would like to take advantage of. There are also regulatory and taxation and licensing issues that need to be navigated in order for them to move toward becoming part of the formal sector. All of these constraints and issues could be addressed through the support of local institutions and government agencies if these institutions were able to recognize and respond to the productive initiative of these young people.

Source: Schnurr, Field Notes, IDRC, 1999.

This period of innovation and effort has not come without its price to older children. Carried out all too often in isolation from adults, and without the opportunity to systematically develop new pathways forward, this pursuit of short-term opportunities often fails to move beyond chronic “coping”, and tends to hinder the development of the broad skills and capabilities needed for genuine growth and lasting achievement. Moving into an adult world of earning and business, they must learn to compete in a marketplace where adult rules apply and little margin is allowed for mistakes and learning from mistakes. Moreover, while not inherently incompatible with ongoing formal education, taking up informal work activities combined with the lack of flexible re-entry points or alternative programmes within the public education system means that many eager learners have no way to balance their nascent economic activities with basic education programming.

The remainder of this paper will build on the age-based framework presented in Section 4. It draws on the Life-Cycle and Sustainable Livelihoods frameworks to present what we believe to be a realistic and productive model and strategy to supporting adolescents and youth in making the economic transition into adulthood. In particular, it looks at ways in which adults as practitioners and their institutions and sector structures can:

- Accompany young people through the development of entrepreneurial initiative and the corresponding assets and capabilities to help them get on pathways that are more likely to lead to decent and productive self-employment and enterprise outcomes; and

- Build interventions, based on the initiative of practitioners and their institutions that are locally owned leading to a greater probability of being sustained and of growing to the scale that is needed to address the issues and challenges cited in Sections 1-4 above.
5.2 The adolescent and youth stage of the life-cycle

Section 4 of the paper presents a framework for entrepreneurship development based on chronological age and identifies some of the stage-of-life challenges (e.g. lack of experience and social and enterprise networks) facing young people in moving from being an aspiring pre-entrepreneur to developing a viable enterprise as an emergent entrepreneur. As identified in 5.1 above, Section 4 also identifies some of the challenges in the changing African cultural, social and economic landscape that have the potential to impinge on the process of developing the capabilities and accessing and managing the assets and resources necessary to make the transition to social and economic independence (e.g. the disappearance of the traditional rites of passage, erosion of community and kinship support structures).

The age-based framework provides a useful departure point for better understanding the “life-cycle” challenges facing young people in their pursuit of decent and productive entrepreneurship or self-employment and livelihood pathways. It also begs deeper questions related to the natural cognitive and emotional development of young human beings and how these developmental propensities act as potential deterrents or opportunities in the development of the capabilities and assets necessary for productive enterprise and self-employment. For example:

- Is it realistic to expect 15 year olds to be able to navigate the legal and regulatory aspects of running a business, without the guidance or accompaniment of an adult? If not, at what age/developmental stage might this be possible? When can one begin to introduce these concepts and in what way, given the natural cognitive development of an individual?

- What types of capabilities and skills should young people be acquiring at the age of 15 (and perhaps earlier) that could assist in preparing them for productive and viable enterprise development at the age of 20 or 21?

- How can the understanding of cognitive and emotional development and the process of entrepreneurship or enterprise development assist in designing support initiatives to better ensure that their “pathway” to self-employment and/or enterprise is productive?

The life-cycle approach is used in the health and developmental psychology fields, to assess the health and developmental needs of an individual throughout the human life-cycle. It provides a useful framework to first recognize the existence of the adolescent and youth life-stage. Second, it provides a framework to help identify the developmental phases in the youth life-stage and frame the adolescent and youth stage of the life-cycle in terms of the corresponding challenges and opportunities.

The life-cycle approach is linked to the vision of work with adolescents and youth that takes what UNICEF, the World Bank and UNAIDS have reached consensus upon as being an effective approach – namely a “developmental” one. UNICEF characterizes such an approach in the following manner:

“A developmental approach to adolescent programming represents a paradigm shift away from a narrowly focused disease prevention approach to one that aims to imbue vulnerable adolescents with skills that will help them thrive today and sustain them in the future. Rather than relying on prescriptive information to prevent or change certain behaviours, a developmental approach seeks to help young people build a sense of self, a sense of meaning and purpose, and a range of social and critical thinking skills” (UNICEF, 2003).
Within the youth life-cycle, the development of an individual, to a large degree, progresses based on age and corresponding biological and neurological development. “Adolescence” and “Youth” is a period of multi-faceted development, transition and growth. We have used the age categories of 15-19, 20-24 and 25-29 to identify the key stages of development adding the need to look to even earlier ages as the starting point. The development of an individual within these age categories presents both challenges and opportunities in developing livelihood and enterprise capabilities. Identifying the developmental aspects of the youth life-cycle helps us break down the youth target group and understand the challenges and opportunities to getting on productive livelihood and enterprise pathways.

As noted in Section 4 above, young people face the challenge of limited life and work experiences, limited financial resources, limited networks and contacts, exposure and age discrimination, which compound the already existing social and cultural shifts taking place. These factors are largely external in nature. A number of internal development factors, unique to the “youth life-cycle”, provide the framework to further understand the “developmental” factors that impact the development of the livelihood capabilities of young people. These “aspects of development” are multi-dimensional and can be broken down into the following categories:

- **socio-cultural**: social roles, identities, group dynamics, sense of belonging and the changing relation to biological family of origin;
- **bio-neurological**: cognitive changes that have impact on thinking, perceiving, logic and analysis, learning, skill development and absorptive capacities and decision-making;
- **socio-emotional**: the development of feelings, beliefs and attitudes; and
- **biological**: the physical maturity including the sexual development.

Each of these developmental dimensions are relevant to the development of livelihood capabilities that can have a bearing on a young person’s ability to conceive, plan and implement the range of attitudes, actions, activities and relationships necessary for self-employment or enterprise development. All of these factors are also relevant to a comprehensive “youth life-cycle” analysis in terms of developing enterprise and entrepreneurial capabilities. These aspects of development mark a clear distinction between the kinds of livelihood and enterprise support initiatives needed to assist young people as compared to adult programming.

Using the life-cycle analysis, we can divide the older adolescent and youth demographic into three sub-groups. We make a distinction between ‘younger youth’ (or ‘adolescents’) aged between 15-19 years, ‘older youth’ aged between 20-24 years and young adults aged 25-29. These sub-groups are further contextualized by cross-cutting variables and dichotomies such as the social, cultural and economic context facing young people, urban/rural divide, educated/non-educated divide, and male/female divide. For the purpose of this analysis, we are particularly concerned with those young people aged 15-24. However, we also realize that the livelihood challenges begin much earlier and that, by implication, those strategies focused on younger youth 15-17 years may, in part, also apply to those between the ages of 12-15 and perhaps even earlier.

Ages 15 to 24 are perhaps the most formative years in one’s life and, arguably, where the most change in a given time period takes place in an individual’s life-cycle. They are also the years where the most potential for lasting positive or negative impacts occur. It is during the formative stages of childhood and youth that enduring aspects of
personal development take place and determine “success” in later life. It is in these formative stages of development where the greatest potential for the “cycle of poverty” has to be broken and where appropriate and relevant support initiatives can facilitate inclusion and deter the perpetuation of discrimination, exclusion and subsequent disadvantage. For example, gender inequality begins in these formative years and can be perpetuated over the life cycle.30

**The “Pinnockian Trap”**

Sections 2-3 of this paper identify a number of shifts underfoot in the African economic, social and cultural context (identified above) which make this transition challenging, including the make-up of the family, community disintegration and the breakdown in education systems. Perhaps the most fundamental shift is what has been described in Section 4 as the Pinnockian Rite of Passage. This changing social and cultural environment provides a useful “African” context within which to understand the multi-faceted dimensions of the challenges facing young people.

The Pinnockian framework describes the “youth transition” as a period of symbolic death (or end of childhood) – called liminality that eventually leads to a period of re-entry (re-birth) into adult life. Pinnock describes the current crisis among African youth as a period of eternal liminality, with no opportunity for social re-integration. The Pinnockian trap and the associated lack of social structure and guidance to effectively reintegrate both socially and economically is a telling sign that describes the growing numbers of young people, who seem cut off from traditional socialization routes. Without the structures, accompaniment, guidance and role models, many of these young people are left without a pathway to adulthood that leads to the active and meaningful participation in economic and social development. The Pinnockian framework gives us additional insight into a better understanding of why the majority of young people are engaged in marginal forms of self-employment and why they are essentially stuck or trapped in the stage of pre- or budding-entrepreneurship as defined in Section 4 above.

Young people thus find themselves trapped in a no-man’s land looking back towards school systems that offer no real opportunity, and looking forward towards formal sector jobs and stable self-employment options that seem hopelessly out of reach. They are, in many cases, aware of their potential for innovation, collective effort, and hard work – but they see few flexible pathways that offer a way to move forward and develop. Young people speak of the need for bridges or ladders that can eventually link them with more stable adult-life opportunities, and they talk about programming that fills in some of the key gaps in learning which come from early school leaving, and then provides new ways to “graduate” into the world of skilled work. They understand that their development needs are holistic in nature, and wonder if the traditional adult leaders and community institutions responsible for the development of children and youth are up to the challenge of working with them to co-design and co-construct such bridges to the future.

5.3 The sustainable livelihoods framework:

**Asset and capability development in the adolescent and youth stage of the life-cycle**

According to the Sustainable Livelihoods Approach, a livelihood comprises the capabilities, assets (including both material and social resources) and activities required

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30 Many believe that the feminization of poverty is the largest contributor to the intergenerational transmission of poverty.
for a means of living. The concept of *sustainable livelihoods* posits that people pursue livelihood outcomes (e.g. health, income, reduced vulnerability, etc.) by drawing on “assets” to pursue livelihood-enhancing activities. Opportunities for pursuing these activities are influenced by the structures (e.g. government and the private sector) and the processes (institutions, policies, programmes and cultural factors), which people face. In aggregate, these conditions determine access to assets and livelihood opportunities, and the ways in which these can be converted into outcomes (Farrington, et al., 1999). Figure 5.1 below illustrates the key components of the Sustainable Livelihoods Framework.

**Figure 5.1: Sustainable livelihoods framework**

Pursuing a livelihood is a process of reducing vulnerabilities and building capabilities, largely through the enhancement or transformation of (human, social, financial, physical and natural) assets. This conceptualization is inherently positive in that it is “people or youth-centred”, seeks to understand risk and vulnerability in relation to assets and capabilities and takes an individual’s or enterprise’s existing strengths as its starting point to reduce vulnerability and risk rather than just focusing on their ‘external needs’. It also seeks to understand how moderate, strategically targeted support initiative can leverage large-scale improvements in livelihoods and enterprise outcomes (Rutherford et al., 2002).

A number of factors combine to determine how an individual develops assets and capabilities. We are particularly concerned with asset and capability development within the adolescent and youth stage of the life-cycle. We are also interested in how the various aspects of development within the various age categories of youth (i.e. socio-cultural, bio-neurological, socio-emotional and biological/physical) impact the development of assets and capabilities.

The sustainable livelihoods framework provides a useful departure point for examining youth livelihoods and the notion of asset and capability enhancement. However, it does not differentiate between an individual as a child, a young person or an adult (i.e. the development and expression of capabilities and assets across the life-cycle). Furthermore, the sustainable livelihoods framework does not address the issue of whether
and how livelihood (including self-employment and entrepreneurship) capabilities are developed and nurtured during the youth development life-cycle.

Chambers and Conway in their early work on sustainable livelihoods introduced several key concepts that provide insight into asset and capability development in general and that provoke a number of questions around the development of assets and capabilities of young people (Chambers and Conway, 1992). The idea of livelihood (self-employment and entrepreneurship) capability and asset development combined with the notions of developmental stages in the youth life-cycle and the opportunity to develop certain capabilities within specific ages, provides a useful tool to both assess capability development needs and opportunities and design and implement relevant support initiatives. Some of the key concepts and assumptions introduced by Chambers and Conway, that we believe are essential considerations in the asset and capability development for self-employment and entrepreneurship within the youth life-cycle include:

- The difference between ascriptive (or predetermined by birth), improvised (determined by the environment), and chosen/adaptable (influenced by education/migration) livelihoods and livelihood capabilities (Chambers and Conway, 1992). We are making the assumption in this paper (based on the experience of the authors) that livelihoods and livelihood capabilities are primarily chosen and adaptable and to a lesser extent improvised or ascribed. This is particularly important with young people between the ages of 15-24, who are in a period of their lives where they are able to develop certain cognitive, technical and emotional skills both rapidly and effectively.

- The question of how one acquires tangible and intangible livelihood assets (and what of these are acquired/developed or even potentially lost during youth). Conway and Chambers state that:

  “…out of these tangible and intangible assets people construct and continue a living using physical labour, skills, knowledge and creativity … skills and knowledge may be acquired within the household, passed on from generation to generation as indigenous technical knowledge, or through apprenticeship, or more formally through education or extension services, or through experimentation and innovation” (Conway and Chambers, 1992).

Key sets of livelihood and entrepreneurship assets (in particular human assets or capabilities) are developed in the adolescent and youth stage of the life cycle and in particular the early ages. The question is what capabilities can be productively introduced at what stage and in what manner?

Amartya Sen’s use of the concept capability “…there is a subset of livelihood capabilities that include being able to cope with stress, shocks, and being able to find and make use of livelihood opportunities. Such capabilities are not just reactive, being able to respond to adverse changes in conditions, they are also proactive and dynamically adaptable” (Conway and Chambers, 1992). Conway and Chambers call these dynamic livelihood capabilities. “The sustainability of a livelihood depends on positive and dynamic competence, the ability to perceive, predict, adapt to and exploit changes in the physical, social and economic environment” (Conway and Chambers, 1992). These capabilities are also akin to what are often included in defining entrepreneurial capabilities. There are also significant similarities between these capabilities and those cognitive skills that are developed during the ages of 15-24 because of bio-neurological changes.

We also believe that the notions of creativity, experimentation and innovation, while not used in the Sustainable Livelihood literature, are of significant importance for the
promotion of self-employment and entrepreneurship, particularly with respect to young people.

5.4 Accompanied livelihoods: Mobilizing the “enterprise initiative” of adolescents, youth and the youth serving sector

Figure 5.2 builds on the sustainable livelihoods framework (outlined in figure 5.1) by integrating the youth development life-cycle as the departure point and the context for the development of assets and capabilities. The developmental stages within the youth life-stage have implications for the development of entrepreneurship, self-employment and enterprise development (or livelihood) assets and capabilities. Figure 5.2 also identifies some of the key intervention entry points to facilitate the initiative of young people as well as youth serving professionals/practitioners and the sector structures that are in the position of influence.

Figure 5.2: Accompanied livelihood development framework based on the life-cycle and livelihoods frameworks

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**Adolescent/Youth Stage of Life-Cycle**
- Developmental opportunities based on age and social context
- Vulnerabilities/risks

**Institutions/Sector Structures & Processes**
- Levels of government
- Laws/Policies
- Formal/informal markets/financial mechanisms
- Education systems
- Family/kinship community
- Culture and norms
- NGOs, international institutions
- Associations, unions

**Intervention entry points**

**A**
- Accompanied development of assets & capabilities based on developmental aptitude & corresponding livelihood opportunities

**B**
- Engage & mobilize institutions and sector structures to promote & support practitioners & youth enterprise and initiative

**Productive/decent livelihood outcomes**
- Self-employment, enterprise
The development entry points of the Accompanied Livelihood Development framework are:

- the relationship between the development of assets and capabilities and the youth development life-stage and the role of adults and adolescent partnership in this process. There are opportunities to develop particular assets and capabilities within the life-cycle stages while at the same time there are vulnerabilities and risks associated with these stages based on social and cultural expectations as well as interventions that are either ill designed or not appropriate; and

- the relationship between the development of youth assets and capabilities and the institutional and sector structures and processes necessary to mobilize and engage sector-based practitioners and institutions to promote livelihood development among young Africans.

In the remainder of this paper we explore the nature of the intervention entry points defined as [A] and [B] in Figure 5.2 (above). We outline some of the key parameters of these entry points and raise further questions that need to be addressed more explicitly in research that links thinking to practice. Section 5.5 focuses on entry point [A] and the role of adolescent and youth-adult partnerships in the context of accompanied livelihood development. Section 5.6 focuses on entry point [B] and the implications of accompanied livelihood development.

Youth-adult partnerships

“There are no simple solutions, no single intervention that can respond to the multiple challenges facing adolescents today. They need access to information, skills and services. They also need to feel safe, supported and connected to adults in their lives. Society has an obligation to shepherd its young people through their adolescent years and to treat them with respect and understanding. When it assumes these responsibilities, the benefits multiply in ways never imagined” (UNICEF, 2003).

Throughout the paper, we have emphasized the need to be realistic as to the potential of young people to engage in entrepreneurial activities in the form of self-employment or enterprise development. Young Africans aged 15-24 are at a formative stage in their lives, that consists of vulnerabilities and risks. But perhaps more importantly, they are at a stage of dynamic and multi-faceted development – the adolescent and youth stage of the life-cycle. This development stage has significant implications for the development of capabilities related to entrepreneurship, self-employment and enterprise development. Policy and programme interventions have the potential to impact their current perspectives and actions in a significant manner. This impact can also have a significant exponential impact on their peers and their children. Equally, a lack of attention will increase the potential for the cycle of poverty to be extended to future generations.

The adult-youth partnership that supports young people’s transition into adulthood would seem to be an essential component of any successful community and in particular in the development of a healthy and sustainable livelihood. An important question raised in Sections 1-4 above, and brought into further focus in Sections 5.3, is what the current role of African adults is, in facilitating young people’s development of livelihood capabilities and assets, and where do shortcomings exist at an individual and/or institutional level that are limiting the positive role adults might play in supporting pre, budding and emergent entrepreneurs. Indeed, Sections 1-4 focus on the many challenges and obstacles to young people developing viable enterprises. In addition to and perhaps underlying these challenges (which are perhaps really only symptoms) is the limitations
among parents, community leaders, community institutions (such as schools), youth serving professionals (such as teachers or social workers) or youth-focused government structures (such as Ministries of Labour, Education, Health) to respond effectively to the needs and aspirations of young people.

At the heart of these questions about the roles of adults in the lives of young people, and the relative importance of a strong adult-youth partnership in their development of self-employment and enterprise development or livelihood options, is a set of interwoven assumptions that include:

- livelihood capabilities and assets can be developed (they are not all “ascriptive” or even improvised, to use Conway and Chambers terminology) – rather they can be chosen and intentionally cultivated with the proper support and accompaniment of adult practitioners and institutions;

- the developmental changes within the adolescent and youth development life-cycle stage provide unique opportunities for the development of livelihood capabilities and assets (while at the same time present some unique challenges linked to this period of change and transition);

- young people (especially those aged 15-19 and younger, but also those 20-24) cannot be expected to develop the capabilities and assets that lead to decent and productive entrepreneurship and livelihood development pathways and outcomes without the support and guidance of adults and assistance of community structures. It is important to note that no other domain of youth development is expected to occur within a vacuum (nor in a traditional African society has this development occurred in isolation from adults), and this can surely be no exception;

- current youth adult relationships/structures are broadly failing youth in their efforts to develop sustainable livelihoods (a key pre-cursor to full integration into adult life), and all too often leave them abandoned to their own devices. The key question in Sections 1-4 of how suitable entrepreneurship pathways are to the broad mainstream of African youth might be answered in two ways: 1) slight if youth are expected to do it on their own (same rates as those who will be self-taught readers for example), and 2) more significant if youth are provided with suitable supports and guidance (same as literacy outcomes in universal primary education programmes);

- there is a need to develop renewed/revitalized youth-adult partnerships that effectively support the development of sustainable livelihoods by youth (these can be within extended family, traditional community structures or the more recently constituted NGO, CBO and government institutions). This would seem to be a key solution to the dilemma of the dead-end Pinockian eternal liminality paradigm – and the chronic disconnect between youth and mainstream adult society;

- these new youth-adult partnerships might best be built around an accompaniment framework that is based on the role of adult/practitioner as coach/facilitator/mentor and youth as protagonist/decision maker – for it is this kind of relationship that seems best suited to fostering the development of entrepreneurship culture, attitudes and skills among youth.
The Pinnockian Rite of Passage provides us with a powerful metaphor for the period of transition from childhood to adulthood referred to as adolescence or youth. In this time of symbolic death and re-birth, young people in traditional and modern societies progress through a series of life changing events and ceremonies, eventually emerging as adults ready to assume new responsibilities in the lives of their families and community. Reference is made in Sections 2-4 to the role of elders and the extended kin system in raising children and youth within traditional African society, and general emphasis is similarly given to the loss or degradation of these traditional structures in post colonial Africa – along with the failure of post colonial institutions such as public schools to replace them. The connection between the absence of adult supports and the period of never ending youth that Pinnock calls **eternal liminality** is, in our view, a key constraint to a healthy productive adolescence and youth.

In every society worldwide, there are adults charged with the responsibility of preparing young people for the transition from childhood, through adolescence and into young adulthood. These adults can be family members, community leaders, public service employees such as teachers and health workers, or staff in community-based organizations and NGOs. As described in the previous section, for many young people in Africa today the role of adults in their lives is increasingly tenuous. First, there is the reality, described above, that many traditional institutions such as schools are not up to the challenge of meeting the needs of the current generation of young people. Second, there is the perception that adults tend to focus on “problems” while ignoring young people’s capabilities and aspirations. This “problem-centred” approach often places the blame on young people for their “risky behaviours” without considering the broader social forces that limit their alternatives while increasing the pressures they must cope with (Hallman, 2004).

Figure 5.3 contrasts an unaccompanied livelihood development framework where young people are engaged in work in isolation from adults and institutions and the sector structures with the accompanied livelihood development framework which shows a central circle representing youth with three other partially overlapping circles representing adults, institutions, government structures dynamically interacting with, supporting and learning from young people.
To be young and poor is generally seen by many adults to be a stage of having problems, a time of great need, and an age of profound risk. As more targeted research and community-based mapping exercises carried out with adolescents and young people consistently find, to be young and poor is not necessarily to be passive or defeated (Hallman, 2005). Indeed, in most poor households, children take on important roles and responsibilities as care-givers, economic contributors and even heads of household. Many children both work and go to school, and use some of their earnings to support their own education and those of their siblings. Most children have aspirations for a better future for themselves and their families as indicated in Sections 3-4 of this paper. Most also have a pretty clear vision of the limitations of many of the institutions purportedly set up to assist them (such as schools, health clinics, community centres and vocational training programmes), and most make deliberate choices every day regarding what they perceive to be the best route forward to meeting their need to grow and develop, while at the same time contributing to the well-being of their families.

The foundation of any genuine form of collaboration will need to be found in a new kind of youth-adult partnership. This partnership – once strong and dynamic in traditional African society – has come to lose its way in the past decades. As is often the case, the looming OVC crisis in countries such as Malawi, Zambia and South Africa underscores the weakness of the current partnership, and is providing the crisis-driven impetus for its renaissance.

The question then is what needs to be at the heart of this new partnership between older children and adults? What kind of foundation can a new and dynamic working relationship be built upon? Where successful programmes are already emerging, there seems to be evidence of three trends:
Respect for each other’s strengths, and recognition of interdependence

Programmes that assume both children and adults have something important to contribute have been found to be more effective than those looking to children for “needs” and adults for “solutions”. Moreover, while some advocate for adolescents and youth speak of creating new autonomous spaces for them to develop their own programming – there is a solid case to be made for “mainstreaming” opportunities for adolescents and youth versus pursuing a go-it-alone approach. As groups look to provide younger clients with micro enterprise and finance services, there is a debate about whether separate youth-only institutions need to be established, or if it would be better to develop more child-friendly services within adult or, as many call themselves, community-focused providers. The answer may be a blended kind of arrangement such as that articulated in section 5.4 below – but the focus needs to be on maximizing complementary strengths and recognizing the value of overlap and interconnectedness versus further marginalization and unnecessary specialization.

Shared openness toward making mistakes, and positive risk-taking

One of the greatest fears for many adults is to make a mistake in front of the children. The long held belief is that adults need to have the answers in advance and then support young people as they make mistakes. This approach is benignly claustrophobic in settled times (when adults can pretend to have the answers and children can pretend to believe they do), but positively stifling in times of crisis – when new ideas and new approaches need to be tried out, and a culture of positive risk-taking embraced and celebrated. Programmes in which both adults and children are able to explore a range of new approaches, see what works and what comes up short, and then provide constructive feedback to each other, are programmes that succeed. Children and adults can learn from each other the power of taking intentional and transparent risks within an action/reflection framework – for this is at the heart of entrepreneurship whether in an economic activity or in social development programmes.

A shared culture of “enterprise initiative”

Section 5.1 above introduces Chambers and Conway’s work on Sustainable Livelihoods, where they introduce the idea that peoples’ livelihood capacity revolves around their assets (human, social, financial, physical, natural) and their capabilities (skills, experience) (Chambers and Conway, 1992). But they went on to say that there is also a third key ingredient, namely an individual’s dynamic capacity to be innovative and flexible in the face of steady change or a sudden crisis. Programmes that cultivate both children’s and adults’ capacity for innovation and flexibility incorporate what some have called “enterprise initiative” – and this has been a key, though little studied, factor in almost all successful livelihood promotion programmes.

The resulting approach might be best articulated within an accompanied livelihood development framework that looks at the interlocking roles of young people and adults in supporting the generation and growth of assets and capabilities among youth. Such a framework requires further research and development to come into its fullest expression, but certainly implies roles and responsibilities for four principal actors: youth, youth serving adults, youth serving institutions, and youth focused government structures. Rather than young people being expected to develop themselves, by themselves, for themselves – this more holistic model calls for a multi-stakeholder investment of time, resources and creative programming. An accompanied approach also implies a broad set of reforms/changes across these four stakeholders – in stark contrast to the abandoned or
isolating paradigm currently in evidence (as described in detail in Sections 1-4 of this paper), among marginalized groups of youth across Africa – which places almost exclusive emphasis on what youth alone need to do for themselves, by themselves, in order to survive.

Sections 3-4 of this paper focus on what it might take at various ages (points in the youth development life-cycle) for youth to develop the skills, attitudes, maturity and experience to succeed at self-employment. What is also needed is to define what skills, attitudes, wisdom and experiences adults (as individuals, extended family systems, formal community institutions or government structures) might need to develop in order to support young people’s enterprise activities.

Indeed when one begins to imagine what kinds of reforms, changes and growth are required on the part of young people as they try to navigate the livelihood challenges of entrepreneurship and self-employment, it seems only logical to assume that adults will need to venture down a similar path of discovery, risk and responsive change. Indeed, the experience of many groups working with young people in the area of entrepreneurship is that successful Accompanied Livelihood programming will require four interlocking paradigm shifts towards what might be called a shared culture of “enterprise initiative” within a given community/country.

Sections 3-4 convincingly portray young people’s need to move from a paradigm of dependency to one of enterprise and initiative if they are to become successful entrepreneurs. They face the need to develop a whole range of livelihood capabilities and assets, while at the same time gain ever-broader experience in a range of concrete livelihood activities.

The next section of this paper takes the accompanied livelihood framework outlined above and presents what the authors of this paper believe to be an example of a set of reinforcing initiatives that operationalize the framework. It also reflects what we believe to be a realistic approach to promoting and fostering entrepreneurship among young people in Eastern and Southern Africa – entrepreneurship that has broader implications for the social and economic well-being of not only young people but of the longer term well-being of their communities and countries. What is presented below is illustrative of the ideas presented in the preceding sections of this paper, and in no way a definitive blueprint.

5.5 Accompanied livelihood development: An operational model

The components described below constitute one example of putting the principles of the concept of Accompanied Livelihood Development into practice. This framework provides an operational perspective on entry point [A] in Figure 5.2 (above). The concept of Accompanied Livelihood Development assumes that adolescents and youth will be most successful in their development of livelihood assets and capabilities, if they have the support and coaching of trusted adults, if they are able to focus on developing core assets and capabilities and not just narrow “vocational” skills, and if they have access to the financial services that will help them move from an “alleviation” paradigm to an “investment” one (CSM, 2002).

Accompanied Livelihood Development also assumes that there is not one singular livelihood pathway that all children can or should follow – self-employment, work in a household-based micro-enterprise, or work for a youth-friendly employer are a few possibilities among a wider range of options that may eventually lead to entrepreneurship.
as it is traditionally understood (i.e. micro and small enterprise development). The Accompanied Livelihood Development approach works to ensure that each pathway pursued contributes to the attainment of a common goal – the development of flexible livelihood assets and capabilities that provide the foundation for a sustainable adult livelihood, whether it be entrepreneurship through self-employment, micro and small enterprise development or some other form of livelihood development.

The assets targeted for development fit within four of the five broad areas originally postulated by Conway and Chambers – namely, human assets, social assets, physical and financial assets (leaving aside natural assets for the time being). Each of these four sets of assets is essential to the development of a sustainable livelihood. They are briefly described below. A more detailed description together with examples of these four sets of assets is provided in Annex 2.

**Human Assets:** These include an individual’s mental, emotional, intellectual and spiritual abilities – it encompasses all they have learned within the family, from friends and from both formal and informal education programmes. It also includes the things they know how to do or make, the technical knowledge and skills they have developed, along with some specific vocational skills they have acquired.

**Social Assets:** These include an individual’s social ties, support networks, trusting relationships and ability to make reciprocal claims on others in their households, extended families and communities. This is one area in particular where gender plays a significant role as marginalized girls often have far fewer opportunities to develop these assets or may develop them in culturally distinct ways from boys (UNFPA/Population Council, 2002).

**Financial Assets:** savings, access to credit, ability to make claims on others for financial support or assistance, perceived credit-worthiness.

**Physical Assets:** property, place of work infrastructure, production systems, land, technology, transportation and other forms of physical capital that can be put to productive use or leveraged to access other assets.

When sceptics ask, “Are older children really willing and able to develop these kinds of assets?”, the interesting response of those who have piloted this work is that not only are they able to but that this might be the most effective time in the life-cycle to introduce them. Young people’s enormous absorptive capacity, their ability to take risks and learn from their mistakes, their openness to new frames of reference and new social connections, make them well suited to developing these core livelihood assets.

What has not changed is the need to develop these assets in rigorous, real world settings – one that both provokes adolescents, youth and the adults who work with them, to confront the very real challenges of the “marketplace”, and to come to recognize the constant need for adaptation and innovation in any economic activity. Young people need accompaniment and coaching as they make mistakes, encounter obstacles, or suffer setbacks – for that is how they can begin to develop what Conway and Chambers called the dynamic livelihood capabilities required to adapt to change, or respond to a sudden crisis or recognize and capitalize on an opportunity. Next we present what we believe to be two Pillars of the Accompanied Livelihood Development framework that provide the opportunity for the development and access to core livelihood assets and capabilities.
The first pillar: Enterprising life skills

Chambers and Conway drew heavily on the work of Amartya Sen when they introduced the concept of livelihood capabilities, which they defined as “being able to cope with stress and shocks, and being able to find and make use of livelihood opportunities” (Chambers and Conway, 1992). Chambers and Conway went on to observe that:

“Such capabilities are not just reactive, being able to respond to adverse changes in conditions, they are also proactive and dynamically adaptable. They include gaining access to and using services and information, exercising foresight, experimenting and innovating, competing and collaborating with others, and exploring new conditions and resources.”

This conceptualization of a dynamic and innovative set of skills and aptitudes is of particular relevance to this operational framework. For such skills, combined with the full range of traditional life skills (recognition of assets and capabilities, productive and healthy decision-making, conflict mitigation and resolution, consequential thinking, positive risk-taking) targeted in most youth development programmes, come together to define what we call Enterprising Life Skills.

Enterprising Life Skills are a set of mutually reinforcing skills that can be seen to occur along a continuum (i) basic individual skills (self-care), (ii) social skills (forming relationships, communication); and (iii) enterprise initiative skills (positive risk-taking, healthy competition), all of which need to come together for a young person to be successful in any form of economic activity. Enterprising Life Skills represent the fullest development and most complete integration of these three sub-sets of skills, and they represent the core livelihood capabilities required to develop a sustainable livelihood.

This operational framework posits that Enterprising Life Skills of children and adults need to be co-developed. Some skills will come more readily to some. Some will already be well developed. But other skills will require that some participants be both provoked and supported to step outside of their comfort zone and develop in unfamiliar skill areas. For example, working in an interactive setting, with room for small group activities, and time for individual coaching, creates opportunity for all participants to acquire a full range of Enterprising Life Skills – learning from one another and drawing on each other’s strengths.

It is essential to understand that the impact of Enterprising Life Skills is not just within the narrow realm of entrepreneurship in terms of “running a business” as many might, at first glance, assume. Building on the concept of enterprise initiative introduced earlier in this paper when talking about dynamic child-adult partnerships, the authors of this paper understand Enterprising Life Skills to represent the very core set of capabilities required for any “enterprising” activity – be it self-employment, employment by another in a dynamic business, or employment within an innovative NGO or government ministry. Research by UNICEF, the Population Council, ICRW and FHI, shows that far from being simply yet another way to introduce dynamic life skills to “at-risk” populations of girls and boys, livelihood programming may indeed be the most effective vehicle for developing such skills. Indeed these groups have found that there is simply no comparison between the impact of life skills introduced in an “artificial” classroom setting versus those introduced in hands-on livelihood programming (UNICEF, 2002). Young girls running a small business are much more likely to develop assertive communication skills, to feel more empowered in the community and at home, than girls introduced to such skills within traditional classroom or support group settings (UNFPA/Population Council, 2002).
It is also important to understand that cutting edge research on the ways in which the brain changes and develops through adolescence, is beginning to show that it is precisely between the ages of 12-18 that many of the higher order cognitive skills such as abstract thinking, long-term planning, risk/reward assessment, and more complex social relationship development, are able to be acquired (Ranji, 2001). The school of thought that spoke of the majority of crucial development occurring from 0-5 has had to concede that equally important cognitive and emotional development occurs from 12-20 during a period of profound neurological change. Similarly, research into the whole question of resilience – another concept that deals with an individual’s capacity to respond to and cope with change and crisis – indicates that late childhood is a crucial time for solidifying gains, and filling in gaps within an individual’s overall capacity for resilience. Furthermore, this research points to the “supportive” role of adults, both within family and beyond as being one of the key factors in developing and maintaining the capability to be resilient and take positive risks (Blum, 1998).

The second pillar: Entry finance

The second pillar of the Accompanied Livelihood Development framework is what we have termed Entry Finance. The reason we have chosen finance is not just because it is a key asset to the development of a small business. The rigors of “finance” – whether one is developing a business, working in a family business, managing one’s own cash flow, saving or managing household finances – offer the opportunity to develop discipline, exercise foresight, plan and conduct due diligence – all attributes that are important skills in the management of one’s livelihood.

The primary, and enormously successful, goal of micro-finance has been to address the longstanding mismatch between the demand of poor women for access to tailored financial services and products, and the capacity of financial service organizations to supply such products. The goal of Entry Finance is to fully realize the potential of micro-finance by helping to build a more intentional bridge between adolescents and youth to more traditional adult-serving microfinance providers.

Entry Finance achieves this goal by increasing the readiness of older children and young people to make use of microfinance services (including both savings and credit), and by introducing new mechanisms and products that make the provision of microfinance as an enterprise skill set and a key asset for business start-up and growth more accessible to a younger clientele. Entry Finance is not meant to be a segregated, parallel, set of services, rather it is designed to overlap and integrate within existing structures and services, and where appropriate to “graduate” as many young people as necessary, as early as possible, into adult-serving programmes. Readiness involves the building of trusting relationships, the cultivation of core livelihood skills and capabilities, the demonstration of credit-worthiness, the acquisition of assets, and the creation of safe accompanied spaces in which to explore new livelihood pathways. Accessibility on the part of micro-finance service providers involves the development of mechanisms and products that reduce barriers to entry, allow for easy first steps, provide more accurate ways to assess and manage risk, meet unmet demand for savings and credit products, and provide tailored business development services to adolescents, youth, their families and adolescent and youth friendly employers in the community.

Entry Finance serves to provide some of the opportunities and resources that will both make possible the initial development of Enterprising Life Skills, and will contribute to their full mobilization by young people as they gain access to the resources and services needed to launch, grow and expand their economic activities all across the livelihood spectrum. Entry Finance involves a four step process that might begin at any
point in early adolescence and progress (perhaps more than once through each stage) according to an individual’s own unique circumstances. The four stages are:

- **Engagement** (including outreach services, relationship building and an invitation to participate);

- **Investment** (including capacity building, enterprise emersion practices, livelihood pathway exploration, intensive coaching by peers and supportive adults, along with the assignment of a Livelihood Coach);

- **Mobilization** (including linkages to ongoing Entry Finance services, connection to a range of Livelihood Pathways, formation of peer support groups, and ongoing work with a Livelihood Coach); and

- **Graduation** including introduction to adult micro-finance and enterprise providers, follow-up livelihood coaching, and an opportunity to serve as a Livelihood Mentor/Coach for younger members in the community.

5.6 **Implications for the youth serving sector:**

**Engagement and transformation through leadership and enterprise initiative**

The Accompanied Livelihood Development operational framework and component pillars described above imply a number of fundamental shifts in the way in which institutions and sector structures operate. The final section of this paper offers an approach to capacity development that parallels the UNDP Capacity Development Programme’s default principles for capacity development outlined in a recent publication entitled Leadership, Ownership and Transformation (UNDP, 2004). In effect, this approach focuses on some of the capacity development requirements for Entry Point [B] in Figure 5.2. This approach to capacity development can be practiced in many different ways depending on the context and specific objectives of a support initiative. The following example draws from the authors’ direct experience over the past three years, working at a Canadian NGO recognized by Kofi Anan as a leader in its field, Street Kids International, coupled with their combined 30 years of experience in the field of adolescent and youth livelihoods development.

In considering a transformation which government and broader public policy structures may need to make, it seems worth repeating an essential conclusion found in Section 4 – namely that:

“Although the importance of the informal sector is now widely recognized, informal entrepreneurs have continued to operate under considerable constraints in an environment that does not encourage small, income-generating activities. They face licensing and tax disincentives (paying such fees necessitates paying bribes, for example), and then, they face harassment from the state and council police because they do not have licenses or operate from ‘illegal’ spaces. Institutional access to credit for informal enterprises is virtually non-existent in most African countries. All of these factors serve as disincentives for the urban self-employed, especially young people who are showing remarkable staying power (or resilience) through their own self-reliant efforts”.

Figure 5.4 (below) illustrates the link between the various actors in the adolescent and youth development field in a framework for Sector Engagement, Capacity Development and Transformation. This engagement and capacity development framework is based on three key assumptions: 1) that sustained programme and policy initiatives need to be ultimately driven and owned by the initiative and leadership of those
who are implementing them; 2) practitioners and adults who work directly with young people are central to both facilitating enterprise initiative among young people as well as fostering innovation and provoking and promoting initiative within their institutions (e.g. schools, health serving organizations, enterprise development centres); and 3) through the critical mass of leadership, initiative, innovation and ownership at the level of implementation (or institution) come the influence and evidence necessary to transform sector structures. This process does not happen in a linear but rather organic iterative process of action, reflection, dialogue, evidence-based demonstration and an ongoing circuit of influence relationships among the key actors concerned.

**Figure 5.4: Sector engagement and transformation through the leadership and initiative of young people, practitioners and institutions**

Practitioners and practice leaders are the strategic link to being grounded in the reality of young people and to creating the enabling environment for locally owned initiatives that increase the probability for the integration of materials and approach into institutional programmes, through using, experimenting, adapting and innovating.

Institutions are the link between practitioners and youth and the sector policies. Institutions are the professional home of practitioners and provide the leverage and scale to begin to reach larger numbers of young people. They also provide the context within which to experiment, adapt and innovate, based on local context, opportunity and local initiative. This influence often begins with groups of practice leaders sharing successes or individual organizations being identified as innovators and attracting the attention of sector agency officials. This influence can also take place through networks of collations or associations that have the critical mass to advocate and affect policy changes.
Sector structures and processes provide the means to bring to scale interventions and innovations. The logic of simultaneously engaging individual practitioners, institutions and sector structures and processes ensures that we are both grounded in practitioners and young people, and creating the enabling environment for influencing institutional practice and sector structures and processes (e.g. policies, relationship among sectors and between sectors and institutions they are there to serve). Multi-level engagement increases the probability of influencing sector structures and processes, through the individuals and institutions that these structures and processes are there to support. It also increases the probability of outcomes and impacts being embedded and sustained through locally-driven initiatives that are owned by local institutions or those who are in the position to influence and implement sector policies.

Sector transformation cannot take place without the buy-in and leadership at the level of practitioner (e.g. teachers, economic development officers, health practitioners) who are grounded in the reality of young people and institutions that are the implementers of policy, curriculum or enterprise services. One may be able to generate a lot of transaction-driven activities by engaging and influencing sector level officials, but will never be able to sustain the activity and initiative, unless practitioners, institutions and young people see the value in their direct work and their actions and activities at the micro level (i.e. evidence). This evidence, value and impact at the level of practitioner and young person, is what will drive further use and adaptation, the creation of new and innovative approaches and materials that result in the growth of the work in both scale, and quality.
6. Conclusions

6.1 Being ‘Real’

The material in this paper represents a realistic and pragmatic perspective on youth livelihoods development, based on the authors collective 50 years of experience as practitioners, researchers and policy advisors in the sector. The paper is focused on young people in Eastern and Southern Africa. However, the authors believe the following conclusions apply (in adapted forms) to young people and the adults and institutions that support them in Canada, Switzerland and Tajikistan as much as they do to young people on the continent of Africa.

6.2 About the challenges

With poverty, HIV/AIDS and the general economic and social instability in Eastern and Southern Africa, young people are presented with a situation that requires them to take on adult roles and responsibilities at increasingly younger ages. Some girls at the age of ten begin to think about marriage or at the very least developing relationships with older males, in an effort to gain some economic security. Young males and females at a very early age are expected to either fend for themselves or more often contribute to household economic security. In many cases they find themselves raising their younger siblings and/or supporting their parents. In other situations young males find themselves increasingly tempted to join gangs and guerrilla or terrorist organizations as a means to survive and gain the associated economic benefits.

This situation is unprecedented. Young people have no choice but to be economically active in increasingly productive ways. In the meantime, adults and institutions in positions to potentially support young people having to make some tough decisions are not able to respond effectively. A number of reasons are referred to in this paper including the loss or degradation of traditional structures in post-colonial Africa and the failure of institutions such as public schools to replace them. Adults’ perceptions of young people and young people’s perceptions of adults begin to address some of the root causes of the institutional failures. The reference in Section 3 of this paper to the Pinnokian Rite of Passage is a fitting one. The process of moving from a child to an adult, regardless of where one lives, is like entering into a ‘no man’s land’ and the process of coming out the other side as a productive adult is associated with vulnerabilities, risks as well as opportunities. The lack of effective support can result in the exponential perpetuation of challenges related to poverty.

6.3 About the opportunities

On the other hand, effective support initiatives can have an equal exponential positive and lasting effect on an individual’s short and long term livelihoods decisions and outcomes. The period of adolescence offers individuals one, if not the greatest, opportunity to develop the attitudes and skills that can reap exponential economic and social gains for both themselves and their communities. Young people are at a developmental stage where their ability to absorb cognitively, use information and knowledge in an adaptive and creative way, to make gains for themselves as well as influence peers and contribute to household economic security. They are at a stage where learned skills can be immediately applied and result in the mitigation of future hardship. For example, evidence from recent research indicates that micro-enterprise development,
rather than just pulling kids out of school, allows them to pay the fees and buy the books to stay in school, realize the immediate value of numeracy and literacy skills in their businesses; contribute to paying the fees of siblings and influencing peers to contribute to their and their families development in the same way. In addition young people who have the means are not satisfied with just a high school certificate. The businesses they develop and grow allow them to save for higher education where their aspirations are not business per se but becoming a professional engineer or doctor.

Effective models and tools not only result in effective outcomes with young people, but also provide practitioners and institutions with the models, tools and skills or means to consolidate and present their experience and outcome evidence in a way that can influence the decisions of other practitioners, institutions and sector structures. These cumulative outcomes and influence create the critical mass that is necessary to make cost efficient, outcome effective and accountable investments in a sustainable way.

6.4 About what we can do and expect

What will it take to address the above challenges and at the same time to fully realize the opportunities and potential that young people and practice leaders are demonstrating? How can we develop, share and adapt some of the models and tools that have been effectively demonstrated in different parts of the world and that provide the cornerstones of a new approach to work with and develop the attitudes, skills and knowledge of both young people and the adults and institutions that are in positions to support them? Furthermore and perhaps most importantly, how do we engage those adults and institutions (e.g. economic development departments, poverty reduction strategies and those charged with implementing the Millennium Development Goals) and demonstrate the value and role that young people, when meaningfully engaged, can offer to their perceived non-youth mandates? Where do we start? What can we realistically expect?

This paper begins with the view that we need to first understand the opportunity in the context of the experience, assets and capabilities that young people have. Practitioners need to make full use of the tools that are widely available, such as focus group analysis and asset mapping to understand young people in a more realistic light and in the context of their challenges and the opportunities they create for themselves. Adult practitioners and their institutions have to better understand how young people perceive them and what types of communication and engagement practices result in meaningful and realistic outcomes. In this paper the Sustainable Livelihood and Life-Cycle approaches have been integrated to provide a framework entitled Accompanied Livelihood Development (ALD). The following five cornerstones of effective practice are in essence the foundation of the ALD framework. They are presented below as a set of concluding remarks that are intended to contribute to taking some next steps in deepening both practice as well as the models and tools used to guide this practice.

1. Co-development of assets and capabilities: Capacity development for adolescents and youth and youth workers needs to occur jointly – not in distinct sessions as in traditional training programmes which see youth workers developed into the role of experts and youth kept in the role of dependent clients. Youth need to “teach” youth workers just as much as youth workers need to “teach” youth about their opportunities and the vulnerabilities and risks they face in realizing these opportunities. This is a hands-on experiential learning approach that emphasizes shared risk-taking, innovation and trust building and involves the development of the attitudes (mind-sets), tool-sets and skill-sets of adults to fully acknowledge and understand the stages of
adolescent and youth development and the respective vulnerabilities, challenges and opportunities. There is a need to create an environment for positive risk taking while managing the potential for unproductive risks while developing the assets and capabilities of young people based on their real experience and opportunity.

2. **Inviting and responding to influence initiative (leadership):** Recent research in Africa, Latin America, and Asia, using participatory learning and action methodologies, has confirmed that young people are taking the initiative to respond to their own needs, based on the assets they have and the social and economic context in which they find themselves. Whether this means – adapting traditional forms of village finance to fit urban realities; using the profits of their micro-enterprises to pay school fees and stay in school and assist their sisters and brothers to do the same; forming co-operative solidarity arrangements to support each other’s livelihoods aspirations; or effectively tapping their social and economic environments to assemble the assets and capital they need to start and grow their business – young people have found ways to not only survive but to develop themselves, grow their businesses and become productive community members.

The initiative of young people is beginning to influence youth development practitioners and institutions as well as sector agencies responsible for policy and its implementation. These institutions are finding that they cannot respond to the requirements and opportunities effectively unless they too operate based on a culture that emphasizes positive risk-taking, co-development and testing of models and tools (and the development of skills) with both colleagues and young people. Successful, institutions have found that they need to be open to being influenced by what young people are doing and saying and to innovative practitioners within their teams, and to provide opportunities for practitioners who emerge as leaders to integrate new practices into institutional structures.

3. **From using to adapting to owning and transforming:** New models and tools are emerging bearing the evidence of development outcomes that are cost efficient, sustainable and accountable to the governments and funders that support them and the young people they intend to affect. However, these models and tools and the skills necessary to make them effective need to be introduced in a manner that allows not only for their immediate use, but also for their quick adaptation. Only after models and tools are adapted by local practitioners and young people, working together, can they appropriate full ownership. With ownership, practitioners and youth are in a position to take the initiative to share their success and evidence with others, influencing their institutions and the sector’s structures that formulate and implement policies.

In many cases government policy is in place, however their ability to implement is weak due to a lack of expertise and resources. In other cases governments will try and “reinvent the wheel”. Meanwhile, effective innovative NGOs, schools, and other support programmes, (often based on creative partnerships among civil society, business and local governments) are in place that demonstrate the models, tool-sets and skill-sets that deliver effective outcomes. Successful institutions and partnerships can serve as models and ambassadors of the youth serving sector and need to be drawn into policy formulation and funding prioritization forums. This requires openness on the part of government to being influenced by the evidence of successful support initiatives. The growth of viable and sustainable livelihood pathways for young people can neither be expected to trickle up from youth (based on their isolated efforts) or trickle

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down to youth (based on abstract planning by institutions and governments). Growth is generated by the ability of effective programmes to take a leadership role in influencing the creation and reform of an enabling policy environment – a policy environment that is driven by partnerships that take advantage of complementary strengths of private sector, government and civil society organizations.

4. **Focusing on pathways and multiple (progressive) outcomes**: Whether the perceived end is a new or improved policy or programme or the start-up or growth of a micro- or small enterprise, these results or impacts are often unrealistic expectations for any programme whether it is a one-off demonstration project or a multi-donor, government-driven, sector-wide initiative. Development is a process – a verb not a noun. But more than not is it perceived and practiced as if it was a noun.

Effective capacity development takes time and one needs to proceed slowly, deliberately and intentionally. Young people have proven this over and over again. As young Mustafa in Tajikistan said in a recent focus group … “the micro-enterprise is not my end game. And yes I want to move from a retailer to a whole-seller, and that’s not the end game either. I need to grow my business so I can stay in school, get to university and become an electrical engineer, that is my dream and how I can offer the most to myself, my family and my community.” (Schnurr, Torres, 2005). This is Mustafa’s reality and livelihood pathway and reflects the reality of many more young people than policy makers and adults in general are willing to believe. This reality illustrates an important message not only for youth development practitioners and policy makers, but perhaps more importantly, for the economic development planners and policy makers of national governments.

There are many productive outcomes of youth enterprise and entrepreneurship development programmes, ranging from going back to school, finding employment in a family-run business, co-running a business with a family member or a peer and finding employment in a community business. The short-term outcomes that young people realize and that provide the foundation for them to attain these medium-term outcomes are a set of critical and transferable livelihood (or life) skills (e.g. goal setting, risk management, asset mapping, planning and outcome mapping, communication and assertiveness). And perhaps these attitudes, skills and tools are more valuable to them over a life time than the job or enterprise they attain in the short- or medium-term. However, they are rarely seen as indicators of success or outcomes of effective practice.

The same applies for the teacher who wants to influence the school or school board to change the curriculum. Before this happens she needs to participate in some rigorous professional development, experiment with new models, tools and materials and adapt them to suit her and her students’ needs, reflect on her experience and frame it in a way that she can then easily share it with her colleagues and school administrators. These steps are important development outcomes and need to be recognized as such. They build on each other in a progressive complementary manner. With this experience and more refined tools and skills she is in a position to demonstrate and contribute to more formal curriculum reform.

5. **Knowledge management for relevance, rigor and sustained programmes**: Conventional evaluation and monitoring and even knowledge management is
often conceived of as a process of objectively assessing and sharing results – or evaluation and knowledge management of a given programme. The author’s experience with knowledge management is more in line with how the recent literature defines effective capacity development (Lopes and Theisohon, 2004). Knowledge management is framed in the context of understanding our practice and experience in the form of the models and tools and the skills that enable the application of models and tools in a way that generates effective outcomes. One way of understanding this process is to speak of moving from experience/practice to knowledge and back to effective and sustained practice. This process involves among other things, being able to frame a programme in a way that situates the entry point and specific focus of a programme in the context of the broader sector and the actors that, through their respective responsibility, accountability and interactions with each other, have a collective influence on the structures, processes and development outcomes pertaining to that sector. Framing a programme is a way to articulate the programme or initiative as a model. Framing or understanding a programme or support initiative as a ‘model’ provides a means to begin to reflect and develop a deeper understanding of the tools and skills or practices that give one a greater probability of achieving effective outcomes. This reflection on practice in the context of a model, also results in a deeper understanding of the model and how to transfer and adapt the model and supporting tools and skills to contexts that differ in cultural, social and economic make-up.

The process of managing knowledge for effective practice also involves the application of mapping tools to understand the relationships of various partners and the intentions and outcomes of these relationships in the context of the goals and objectives of a given support initiative. It also involves among other things, the use of participatory learning and action methods and tools (focus groups, key informant discussions) with institutions, practitioners and young people as a means to stimulate and catalyze reflection. This reflection may involve assessing outcome progress, adjusting partner relationships and expectations, developing and measuring the qualitative and quantitative indicators of effective practice in a way that tells a richer, integrated development story – a story that is realistic, relevant and rigorous. This development story is connected to a capacity development model and the tool-sets and skill-sets that present a greater probability of effective co-development of sustainable programming. The ability of local actors to create and tell this story in a relevant and rigorous manner, is perhaps the most powerful way to realize ownership, take the initiative and have the influence that is needed to realistically contribute to transforming the sector.

Until Mustafa and many others like him had the chance to reflect on their practice, and tell their development story, education administrators and policy makers as well as economic development experts and planners, believed and many still believe, that promoting micro-enterprise development with school-aged adolescents and young people will only serve to draw them away from school, have the same influence affect on their siblings and peers and lock them all into a subsistence livelihood path. With a different model to frame our perspectives and the tools and skills to effectively engage young people, we

31 Knowledge management for effective and sustained practice enables organizations to achieve programme objectives and results that are cost efficient, and sustainable through the development and application of models, tools and skills to capture, learn from and share effective practices in programme design and implementation.
have found out something completely different. Not only will Mustafa continue his school, he will help make it more relevant to his needs by influencing his teacher, continue to influence his peers, strive to become a much more productive adult than he might otherwise have been and employ others along his pathway. He will not get married at the age of 15 or 20, have children and leave for work elsewhere – leaving them to perpetuate this cycle of poverty.

What compels us as adults and development practitioners to see Mustafa and his peers as people that only desire to make money to survive and subsist and that don’t value learning and personal development? What will it take for us to change our perspective and attitudes? Perhaps this is the starting point and the point we will need to continually return to in order to be able to sustain a commitment to investing in the models, tools and skills that will support adults and youth alike to co-create their livelihoods in a way that leads them to fulfil their collective potential.
Conventional government responses to youth employment and entrepreneurship

Active labour market policies: This paper shows that there is a growing number of relatively healthy young people aged 15-29 who cannot find jobs or who are severely under employed. It is far from clear that the needs of these youth are met by existing policies and economic reforms. Critics argue that the adoption of market-driven economic reforms necessarily reduces the role of the State in supporting youth. The rationale underlying the market philosophy is that, while it is generally accepted that governments should provide basic public services (in particular education and health), the provision and funding of other services should be privatized wherever possible. The main responsibility of government is to create the necessary ‘enabling environment’ for business. Kanyenze et al., (1999) observe that, while education and health budgets have been protected in nominal terms, they have declined in real terms. In addition, public expenditure on vocational education and training, which has been the most important area of public support for youth, has been declining in real terms in most countries. Elsewhere, national youth services are also being phased out due to high operational costs (Bennell, 2000).

It has also been observed that few African countries have an explicit employment policy context within which to situate their youth (Kanyenze et al., 1999). Employment generation in this context is seen as a derivative of the overall economic resuscitation that is expected to take place as economies are restructured. Kanyenze, et al., (1999) argue that this expectation is based on the false assumption that once the government puts in place the necessary conditions, the private sector may create jobs. They observe that, while creating an enabling environment for domestic and foreign private operators is evidently desirable and necessary in much of SSA, the lack of strategic planning and active measures aimed at employment generation, especially youth employment creation, by the government means that various institutions concerned with labour market issues have no proper policy guidance.

Many countries lack ‘active’ labour policies (ILO, 1999). Active labour market policies (ALMP), as defined by ILO (Kanyenze, et al., 1999), are policies which provide work to, or increase the employability of, people with certain disadvantages in the labour market. This definition was later broadened to encompass all workers, and not only disadvantaged workers (ILO, 1993). O’Higgins (2001) also defined ALMP as public transfers that linked to some form of activity, usually subsidized work experience or training with the aim of helping job seekers obtain gainful employment. According to O’Higgins, the two types of policies most commonly used are those that promote wage employment mainly through a combination of subsidized work placement and vocational training and those that encouraged young people to become self-employed and also through a combination of training in business methods, facilitated access to credit or grants and access to work space.

Public employment services and labour market information: An area of concern of this work under ALMP is Public Employment Services (PES) in most African countries. This is because of the important services it provides in the field of employment. According to Article 6 of the ILO Convention No. 88 (1994) on the organization of PES, the PES has three major functions: placement, vocational
information and guidance and labour market information. Kanyenze et al. (2000) noted that the PES could be the focal point for shaping the ALMP through provision of regularly collected, comprehensive and up-to-date labour market information. They can attract a broad range of job seekers, particularly young people, through information dissemination services on occupation, training institutions and self-employment opportunities. Government institutions and other agencies working in the employment sector might also have strong interest in this information as it will keep them informed about the needs of the labour market hence assist them in the formulation of their policies and programmes.

The PES no doubt is an important institution in the promotion and creation of employment in a country. However, Schultz and Klemmer, (1998) noted that very few PES in SSA countries provide a reasonably good service as described above and their services are merely noticed by the public or its beneficiaries. Their ability to design and implement labour market policies and programmes required to facilitate market-oriented reform is hampered by their insufficient capacity and related administration and infrastructure problems (ibid). They operate on a very low level of human and financial resources and the implementation of the activities of PES as it exists in SSA countries presently is shrinking to mere registration of unemployed (Schultz and Klemmer, 1998).

For this reason, employment institutions or agencies tend to operate in an ad hoc and uncoordinated manner, which often results in wasteful duplication of efforts among labour market institutions. It also means that the capacity to design, implement and monitor active labour policies and measures has been neglected and accorded relatively low priority, including low budgetary priority in many countries. This is manifest in the poor state of labour market information systems in much of Africa (Kanyenze, et al., 1999).

A UN report (1999) adds that there are no clearly defined policies on areas that are critical to employment creation for youth, such as rural development and the informal sector. It is argued that governments still have a tendency to treat youth unemployment as a ‘social’ rather than an ‘economic’ problem. As a result, there are no specific policies or programmes aimed at the development of the informal sector and small enterprises. This situation is worsened by the general tendency to subsume youth into the adult population in Africa. According to Bennell (2000), this is based on the assumption that young people do not face special economic and social needs that relate to their age that would give them priority over and above other economically vulnerable or ‘excluded’ groups.

The reorganization of PES through provision of necessary infrastructure, administrative support and modernization of the service to make them more relevant to the labour market in Africa is an urgent issue that needs to be looked at as one of the strategies towards solving the unemployment situation.

**Entrepreneurship Skills Development Programmes (ESDPs):** At present, many governments in Africa have embarked on major reform programmes in education. However, it is only in South Africa that reforms aimed at promoting entrepreneurship training in the education system are currently underway. In South Africa, several initiatives have been introduced to promote entrepreneurship among high school students. Examples include the Education with Enterprise Trust (EWET), which runs two schemes: the Youth Enterprise Society (YES) for secondary schools and Business Now for out-of-school youth. Another initiative called the Centre for Opportunity Development provides a structured training and experiential development programme for youth with aspirations towards starting their own businesses. In contrast, educational reforms in countries like Zambia and Malawi are mainly aimed at improving educational standards, especially in primary schools.
Elsewhere in Africa, the emergence of a discourse on ‘youth livelihoods and entrepreneurship’ in recent years has led to the introduction of Entrepreneurial Skills Development Programmes (ESDP) in countries like Gambia and Nigeria in West Africa, Malawi and Zimbabwe in Central Africa, Swaziland in Southern Africa, and Uganda and Kenya in Eastern Africa. The belief in these countries is that the unemployment problem can be solved by promoting small business enterprises. A crucial question that arises in this respect, as previously noted, is whether these enterprises have the potential to generate sufficient means to produce independent youth livelihoods, especially in a declining economy.

ESDP has been defined by Rao (1991) as any comprehensively planned effort undertaken by an individual, a group of individuals, or any institution or agency to develop entrepreneurship competencies in people. Competencies are intended to lead to self-employment, economic self-sufficiency, and employment generation through long-term education or short-term training (Nafukho, 1998).

The Gambia in West Africa provides an example of a country that has established an ESDP to promote youth employment through entrepreneurship. The formal employment sector in the Gambia, as in other SSA countries, is unable to absorb the youth from school (Nafukho, 1998). The Gambian Technical Training Institute was established to prepare candidates for mid-level employment, mainly technicians (N’jie, 1991). To encourage entrepreneurs, in 1976 the Gambian Government established the Business Advisory Service to provide expert advice to potential entrepreneurs with technical skills. In addition, the Rural Vocational Programme targets school drop-outs, illiterate artisans, and the rural poor. Operated at the village level, the training is supported by extension services for agriculture, animal husbandry, health, hygiene, and functional literacy.

Nigeria, which has the largest population in Africa (about 100 million people), provides another example of a country that seeks to promote youth employment through entrepreneurship. Approximately 10.24 million people in Nigeria work in the informal sector as owners of small businesses (Rao, 1991). Organized entrepreneurship development activity started with the establishment of the Industrial Development Center (IDC) in Owerri. By 1991, 16 IDCs had been established. ESDPs in Nigeria were designed to answer a strong need to stimulate new ventures and to provide sufficient motivational force to improve the existing situation (Tunde, 1991). They were also intended to give the recipients the ability to face and take risks and to turn their business ideas into feasible business ventures.

In Malawi, a small Southern African country with a population of about 11 million people, there are several governmental agencies involved in supporting entrepreneurship and self-employment generation activities (Mbanda, 1991). The Small Enterprise Development Organization of Malawi provides financing to motivated entrepreneurs; development activities of the Malawian Traders Trust provide advisory services to traders; the Malawi Polytechnic provides technical and vocational training; the Chitukuko Cha Amavu Cha Amavu, a non-governmental organization, provides advice to women on how to start income-generating activities; and the Malawian Entrepreneurs Development

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32 In Zambia, for instance, the Government, unable to underwrite a labour market in which there is regular or secure employment, has identified establishment of micro enterprises in the informal sector as a potential means of improving youth livelihoods. In its National Youth Policy (NYP) adopted in 1994 and the National Programme of Action for Youth (NPAY) prepared in 1997, the Government has explicitly stated that creation of enterprises in the informal sector is the only way in which young people could improve their livelihoods (MYSCD, 1996; MYSCD, 1997). This belief is also reflected in the earlier creation of the ‘Vendor’s Desk’ in the Office of the President in 1993.
Institute conducts courses and seminars for beginning entrepreneurs, established entrepreneurs, and those who neither possess technical nor entrepreneurial skills.

In Zimbabwe, the unemployment problem is being addressed by an emphasis on developing technical skills. Two centres have ESDP curricula: the Cooperative Development Center is run by the department of Housing and Community Services of the city of Bulawayo, while Ponesai Vanhu Technical Center at Shamua is run by the Mashonaland Central Development Association and provides management skills to those leaving school with various trades. It also provides skills training in agriculture, building, metal work, and home economics to former military employees.

Swaziland, one of the smallest countries in Africa with a population of 700,000 people, is another example of a country trying to promote youth entrepreneurship. Its economy is heavily dependent on South Africa, and only about 10 per cent of the population is in wage employment. The first ESDP, the Small Enterprise Development Company, was established in 1970 by the government with the assistance of the United Nations Development Programme. Other ESDPs include the Manzini Industrial Training Center (a business management extension that gives training information (with the assistance of USAID) and the Swaziland Training for Entrepreneurs Project. All three organizations provide financial assistance, baseline information, technical assistance, documentation, and distribution of relevant information regarding entrepreneurship (Banks and Mbelu, 1991).

The Ugandan Government, with the assistance of UNICEF and UNESCO, started the Namutamba Project, known as Basic Education Integrated into Rural Development Project. The project started with a teachers college and 15 primary schools and has spread to other training colleges and secondary schools. Other institutions concerned with developing positive attitudes and cultivating entrepreneurial spirit include the Young Farmers Association, the National Youth Organization technical schools, cooperatives, and vocational youth centres.

In Kenya, the Government has responded to the problem of youth unemployment by setting up specialized vocational and technical training institutions. The country has more than 500 youth polytechnics, 20 technical training institutes, 16 institutes of research science and technology, and three national polytechnics. These institutions offer training in technical skills, and in 1990 entrepreneurship education was added to the curriculum. In addition to government training institutions, several non-governmental organizations promote the entrepreneurial spirit among unemployed youth. These include agencies such as the Kenya Management Assistance Programme and the Kenya Institute of Management. The ESDPs are primarily suited for those who have finished grade 12 and have some form of vocational training. They will not generally serve the largest and growing demographics identified above.

The inability for the majority of young people to access ESPDs are but one of the many challenges or limitations facing many of the current programmes being offered to support and facilitate entrepreneurship among young people. Other challenges include the generic nature of national level programmes that often lack the insight and nuanced adaptation necessary to be effective in a wide range of varied local contexts. Generic models are often promoted in order to facilitate the reaching of scale. However, they do not provide the opportunity for local institutions to take initiatives and act in an enterprising manner to experiment, adapt and develop the local ownership necessary to sustain these initiatives and make them relevant to both the adolescence and young people that need to access them and the local enterprise and market opportunities that exist. These challenges raise questions about how to balance the need for standards (that can be monitored) and scalable models, with the need to provide the ways and means for local
level institutions to adapt initiatives to local context, need and opportunity and through this adaptation, provide the opportunity for local institutions and practitioners to have some ownership and influence over the outcomes, impacts and effectiveness of these initiatives. Section 5 presents a framework for understanding some of these challenges and an approach to addressing them in the context of the risks and opportunities facing young people in Africa.
Annex 2

Examples of youth assets and capabilities in the African context

**Human assets, capital and capabilities**

Human capital is defined as the technical, economic and social skills and knowledge that an individual has in relation to the demands of the market place. Young people in Africa have a wide range of knowledge and skills: they have different training needs at different stages of their life and stage of enterprise development. Younger youth, especially pre-entrepreneurs, face the challenge of their age, limited life and work experiences, limited financial resources, limited networks and contacts and age discrimination. On the other hand, older youth, especially the ‘emergent’ entrepreneurs tend to share many of the problems the general population experiences in small business development.

As noted, traditional apprenticeship systems are a major source of skills in many parts of Africa, especially West Africa. These systems should be encouraged to meet the need for training in instances where formal and non-formal training systems cannot reach youth. To improve the quality of training, master trainers should also be trained in new management and production techniques. Apprenticeship and enterprise-based technical training are appropriate interventions for all stages, but are particularly important for pre-entrepreneurs. It is however essential that these interventions are focused on market needs.

One of the key weaknesses is related to the institutional response and the perception of treating young people as a social liability rather than an existing and potential social and economic resource. While this perception is beginning to change, it has yet to make its way into the social and cultural fabric of policy and programme interventions. Treating youth as only a social development issue encourages an emphasis on supply side (skills development) that relates more to the social context rather than a combination of the social and economic and in particular the market place. As noted by Fluitman (2002), there is a persistent emphasis of state-run skills development initiatives and education systems to focus on skills and training (human capital development) in areas where there is a lack of demand.
Social Assets and Capital

Social assets and capital are defined in many different ways depending on the perspective from which one is viewing it (private sector, public sector, and the social context within which one is operating). In this framework, we consider social capital as the mechanisms, structures and norms or institutions in place, which are supportive or constrain youth enterprise and entrepreneurship development. This can range from access to the social institutions and networks, group membership and relations of trust.

Entrepreneurship concerns not only the way individuals operate in the sphere of economic activities (Rao and Wright, 1991), but it also concerns the ways in which society conditions the economy and facilitates or stifles the entrepreneurial spirit (Nafukho, 1998). According to Nafukho, the political and economic orientations of every country significantly influence the climate for entrepreneurship. Ikiara (1991) highlights the importance of a conducive business environment for entrepreneurial development in any country.

There are highly varied socio-cultural characteristics that make for success in enterprise and entrepreneurship. Some peoples are well known within their nations as ‘born entrepreneurs’ (for example Nigeria has the Igbo; Kenya has the Kikuyus). What is it that makes some tribes, families, communities, or even individuals ‘natural’ entrepreneurs? According to ‘modern entrepreneurial education’, while personality traits are important, good entrepreneurship education is also critical to the promotion of entrepreneurship. This is based on the premise, that, given a minimum of certain personal qualities, anyone can develop their entrepreneurial skills through a combination of training, experience and mentoring.

Cultural attitudes and rights of passage are part of the life stage of young Africans. Attitudes can have a direct impact on the value that young people place in enterprise. A positive cultural attitude towards entrepreneurship is emerging in some African countries like Zambia and Malawi. However, in many other countries like South Africa, people, especially youth, still put much greater value on earning wages rather than creating wealth. There is a perception that qualifications qualify people to be employed and not to create wealth. The expectation is that family sacrifices to help young people get a degree is not met if they become self-employed which is not seen as a career.

Lack of trust and ethical dilemmas present another obstacle. In some African countries, there exist ‘instantly rich people’ who become millionaires overnight by selling resources, especially public resources, unfairly obtained through corruption. This has given entrepreneurship a bad reputation (Nafukho, 1998). Entrepreneurship should not be seen as a form of corruption whereby access to scarce goods or to such strategic factors of production as bank loans is determined by political patronage rather than by the interplay of market forces. Entrepreneurs must operate so that entrepreneurship is seen instead as the ethical production of goods and services for the public good. This includes encouraging a culture which: i) helps potential entrepreneurs to make better informed decisions about starting a viable business venture, and ii) raises awareness of the positive links between competitiveness and productivity on the one hand, and sound labour relations, good working conditions, skills training, and respect for the law and workers’ rights on the other (ILO, 2002).

Examples of social assets

- Social and peer networks
- Group membership
- Relationships of trust
- Access to wider institutions of society
- Freedom from violence
- Community and family support for self-employment
- Peer networks
- Voice and feelings of inclusion
A perception that entrepreneurship is a strong opportunity for young people must be nurtured if they are to gain experience, self-esteem, and employability and create wealth. As the UN Secretary-General’s Youth Employment Network (2003) suggests, nurturing such a perception will require doing the following:

- **Strong PR campaigns** to reduce the fear of failure and boost perception of the value of entrepreneurs to society. Reward risk taking.
- **Use case studies and identify heroes and champions** from among young people and successful entrepreneurs. Persuade experienced business people to promote self-employment as a genuine career option for young people.
- **Create prestigious awards** to celebrate the success of entrepreneurs, make heroes of entrepreneurs.

For entrepreneurship to flourish, a reasonable infrastructure of service institutions in the financial, administrative, legal, and educational fields is needed. Unfortunately, these factors are not adequately provided in Africa (Nafukho, 1998; Kiggundu, 2002). If these are not addressed, much time and resources could be wasted in trying to work within a climate that is hostile to entrepreneurship.

### Promoting entrepreneurship with integrity

Many countries have promotional programmes that encourage people to set up and operate their own enterprise. However, these programmes normally emphasize business and market-related issues, paying scant attention to social and labour matters. The ILO seeks to promote an entrepreneurial culture within which cooperative and private enterprises strive “... to create and strengthen an enterprise culture which favours initiatives, enterprise creation, productivity, environmental consciousness, quality, good labour and industrial relations, and adequate social practices which are equitable.” Such an entrepreneurial culture should take account of the benefits and pitfalls, as well as the duties associated with establishing and managing an enterprise. Entrepreneurship, it should be noted, is not for everyone. It is about taking calculated risks in the business environment – risks which should not unduly jeopardize the assets and resources of the business owners, their workers and their families. Therefore, entrepreneurs should be more aware of the potential advantages and disadvantages, as well as the responsibilities of ownership, in order to make informed choices about going into business.


Social networks (relations) have an impact on enterprise promotion. The question is how can young people integrate or use their own networks to move ahead. What role can cooperatives play? The evidence in this paper shows that informal entrepreneurs in Africa are invariably embedded in a set of relationships with family members, relatives and friends who may work for them or provide business-related services, such as market information. In most cases, these relationships are critical to success in the informal sector.

However, most youth, especially younger youth, lack deep social relationships and contacts. This has a negative impact on business performance. This situation is not helped by the general absence of enterprise associations in the informal sector in many countries, which reduces their political mobilization. Contrary to the competitive pressure view (Sanyal, 1991), we suggest that the absence of these associations may be a reflection of the low stage of enterprise development in many African countries. This is manifest in numerous ‘nameless’ income-generating activities. The development of informal associations is further complicated and weakened by the heterogeneous nature of activities in the informal sector.
Another form of social assets is the availability of mentors and business role models. As noted above, the majority of youth proprietors in Africa do not come from a business background. In addition, most of them have no mentor support for their enterprise operations. As White and Kenyon (2000) observe, mentor support, mainly in the form of informal advice and guidance from someone who has good business experience and, in some cases, business networks, may assist youth proprietors. This particularly applies to younger youth, most of whom have little or no experience and business contacts. On the other hand, role models are people who present an image of success and achievement. Role models are important as a source of inspiration and motivation, and especially for supporting the initiative of young people to consider and explore self-employment and enterprise as a viable career option. This notion of role models and the broader concept of accompanied initiative are central to the work of Street Kids International, an organization working with street active youth. Accompaniment is really the art of engaging young people and breaking down barriers in communication that are often part and parcel of the perceptions and attitudes of adults and authorities, that view young people as social liabilities and in need of help or welfare-driven approaches.

Many of the most successful entrepreneurs started out with the support of mentors or in a partnership or cooperative setting. Mentoring and accompaniment can also take place in the context of peer to peer relationships or in cooperative settings. Formal cooperative settings can provide some of the best social capital for the nurturing of enterprise, creating an enabling environment for managed risk relationships. While cooperatives can be very formal in nature and if not already in place, can be difficult to establish. However, there are many examples of informal networks and partnerships that are developed to provide peer-to-peer support and to share in the taking and management of risk.

According to the ILO 2002 report on entrepreneurship development, “cooperatives are particularly attractive for self-employed persons in the informal and rural economies because they provide their members with economic services (e.g. saving and credit facilities), and serve to give them voice and representation. Cooperatives have been particularly successful in empowering informal economy workers, notably women, and have often paved the way for their unionization. The SYNDICOOP programme in Rwanda, Uganda and the United Republic of Tanzania was developed to organize informal economy workers into cooperatives through the joint action of national trade

Cooperative entrepreneurship

Cooperative entrepreneurship is also being encouraged as cooperatives are, by definition, value-based organizations. Recommendation No. 193 recognizes the seven universal cooperative principles, as well as values such as self-help, democracy and solidarity. Cooperative enterprises seek to render efficient economic services to their members (as well as generating a financial surplus), with control based on membership rather than invested capital. As they are often local in nature, such enterprises show concern for local communities and their environment, as well as for their employees. As democratically managed enterprises, they provide their members with voice and representation in addition to the financial benefits accruing from economies of scale and greater bargaining power. In addition, there is some evidence that cooperatives can have a higher survival rate than private enterprises.

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33 Voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for the community.

34 A 1999 study by the Ministry of Commerce and Industry of Canada found that cooperatives had a survival rate nearly twice that of private businesses.
union organizations and cooperative movements. A similar programme will shortly be launched in South Africa (ILO, 2002).

Given young people’s lack of supportive social networks and weak informal enterprise associations, there is need to emphasize the role of cooperatives, associations and partnerships that can help to cushion the risk and broaden the channels and networks to access productive assets and resources. These could be commodity specific associations that are ideally linked to local business associations.

**Physical assets and capital**

Physical assets are defined as any fixed capital that is necessary for the development of an enterprise and product. This can range from land and the environment and include a physical space to work. Access to land is a crucial requirement for any informal entrepreneur. Space is required for any business site and this is an important factor in creating a separation of workplace from home. This separation itself is important in entrepreneurial development. In some countries, there has been an attempt to establish industrial estates to ‘incubate’ small enterprises. However, it is clear that while such industrial estates may solve the land problems of the small-scale enterprises, they do not offer access to informal enterprises, which most youth set up. To secure a location in most existing estates, however, the entrant must provide evidence of registration and tax payment, which most informal activities lack. Industrial estates may also be of little relevance to the land problems because many informal activities spring up in response to identified local and neighbourhood needs. Restaurants spring up quickly in construction sites, educational and other such sites.

To address the space problem, central and local governments should come up with programmes aimed at providing the youth proprietors with access to affordable, strategically located places of work. In particular, youth ministries and municipal authorities should work towards harmonizing youth policies with council bye-laws (and other state laws) in order to remove existing legal constraints to the operations of youth entrepreneurs, especially in the informal sector. Apart from ‘de-criminalizing’ youth enterprises, this will result in reduced uncertainty and insecurity in the informal sector.

Negative official attitudes towards the informal sector are common-place in Africa. This paper shows that the majority of young Africans work in the informal sector. This sector is the main source of employment and income in contemporary Africa. Despite this reality, it is common to find an adverse reaction to the informal economy where young entrepreneurs operate but are unable to grow due to lack of access to reasonable sources of finance and fear of regulation and taxation.

Specific responses to the challenges facing youth may vary from one African country to another, but a notable convergence has been a growing interest in, and emphasis on, the role and potential of the informal sector in employment generation (Mulenga, 1998; 2000; Nafukho, 1998; Barasa and Kaabwe, 2001). There is need to address the question of granting institutional recognition to the informal sector. This could lead to the formulation of policies on the informal sector and ultimately provisions
to enable the access of its inclusion into the mainstream economy and access more conventional sources of finance.

**Financial assets and capital**

The availability of finance and financial support services is critical for enterprise creation and growth, and micro-finance institutions have made a significant contribution to assisting those in the informal economy and micro-enterprises. The market for MSE finance is, however, characterized by high transaction costs and substantial default risks; these underlying causes for frequent market failures can be addressed by innovations in financial services, and by changes in the institutional infrastructure and policy. Policy makers often compensate for the under-supply of small-scale financial services, by promoting locally based private-public banks, relaxing collateral requirements, loan guarantee funds or subsidies. Research has examined the impact of financial sector reform and liberalization on micro-entrepreneurs’ access to capital, and it was found that such policies, while necessary to entice banks to go “down-market”, are far from sufficient to ensure a broad-based responsive financial sector. In many cases – particularly in Africa – mere liberalization leads to a contraction of the branch network, leaving entire regions in rural and peri-urban areas unserviced by banks. Liberalization needs to be accompanied by strict supervision and monitoring, by actively encouraging alternatives such as micro-finance institutions, and by measures to encourage the small business community to create its own financing mechanisms.

The main problem with existing micro-financial services is that they are measured strictly by the default rates of clients and there is no provision for understanding and dealing with and learning from failure. There are, however, emerging micro-finance schemes that focus on young people, and use a range of measures to manage both risk and failure. They include: 1) graduated credit; 2) peer monitoring; 3) integration of saving from the start; and 4) accompaniment through business coaching. The graduated credit approach that starts with very small loans with quick turn-around provides a productive means for dealing with and learning from failure.

Facilitating the access of different categories of youth entrepreneurs to financial services is a delicate matter that requires careful consideration. For younger youth (both ‘pre-entrepreneurs’ and existing entrepreneurs), specific youth savings and credit schemes would be more appropriate to address their credit needs for both start-up and working capital until such a time that they are ready to ‘graduate’ to the formal financial market. Under these schemes, a combination of savings programmes, small loans along with coaching from mentors or peers can prepare them for larger loans.

For older youth (both ‘budding’ and ‘emergent’ entrepreneurs), the strategy should focus on helping them access the formal, private money. The youth should also be provided with financial management skills, including record keeping, savings, opening bank accounts, and preparing feasible business proposals. Given that banks are risk averse, incentives should be put in place to encourage banks to lend to young people who are seen as ‘risky’. Mead and Lieholm (1999) identified the no-growth (existing or emergent entrepreneur) stage as a stage where credit can be strategic. These enterprises have gone through the teething stages of development and are often looking for credit to

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**Examples of financial assets**

- Cash-flow and gifts
- Savings
- Loans
- Remittances or entitlements
- Money transfers
- Insurance
assist in paying workers more reliable wages, and for being able to purchase inputs in quantity and at regular intervals.

Paradigm shift:

From micro-credit for enterprise development to micro-finance for the poor

A paradigm has emerged in micro-finance in the past few years that shifts the focus from credit for enterprise development to financial services for the poor. This new paradigm suggests an approach that involves a more diverse set of institutions, and provides more diverse products and services – not just micro-credit, but savings, money transfer, and insurance. The new paradigm grew out of the recognition that all people, including the poor, use credit for many other things, not just enterprise development. It recognizes that credit and savings play an important role in helping poor people manage risk in their lives.

Paradigm shift is good news for adolescents: There is also a growing recognition in the new ‘client driven’ paradigm of micro-finance institutions that savings products need to be adapted to different groups. Micro-finance institutions are open to the idea of savings for adolescents as they see adolescents as a potential client group. The challenge is getting savings products adapted to the needs of adolescents. In fact, there are examples of credit unions and cooperatives that already have youth-oriented savings products – often tied to education. There is more to learn from these experiences.

There are several ways that savings can be tailored to fit the needs of adolescents. One way is to allow for small amounts to be deposited. Another is to make policies and procedures simple to understand. Policies have to be established and clearly communicated. Training adolescents on policies and procedures and how to use their savings accounts, and how to set up savings plans is important. Including incentives for discipline is also important – this is an important principle in savings programmes for adolescents – as discipline needs to be taught. It is also important to consider both commitment and non-commitment savings. This is the difference between a more flexible and more disciplined approach to savings. Flexible savings should be easily accessible – so they can be used in emergencies. There are lots of fun ways to promote savings, developing savings plans, and encouraging savings discipline... discipline that offers value beyond the benefits of savings.


According to Sebstad, who has conducted research for the Population Council on financial services and adolescents in Africa, savings are very important for adolescents and is probably the most relevant and realistic financial service that can be offered to young people between the ages of 15-19 (Sebstad, 2004). We would also add that savings along with small, graduated loans with coaching and proper risk management needs to be considered with those young people that are in need and have the initiative and incentive to honour their commitments (e.g. young heads of households, AIDS orphans).

Savings begin with the process of building financial and other assets that can be used as collateral. Savings develop discipline and the incentives that are essential for successful enterprise development. If you are not risking your own hard earned money and capital you are less likely to feel compelled to honour commitments. The incentive to save can be linked to making one more credit worthy as well as being able to manage cash flow and pay down debt. Money saved can help adolescents deal with vulnerabilities such as emergencies by providing a cushion or protection in case of emergencies. They smooth consumption so money is available when income drops or is interrupted. Savings can be used to meet short and longer term goals – to pay for training fees, set up a household, save for marriage. Savings can be introduced to adolescents at an early stage. As indicated above in Section 3, many adolescents already have some form of savings – often informal through their parents or relatives. Sometimes this occurs through a joint bank account with a parent. The amounts saved are small, and savings patterns are irregular. But it indicates that adolescents have a capacity to save (Sebstad, 2004).

In addition to the recent research with adolescents the Population Council has also indicted that micro-finance institutions in Africa that they have consulted with have been enthusiastic about working on savings products for adolescents. They are interested in promoting savings clubs and linking them to their banks. Bankers see the advantages of
getting young people involved with banking at an early age through savings accounts, and are interested in doing it (Sebstad, 2004).
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