

Informal Networks and Youth Self-Employment in Zambia

By

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DECLARATION

I, Moonga Hangoma Mumba, declare that the content of this thesis is my original work, certify that any material previously published or written by another person is duly acknowledged, and that, this thesis has never been submitted to any university or other institution of higher learning for award of any academic qualification.

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APPROVAL

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ABSTRACT

The study examined the role informal networks play in influencing self-employment among the youth in Zambia. The target were males and females aged between 15 and 35 years, who operate their own businesses in Lusaka's New Soweto and Mtendere markets. For fieldwork data collection and analysis, mixed methods techniques were used. On the quantitative side, a survey using a semi-structured questionnaire was conducted involving a sample size of 141 self-employed youth while in-depth interviews and non-participant observation with 10 purposively selected self-employed youth were used on the qualitative side.

Findings reveal strong ties, particularly family and friends, playing a significant role and making it possible for most self-employed youth to achieve certain ends that would not be attainable in the absence of such support. The study shows strong ties not only providing resources such as information, finances, skills, and trading space among other things, but also facilitating the discovery of business opportunities among some young people. Findings also provide evidence showing challenges some self-employed youth face in accessing support from strong ties, simply due to lack of trust, non-approval business, and jealous among other reasons. The study further shows sketchy evidence on the use of weak ties in accessing resources among self-employed youth. In order to maintain links and continue drawing support particularly from ties outside family circles, the self-employed youth often have to 'invest' in the network by extending certain favours. However, findings show that reciprocity is not always guaranteed, thus increasing transaction cost to the disadvantage of the self-employed youth.

The overall conclusion the study draws is that while informal networks exist and are used in the Zambian context, they only serve as a fall back mechanism for survival and cannot solely be relied upon as a basis for sustaining self-employment among the youth in the country. Depending on the context and circumstances, informal networks can enhance or constrain self-employment among the youth. The study thus recommends embracing the context surrounding self-employed youth in designing policy interventions. Given their situation, government support remains very crucial if self-employment is to contribute effectively in reducing unemployment and vulnerability among the youth in Zambia.

To my dear wife Patience and my children: Chileleko, Nkombo and Muumbe.

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I exclusively take responsibility for content and acknowledge that there exists credible prospect for its improvement.

Moonga Hangoma MUMBA

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ACRONYMS AND ABBREVIATIONS

CDF	Constituency Development Fund
CEEF	Citizens Economic Empowerment Fund
CSO	Central Statistical Office
CRP	Critical Realist Perspective
DfID	Department for International Development
DTEVT	Department of Technical Education and Vocational Training
FBOs	Faith Based Organisations
FNDP	Fifth National Development Plan
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GRZ	Government of the Republic of Zambia
HDI	Human Development Index
HEI ICI	Higher Education Institutions Institutional Cooperation Instrument
ICT	Information Communication Technology
ILO	International Labour Office
IMF	International Monetary Fund
ISIS	Import Substitution Industrialisation Strategy
LCC	Lusaka City Council
MFNP	Ministry of Finance and National Planning
MMD	Movement for Multiparty Democracy
MSYCD	Ministry of Sport, Youth and Child Development
MUZ	Mineworkers Union of Zambia
NCDP	National Commission for Development Planning
NELMP	National Employment and Labour Market Policy
NGOs	Non-Governmental Organisations
NPAY	National Plan of Action for Youth
PF	Patriotic Front
PSRP	Public Service Reform Programme
PTA	Parents Teachers Association
SAP	Structural Adjustment Programme
SIDA	Swedish International Development Agency
SMEs	Small and Medium Enterprises
SNDP	Sixth National Development Plan
SSA	Sub Saharan Africa
SPSS	Statistical Package for Social Sciences
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
UNDP	United Nations Development Plan
UNIP	United National Independence Party
YEF	Youth Empowerment Fund
ZBS	Zambia Business Survey
ZCTU	Zambia Congress of Trade Union
ZPA	Zambia Privatisation Agency

1. PROBLEM AND RESEARCH AGENDA

1.1 Introduction and Background

The youth constitute half the world's population with developing countries having the largest youth cohort. About 1.2 billion people in developing countries are aged between 12 and 24 years of which, Sub-Saharan Africa (here after SSA) has the largest proportion (Herrera, 2006). Youth unemployment stands as one of the major challenges affecting SSA with between 60% and 75% of the youth unemployed (Chigunta, 2007; Herrera, 2006). Zambia, just like many other SSA countries, has the largest segment of her population constituted by the youth. Young people aged 25 years and below in the country account for 68 percent of the country's estimated population of 13.3 million people (Sixth National Development Plan - SNDP, 2011). In Zambia, the contractions of the formal labour market, rapid population growth, poor economic performance¹ and recently non-inclusive economic growth, among other factors have led to a growing trend of youth unemployment (Chigunta, Chisupa and Elder, 2013; UNDP, 2007; Chigunta, 2007; Mulenga, 2000).

In response to challenges of scarce formal employment opportunities, many people, in particular the youth, have turned to self-employment, mostly in the informal economy. Self-employment is now widely seen as a solution to youth unemployment problems in both developed and developing countries (Cui, 2009; Tanga, 2009; Hechavarria and Reynolds, 2009; ILO, 2007; UNDP, 2007; Chigunta, 2007; Grieco, 2007; Herrera, 2006; Muuka, 2003; Shane, 2003; ILO, 2002). In developed countries, self-employment is often viewed in relation to issues around competitiveness and innovation in the formal economy, while self-employment in Africa is mostly associated with the informal economy. The informal economy on the continent has attracted many young people due to perceived fewer demands for entry² among operators to begin business (Herrera, 2006; ILO, 2002). Africa's informal economy accounts for almost 80 percent of non-agricultural employment, over 60 percent of urban employment and over 90 percent of new jobs over the past decade (ILO,

¹ The Zambian economy had tremendously declined from the early 1980s and it only started to register a steady growth around 2002 (Chigunta, 2013).

² However, in some literature (e.g. ILO, 2002) it is also established that entry in the informal economy is not as simple as is usually perceived.

2002). For SSA, statistics on the informal economy employment stand at 67 percent and this sector is responsible for over 90 percent of new jobs in the region (Tanga, 2009; Chigunta, 2007; ILO, 2002).

As already mentioned, youth unemployment in Zambia has been worsened by the introduction of neoliberal economic reforms in the 1980s and 1990s. Retrenchments in the public sector, privatization, and closure of state-owned industries and companies, drastically reduced formal employment opportunities for job seekers (UNDP, 2007; Chigunta, 2007; Herrera, 2006; Mulenga, 2000; MFNP, 2006).³ Accordingly, the labour market in the formal economy has not been able to absorb the increasing number of job seekers (MFNP, 2006) as over 300,000 youth join the labour market each year (CSO, 2007). The Zambia Business Survey (ZBS) (2010:5) indicates that out of 4.1 million Zambians who are employed, a combination of the formal private sector and government employ only 12 percent. Unemployment in Zambia has affected all segments of the society. However, the youth and women are the most disadvantaged social groups (Hansen, 2010; MSYCD, 2006).

Self-employment among the youth in Zambia accounts for a greater portion of active labour force (Hansen, 2010; Bigsten and Tengstam, 2010). The ZBS (2010:5) shows that out of the mentioned 4.1 million Zambians who are employed, 88 percent work in the informal economy.⁴ While some young people have managed to establish businesses of their own, others only sell their labour power as employees for other people⁵, within the informal economy. However, the informal economy faces a lot of problems, including lack of official recognition and support, threatening the viability of self-employment as an option for reducing youth unemployment in SSA (Chigunta, 2007; Hansen, 2010).

³ Hansen (2010) indicates that formal employment in Zambia between 1992 and 1999 dropped from 17 percent to 11 percent of the labour force.

⁴ Chitendwe (2003) and CSO (2004) put the figures of 83 percent as those involved in the informal economy in Zambia.

⁵ Bigsten and Tengstam (2010) define the informal employment as employment where the employed persons are not entitled to paid leave, pension, gratuity and social security, and work in an establishment employing five persons or less.

1.2 Statement of the problem

Self-employment among the youth in the informal economy has become dominant in Zambia. Paradoxically, its growth seems not to be matched with resources availed to players through official channels such as government (Hansen, 2010; Chigunta, 2007; ZCTU and MUZ, 2004). Most operators in the informal economy face difficulties in accessing capital, land, information, technical and management skills, suitable working space, and other incentives necessary for entrepreneurship growth (Hansen, 2010; Tanga, 2009; UNDP, 2007; Chigunta, 2007; Roever, 2005). Literature elsewhere indicates that in places where there is limited support through relevant official channels, operators develop their own 'political economy' - their own informal or group rules, arrangements, institutions and structures for mutual help and trust, providing loans, organising training, transferring technology and skills, trading and market access, enforcing obligations, etc. (Mair and Marti, 2009; ILO, 2002; Koniordos, 2005; Leftwich and Sen, 2009). However, there is limited knowledge in the Zambian context regarding which informal systems the self-employed youth rely on and how such facilitate or constrain their business activities. This study therefore situates the self-employed youth within their socio-economic, cultural and political environments in order to understand what it takes for them to be self-employed. It attempts to identify and explore different types of ties the self-employed youth may have and the various processes involved and how they unfold in accessing and utilising such support in relation to their business. However, such an inquiry makes more sense to start with establishing why the youth settle for self-employment in the first place.

1.3 Aim and objective of the study

The aim of this study is to make a contribution to the social capital debate by understanding the role informal networks play in influencing self-employment among youth in Zambia. The main interest in the study is to establish the types and nature of ties self-employed youth utilise in relation to their business activities. Through the study, the objective is to develop a rich understanding of informal networks and how they operate in supporting self-employment among the youth in their given context in Zambia. However, as mentioned

earlier, it was also felt necessary to begin the enquiry by establishing motivating factors to get into self-employment among the youth before exploring how they mobilize resources through informal networks. The study was broken down into the following specific objectives:

- i. To investigate determinants of entry into self-employment among the youth in Zambia;
- ii. To identify and analyse informal networks and resources the self-employed youth have and how such are accessed and utilised in support of business in Zambia; and,
- iii. To identify opportunities and obstacles self-employed youth face in accessing and utilising informal networks in Zambia.

1.4 The research questions

This study had two main research questions based on the study objectives; one at a theoretical level and the other one at an empirical level. At a theoretical level, the overarching question was: does social capital play a role in supporting self-employment among the youth in Zambia? At an empirical level, the key research question asked was: what is the nature and relative influence of informal networks on self-employment among the youth in Zambia? In order to answer these two broad questions, the study was guided by the following sub-questions:

1. What are the determinants of entry into self-employment among the youth in Zambia?
2. What role does social capital play among self-employed youth in Zambia?
3. What types of informal networks do the self-employed youth utilise and why?
4. What resources are mobilised through informal networks and how?
5. What are the dynamics involved in accessing and utilising informal networks among the self-employed youth?
6. What challenges do different categories of self-employed youth face in accessing and utilising informal networks and why?

1.5 Significance of the Study

The subject of self-employment is very important not only in developing countries where there is a growing interest in entrepreneurship as a catalyst for growth. In the United States of America (USA) as well as in the European Union (EU), there have been calls for more support to entrepreneurs. For the USA, the call is meant in order to regain her economic competitive lead in the world economy while in the EU, the Lisbon Declaration of March, 2000 explicitly identified entrepreneurship as key to being the most competitive world region by 2010 (Naude, 2008:1). Surprisingly, in as much as entrepreneurship is perceived to be of great importance, particularly to developing countries, it is the least studied significant economic phenomenon (Naude, 2008). Most studies on the subject focus on developed countries (Stevenson, 2011). For instance, in an extensive survey of the mainstream literature, Van Praag and Versloot (2007:3 cited in Naude, 2008), found out that most surveys deal with advanced economies, stating that the contribution of entrepreneurs to economic development may differ in developing countries. Naude, furthermore contends that, despite the progress, entrepreneurship in economic development remains a relatively under-researched phenomenon. Shane (1997:86 cited in Naude, 2008:1) also observes that out of 474 reviewed papers on entrepreneurship in 19 different international journals, all 13 most frequently published authors, reside in advanced economies and their works deal with advanced economies.

Bruton, et al (2008:5 in Stevenson, 2011:48), also made the following observation after a literature review of nine leading management and entrepreneurship journals:

‘[G]iven the importance and the steady growth of the emerging economies worldwide, it is somewhat surprising that over the last 17 years only 43 articles have been published on entrepreneurship in that domain. It is particularly startling that there is virtually no research on the poor in the subsistence economies of the developing world. These economies hold a billion people, one sixth of the world’s population’.

Sriram and Mersha (2006:143 in Stevenson, 2011:53) note ‘that very few studies of the factors that influence entrepreneurship have been conducted in Africa.’ Stevenson (2011) highlights that two contemporary and relevant journals, namely the Journal of

Developmental Entrepreneurship and Entrepreneurship and Regional Development, were selected and researched in detail using the search terms 'Africa' and 'Entrepreneurship' for a 10 year period (2000-2010). When the subsequent list of 94 relevant articles was reduced by eliminating studies on South Africa and African-American entrepreneurship, less than 20% of those articles were found to relate to SSA (Stevenson, 2011). Therefore adding a voice to this under-researched area in SSA is important.

It is also important for practical reasons to understand conditions under which self-employment exists among the youth in the country. Practically, self-employment plays an important role in the economies of developing countries; in the light of ever reducing formal employment opportunities, continued swelling in numbers of job seekers and in an environment where the population is ever increasing. Zambia is one of the countries in SSA with high levels of unemployment generally due to poor economic performance following the structural reforms of the 1990s. At the same time, the country's population has grown fast from 3.5 million in 1963 to 13.1 million in 2010 (CSO, 2012). Learning conditions that either enhance or stifle self-employment among the youth can help in identifying better ways to reduce unemployment and poverty among the youth in Zambia.

Self-employment also creates employment opportunities for the young people who own the business (Chigunta...et al, 2005). Through self-employment, the youth who are alienated and marginalised gain entrance into the economic mainstream. Their success can have a direct effect if new entrepreneurs manage to employ their fellow youth. This may also help to address some of the socio-psychological problems including prostitution, drug abuse, stealing and other vices that arise from joblessness among the youth. Youth run enterprises also help to provide goods and services to society especially the local communities. New firms also tend to raise a degree of competition in product market, thereby bringing gains to consumers (Chigunta...et al, 2005).

Successful creation of businesses among the youth can also result in the creation of linkages between the youth entrepreneurs and other economic actors through activities such as sub-contracting, franchising, among others (Chigunta...et al, 2005). Entrepreneurship among the youth also promotes innovativeness and resilience as it encourages young people to find

solutions, ideas and ways of doing things, through experience-based learning. They also create social and cultural identity, as there is a stronger sense of belonging where young people are valued and better connected to society (Chigunta, 2005 citing OECD, 2001 and White and Kenyon, 2000).

Furthermore, this study adds new insights and fills gaps to the existing body of knowledge on social capital and the role informal institutions play in supporting self-employment among the youth. With limited knowledge on how social capital operates among young people in self-employment, the study is timely as self-employment seems to be highly emphasized as a channel for reducing unemployment and poverty in the country. As far as the researcher knows, no such study has been conducted in Zambia.

1.6 Limitations of the study

This study was not without limitations. Among limitations that should be noted include limited time in which the collection of data from the field was undertaken. Particularly on the qualitative research side, spending less time in the field usually presents challenges in establishing a good rapport with research participants. This was something experienced when undertaking fieldwork in this study, among the self-employed youth who were purposively selected for in-depth interviews. However, it was compensated by frequent visits, which helped to 'open' some participants beyond the researcher's expectations. Further, it helped to identify and eliminate two non-qualifying individuals who were earlier on included in the research (more details are given in the research design and methodological chapter of this study).

Results of this study should also be treated with caution on account that only two sites out of many markets in Lusaka were used for the investigation. The desire in this study was not about understanding the wide spread of the phenomenon under investigation, but to yield deep insights in a given context. Notwithstanding these limitations, the study provides helpful insights in understanding the role informal networks play in influencing self-employment among the youth in their given context in Zambia.

1.7 Outline of the thesis

Following this introductory chapter is chapter two, which deals with the conceptual and theoretical framework that guides this study. This chapter begins with operationalising key concepts which are youth, informal networks and self-employment before addressing theories related to the subject matter. Among theories explored include institutional theories and the notion of social capital together with social embeddedness, which were adopted as the analytical lenses for the study. The third chapter is dedicated to address the 'state of the art' in knowledge on the subject of informal networks, youth and self-employment in Africa. Studies in the review are grouped according to key themes they address. Towards the end of the chapter, a summary discussion of the findings from the literature review is provided. Chapter four gives a detailed account of the philosophical view of knowledge (critical realism) used, the research design, methodology and techniques guiding the study. It also gives a detailed account on the sources of data including the study sites, target population, the sample size and sampling techniques, methods used in collecting, processing and analysing data. Before presenting findings in relation to objectives of the study and discussions thereof, there is chapter five which sets out to explore a complex wider social context in which self-employment among the youth in Zambia emerges. Among aspects discussed are the political economic history of Zambia, the government policy and intervention related to youth, social and demographic developments such as population growth, unemployment, poverty, etc., and economic and labour market dynamics, which define the opportunity structure and constraints within which self-employment emerges among the youth in the country.

Chapter six addresses the empirical findings and discussions based on the objectives and the research questions that guided the study. The chapter begins by presenting some digestible statistics reflecting various demographic characteristics for quantitative survey respondents as well as brief profiles of the self-employed youth who participated in qualitative interviews. Thereafter, findings and discussion in relation to study objectives are given beginning with motivating factors to get into self-employment before presenting findings on the role of informal networks in supporting self-employment among the youth. Chapter seven, which is a concluding chapter, begins by giving a brief summary of empirical findings

in relation to research questions guiding the study. Thereafter the chapter draws key lessons based on the findings and discussions. It also provides theoretical reflections on social capital and social embeddedness as well as the methodology that were used in the study. The chapter ends by suggesting possible areas for future research.

2. CONCEPTUAL AND THEORETICAL FRAMEWORK

2.1 Chapter introduction

This study explores the influence of informal networks in self-employment among youth in the informal economy. In this chapter therefore, the conceptual and theoretical framework guiding the study is given. The chapter begins by giving operational definitions of key concepts in the study which are youth, informal networks and self-employment before introducing different theories related to the study. Among theories, the chapter pays particular attention to is the institutional theory and the notion of social capital together with social embeddedness, which are used as analytical lenses in the study. Towards the end of the chapter a theoretical-analytical framework guiding the study is given.

2.2. Youth

The term 'youth' is a fluid and nebulous concept (Maina, 2012). Langevang (2008) describes it as a fuzzy and slippery concept. Youth can be taken both as a social position which is internally and externally shaped and constructed, as well as part of a larger societal and generational process, and a state of becoming. Different approaches are used in qualifying a person as youth or non-youth (Langevang, 2008). Among approaches used to understand who a youth is include: demographic (chronological cut-off point in age), socio-cultural markers (specific behaviours, roles, rituals, rites of passage and relationships which embrace notions of adulthood, attainment of maturity or marriage-ability), biological (attainment of puberty), or economic (ability to sustain oneself). However, these vary across time, space, cultures and gender, as well as within societies (Maina, 2012).

However, the most commonly used definition, which is also being adopted in this study for the youth is a demographic one, where age is used. Under this criterion, for one to be a youth, s/he must fall within a certain age range (Chigunta, 2007; Herrera, 2006). However, the age parameters also vary in different contexts and institutional definitions (Chigunta, 2007). For instance, the United Nations classifies a youth as a person between 15 and 25 years old, whereas the World Bank considers the age group between 12 and 24 years old. The Commonwealth Youth Programme, on the other hand, defines the youth as a male or

female aged between 15 and 29 years. In various youth ministries in developing countries, the outer limit of the youth extends to 40 years; which is the expected age of economic independence (Herrera, 2006:1427). In the Zambian context, the National Youth Policy of 2006 defines the youth as male or female person aged between 18 and 35 years (Ministry of Sport, Youth and Child Development, 2006:2). It is also important to acknowledge that within the demographic definition in Zambia, youth is not treated as a homogenous category. A further distinction chronologically is made between 'younger youth' or adolescents, aged between 18 - 19 years, 'older youth' aged between 20 - 25 years, and 'adult youth' aged between 26 - 35 years. This points us to a possibility that problems faced by these sub-groups may be distinct (Chigunta and Chisupa, 2013).

However, this study adopts the African Youth Charter's definition of the youth, which considers the lower age limit as 15 years where as the upper limit is 35 years (Maina, 2012). Besides being consistent with the international definition at continental level, defining the youth as people aged between 15 - 35 years is suitable for the Zambian context as it shows consistency with the Labour Force Survey (LFS, 2008), which uses a minimum age of 15 years in describing the proportion of the economically active persons in the country. At the same time, maintaining the 35 years is in conformity with the upper age limit for the youth, as officially defined in the Zambian National Youth Policy for 2006. Further, the term 'youth' is used interchangeably with 'young people' in this study.

2.3 Informal networks

Networks can be described in a variety of ways in different disciplines (Perry-Smith and Shalley, 2003). In social sciences, a network comprises a field of social relations which studies internal dynamics linking people together. In other words, they are social ties that connect people together in society. A social network can be analysed as personal or ego-focused or as an abstract model in which society as a whole is understood as being made up of different elements linked through multiplex relations (Utas, 2012). Networks are considered at personal level in this study, with the self-employed person being a point of reference.

For networks to be identified as informal, simply entails that they do not enjoy an officially acknowledged status. However, this does not imply that such connections are negatively appraised or morally unacceptable at local level at which they unfold (Koniordos, 2005:167). If anything, it is through such networks that people may draw assistance that take a material, economic form, but also more intangibly the form of psychological and moral encouragement (Koniordos, 2005:167). Informal networks are termed differently in literature. Among terms used to refer to informal networks include 'informal support networks', 'social networks' and 'informal social networks (see for instance works of Hanson, 2005; Yussuf, 2011; Koniordos, 2005; Egbert, 2004; Kristiansen, 2004). However, in this study, all the above concepts are used interchangeably and mean one and the same thing.

2.4 Self-employment

Self-employment in the literature has various interpretations in different contexts in different countries. Components such as tax regulation, social security contributions, unemployment, sickness and disability benefits, the right to social security, among others are looked at when defining self-employment (Startiene, Remeikiene and Dumciuviene, 2010). However, one common way found in literature, on understanding self-employment is by defining its subject, the 'self-employed' person. To be self-employed entails being in business on one's own account, either on a freelance basis, or by way of owning a business, and not being engaged as an employee under a contract of employment (Startiene, Remeikiene and Dumciuviene, 2010).

The self-employed person can be classified into: an incorporated self-employed person, (that is, a person with a form of legal entity - individual firm, a closed joint stock company, limited liability company, etc.), to develop the activity; and unincorporated self-employed person, i.e. a person not having registered his or her activity); job creating self-employed person, employers and individual self-employed person (i.e., sole trader, own-account worker). The ILO treats employers as "employees working at their own expense or with one or several partners" and the nature of their work as "self-employment" for which in order to perform, they hire one or more persons in their business. Although ILO recognizes that

there is a difference between labour recruitment and work only for their own account, but it does not separate the categories in literature (ILO, 1993, cited in Startiene, Remeikiene and Dumciuviene, 2010).

Self-employment, therefore, involves earning one's own livelihood directly from one's own trade or business rather than being an employee of another or a company. People in self-employment are those individuals working for profit or fees in their own business. Individuals working without pay in family business or farm are not considered to be self-employed (Ahn, 2008:6). However, in some cases, self-employment and entrepreneurship are treated as synonyms (Startiene, Remeikiene and Dumciuviene, 2010; Olomi, 2009; Naude, 2008; Chigunta, 2007; Rosa, Kodithuwakku and Balunywa, 2006).

Generally entrepreneurship is frequently used to refer to the rapid growth of new and innovative businesses and is associated with individuals who create or seize business opportunities (Olomi, 2009). An entrepreneur therefore describes a wide range of people who start their own businesses. Naude (2008:3) argues that within economics, the entrepreneur is most often approached from an occupational definition, a behavioural definition, or an outcomes definition. An occupational view is based on the notion that a person can either be unemployed, self-employed, or in wage employment (Naude, 2008). Therefore the self-employed are loosely categorized as entrepreneurs in the context of this study.

However, it should be further noted that, in some cases where the self-employed people are viewed as entrepreneurs, studies usually distinguish between 'opportunity driven' entrepreneurs and 'necessity driven' ones (Cui, 2009; Kuada, 2009; Naude, 2008; Rosa, Kodithuwakku and Balunywa, 2006; Global Entrepreneurship Monitor- GEM, 2009; Hechavarria, and Reynolds, 2009). Opportunity driven entrepreneurs are those people who get into self-employment in order to pursue some perceived opportunities while necessity driven entrepreneurs get into self-employment out of lack of choice. Getting into business is thus taken as a means of survival (Startiene, Remeikiene and Dumciuviene, 2010; Olomi, 2009; Naude, 2008; Rosa, Kodithuwakku and Balunywa, 2006). Most self-employed people in developing countries, according to Olomi (2009) are perceived to start business out of necessity or for survival purposes. However, recent evidence, particularly in Zambia,

indicate good opportunities for starting business as motivating factors for entrepreneurship (GEM Zambia, 2013). Besides, the widespread representation of entrepreneurs along opportunity-necessity divide is an over-simplification of reality (Langevang, Namatovu and Dawa, 2012:455). Entrepreneurs who may be classified as necessity driven do not stay in this category. They can develop growth aspirations over time and become opportunity-oriented entrepreneurs (Langevang, Namatovu and Dawa, 2012:456). This account is also supported by Rosa, Kodithuwakku and Balunywa (2006).

It should be pointed out that there are also studies which hold that entrepreneurship and self-employment are not synonymous, and question whether the self-employment rate can reflect the actual level of entrepreneurship (Startiene, Remeikiene and Dumciuviene, 2010). Scholars supporting this view consider aspects such as innovation and value addition as key distinguishing features for entrepreneurship. Scholars in this category argue that innovation and value addition are not found among all self-employed people (Startiene, Remeikiene and Dumciuviene, 2010). However, the current study does not go along with this distinction between self-employment and entrepreneurship. Instead, the two are looked at synonymously and are used interchangeably in this study. Therefore, being in self-employment in this study is taken to mean those people who are on their own account and run their own businesses. It does not matter whether or not there is value addition or innovation in the business activities a youth may be involved in.

2.5 Self-employment related theories

In literature, theories that exclusively deal with self-employment are very few (Startiene, Remeikiene and Dumciuviene, 2010:262). Self-employment related theories are classified into several groups, i.e. the economic and sociological-psychological as well as the “push” and “pull” theories (Cui, 2009; Startiene, Remeikiene and Dumciuviene, 2010:262). Economic theories interpret self-employment in terms of financial motives of the person to pursue own business, while sociological-psychological theories consider non-financial objectives of self-employment such as the avoidance of discrimination in the labour market,

psychological comfort at work, implementation of goals that make an individual decide to become self-employed.

The group of “push” self-employment theories, which are also sometimes referred to as necessity driven theories, treat self-employment as an alternative to avoid unemployment, psychological discomfort, etc. In this context, self-employment is taken by default as a survival strategy, and the choice is closely related to the stagnation in the formal economy, slack labour market, and social constraints to upward mobility, commonly taken as push factors (Cui, 2009:4). On the other hand, the group of “pull” also known as opportunity driven theories, treat self-employment as the desire to earn income by realizing own ideas. Self-employment is perceived as giving business owners more opportunity to succeed, and increases their chance of upward mobility. Therefore, people in this context, are pulled into self-employment by the presence of favourable factors, rather than being pushed into it due to economic disadvantage (Cui, 2009).

However, Startiene, Remeikene and Dumciuviene (2010) contend that theoretical foundations of self-employment are mostly rooted in entrepreneurship and its subject – an entrepreneur. They trace entrepreneurship as far back as the early eighteenth century, although they claim that more interest in self-employment only came in the 1970s and 1980s, when the number of persons engaged in self-employment increased. Among early scholars identified to have studied entrepreneurship include Cantillon (1931), Marshall (1930), Schumpeter (1934), McClelland (1960s), Knight (1971) and Kirzner (1973) (see Startiene, Remeikiene and Dumciuviene, 2010, for more information on these scholars).

The dominant literature in the 1940s and 1960s concentrated on personal traits and individual circumstances of entrepreneurs as key aspects to understanding how entrepreneurs function. The traits approach provides a ‘supply-side explanation’ to entrepreneurship (Philipsen, 1998). It addresses psychological and anthropological variants associated with individual entrepreneurs. This builds on the presumption that an entrepreneur has particular personality traits which makes him/her to be more likely to start and succeed in business compared to non-entrepreneurs. Among the most prominent personal attributes associated with entrepreneurship are: goal orientation, determination,

initiative, problem solving, independence, risk taking, imagination, foresight and innovation, among others (Olomi, 2009; Balunywa, 2009; Philipsen, 1998).

However, different problems have been associated with this approach. Gartner (1989, cited in Philipsen, 1998), for instance, has found that the concepts and definitions of personal traits used in different studies differ substantially and so do the characteristics correlated with entrepreneurship. Furthermore, the characteristics found in the studies are conflicting (Stevenson, et al, 1985 in Philipsen, 1998) and many (both successful and unsuccessful) entrepreneurs have characteristics which are not on the list – implying that the character traits are not universal (Philipsen, 1998). Therefore, with limitations on the personality-based approaches, Phillips (1998) suggests that the understanding of entrepreneurship performance requires looking for explanations elsewhere. He contends that there are many questions to be raised and at the heart of the matter is whether psychological and social traits are either necessary or sufficient for the development of entrepreneurship.

2.6 Institutional theory and self-employment

The theoretical gap in giving full account on entrepreneurship identified above, in more recent research on entrepreneurship has been filled by embracing the impact of the social context of entrepreneurs on their business activities (Kuada, 2009; Turner and Nguyen, 2005). A number of authors (Casson, Guista and Kambhampati, 2010; Tang, 2009; Mair and Marti, 2009; Naude, 2008; Grieco, 2007; Dallago, 2005; ILO, 2002; North, 2001; Hollingsworth, 2000; Shane, 1998) argue that entrepreneurship thrives in a conducive entrepreneurial environment⁶. These authors pay particular attention to institutions surrounding the entrepreneur and thus have rallied behind institutional theory in explaining entrepreneurship and self-employment.

Institutional theory has gained prominence in recent times in understanding the influence of the external environment on self-employment and entrepreneurship. Institutions are said to

⁶An entrepreneurial environment refers to various economic, socio-cultural, and political factors that influence people's willingness and ability to undertake entrepreneurial activities, and the availability of assistance and support services that facilitate business process (Tang, 2009).

provide an environment within which entrepreneurs emerge and operate (Nkya, 2002; Bruton, Ahlstrom and Li, 2010:421). By definition, institutions, according to Scott (2001:49), are 'multifaceted, durable social structures, made up of symbolic elements, social activities and material resources.' Douglas North, a renowned scholar who has contributed a lot to institutional theory, defines institutions as 'rules of the game' in a society. He describes institutions as humanly devised constraints that shape human interaction. They are structures within which people interact and establish co-operative social relationships (North, 1991).

Institutional theory has proved helpful in explaining how rules shape goals, behaviours, and beliefs of individuals, groups and organisations (North, 1991; Scott, 1995 in Tang, 2009:462). Nkya (2002:16) argues that the behaviour of an entrepreneur depends heavily on the reward structure in the economy as given by an institutional framework which is characterised by a particular 'rule and norm structure.' Institutional theory emphasises the constraining nature (that is, how various types of institutions limit business activity) and also how they enable actions that create, identify and exploit opportunities (Ahlstrom and Bruton, 2002 in Tang, 2009; Scott, 2001).

Scott (2001) identifies three pillars of institutional theory, namely; regulatory, normative and cognitive pillars. The regulatory pillar represents the rational actor model of behaviour, based on sanctions and conformity. The regulative component mostly comes from government legislation and industrial agreements and standards. Rules provide guidelines for new entrepreneurs and can lead organisations and individuals to comply with the laws and in case of failure to meet obligations, sanctions are drawn on the offender.

The normative pillar of institutional theory guides organisations and individual behaviour by defining what is appropriate or expected, in various social and commercial situations. The normative aspect is typically composed of values (what is preferred and considered proper) and norms (how things are done, consistent with those values) that further establish consciously followed ground rules to which people conform (Bruton, Ahlstrom and Li, 2010; Scott, 2001). Some societies are said to have norms that facilitate and promote

entrepreneurship while some discourage it by making it difficult, often unknowingly (Baumol et al, 2009 and Soto, 2000 in Bruton, Ahlstrom and Li, 2010).

The cognitive pillar represents models of individual behaviour based on subjectively and constructed rules and meanings that limit beliefs and action. The cognitive pillar operates more at individual level in terms of culture and language and often taken for granted and pre-conscious behaviour that people barely think about (Bruton, Ahlstrom and Li, 2010).

Further, it is not uncommon for institutions to be divided as either 'formal' or 'informal' in literature. However, the distinction between the two does not usually come out clearly as the two tend to overlap (Leftwich and Sen, 2009). Nevertheless, formal institutions are perceived to be more physical and normally (written) laws, regulations, legal agreements, statutes, contracts and constitutions which are enforced by third parties. Narrowing this down to political economy, in which our present study is anchored, formal economic institutions - at least the fundamental ones in market economies – are those that define and protect property rights, determine the ease or difficulty and length of time it takes to start a business, facilitate exchange and promote and regulate organized coordination and competition (Wiggins and Davis, 2006 in Leftwich and Sen, 2009).

However, a bulk of literature also indicates that the nature of institutions in many developing countries have prevented them from advancing along the market economy (Mair and Marti, 2009; Tang, 2009; Aldrich and Martinez, 2007; Bezanson and Sagasti, 2005; ILO, 2002). What is observed in developing countries is that institutional arrangements that support markets are either absent or weak and often impede full operations of market economy (Aldrich and Martinez, 2007). Zambia is not an exception in this area; formal institutions that ought to support markets are either absent, weak, or fail to perform their expected roles in the country. Institutional challenges in Zambia include underfunding, poor co-ordination among institutions, lack of guidelines, and inadequate capacity to successfully implement entrepreneurial programmes among others (ZBS, 2010; Hansen, 2010). Literature elsewhere also shows that in societies where formal institutions are weak and compromised, informal institutions emerge as substitute for formal ones (Leftwich and Sen, 2009).

Informal institutions are the unwritten norms, customary practices, operating procedures, routines, conventions and traditions that are created, communicated, and enforced outside of officially sanctioned channels. They are generally accepted ways of doing things within a given context (Mair and Marti, 2009). Informal institutions have played an important role particularly in East Asia and some parts of Europe, especially Eastern Europe in generating economic dynamism where formal economies have been associated with failure. Informal institutions emerge where formal institutions may be incomplete and do not cover all contingencies, or because they may be a 'second best' strategy for actors who prefer, but cannot achieve, a formal institutional solution (Bezanson and Sagasti, 2005:23).

For instance, in Vietnam (Leftwich and Sen, 2009) and Greece (Koniordos, 2005), and most parts of Eastern Europe, where formal institutions are said to have been weak, informal social networks have played a significant role in reducing the risk of investments by attracting various resources and opportunities among disadvantaged social groups (Casson, Guista and Kambampathi, 2010; Bruton, Ahlstrom, and Li, 2010; Leftwich and Sen, 2009). Informal institutions have helped the self-employed to get ahead and in counterbalancing obstacles in the economic sphere. Casson, Guista and Kambampathi (2010) further contend that while informal institutions are fascinating, they are under researched.

What we observe from the above theorization is that, institutional theory is very wide. Further, bearing in mind that the regulatory aspect, which is one of the key pillars of institutional theory, is weak in Zambia as already mentioned, the present study pays particular attention on informal institutions. In this regard, a more closely associated concept to institutional theory that will help in providing an understanding on the role of informal institutions in supporting self-employment among the youth is the notion of social capital. The next subsection thus looks at social capital as it relates to self-employment.

2.7 Social capital and self-employment

Social capital is both an accepted and an elusive concept; elusive in that there exist many different views on what it constitutes (Johansson, 2003:124-126). It has got many different

definitions and applications in several fields of research, including economic development, education, democracy and governance (Johansson, 2003:124-126; Woolcock and Narayan, 2000). However, most authors who have contributed to social capital literature seem to agree that the concept incorporates the network of relationships for a member and the resources available through that network (Casson, Guista and Kambampathi, 2010; Deakins and Freel, 2009; Kuada, 2009; Tang, 2009; Turner and Nguyen, 2005; Woolcock and Narayan, 2000; Doh and Zoltan, 2010; Lindstrand, Melen and Rovira, 2006; Burt, 2001).

Social capital is a metaphor about advantage. Society can be viewed as a market in which people exchange a variety of goods and ideas in pursuit of their interests. The social capital metaphor is that people who do better are somehow better connected. Loosely speaking, the term refers to the informal networks of relations that exist between people in society, and to the beliefs and norms - like trust and reciprocity - to which those informal relations give rise and which govern the character of the networks in question (Lewis and Chamlee-Wright, 2008:109). Certain people or groups of people are connected to certain others, trusting certain others, obligated to support certain others, dependent on exchange with certain others (Burt, 2001:31-32). "To possess social capital, a person must be related to others, and it is those others, not himself [or herself], who are the actual source of his [or her] advantage" (Narayan and Cassidy, 2001:60). Putting it differently, a common aphorism "it is not what you know, it is who you know" sums up much of the conventional wisdom of social capital (Woolcock and Narayan, 2000:225). Its fundamental proposition is that network ties provide access to resources and constitute a valuable source of benefits to individuals and groups.

In other words, social capital is about people's connectedness (Deakins and Freel, 2009). It refers to the sum of actual and potential resources embedded in the relationships of individuals, communities, networks or societies. It comprises of both structure of networks and assets such as social interactions, trusting relationships and value systems that may be mobilised through a network (Tang, 2009). Social capital focuses on the resources embedded in one's social networks and how access to and use of such resources benefit the individual's actions (Casson, Guista and Kambampathi, 2010; Tang, 2009:447; Turner and Nguyen 2005:1694-1695). A basic assumption of social capital is that a person's family,

friends, and associates constitute an important asset, one that can be called on in a crisis, enjoyed for its own sake, and leveraged for material gain. What is true for individuals, moreover, also holds for groups. Social capital postulates the ability of actors to extract benefits from their social structures, networks, and that membership is crucial for the survival and functioning of individuals (Woolcock and Narayan, 2000:225).

The foundation of social capital is rooted in the works of three scholars namely; Pierre Bourdieu (1980), James S. Coleman (1988) and Robert Putnam (1993). Bourdieu is often quoted in defining social capital as the “resources that result from social structure” (Bourdieu, 1980 cited in Burt, 2001:32). Bourdieu and Wacquant (1992: 119 in Burt, 2001:32) define social capital as “the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalised relationships of mutual acquaintance and recognition”. “The volumes of social capital possessed by a given agent thus depend on the size of the network of connections he [or she] can effectively mobilise and on the volume of the capital ... possessed by a given agent, or even by the whole set of agents to whom he [or she] is connected” (Bourdieu, 1986:248-249 in Boehm, 2006:172).

Coleman, another often cited source defines social capital as “a function of social structure producing advantage” (Coleman cited in Burt, 2001:32). Social capital in this sense is defined by its function. It is not a single entity but a variety of different entities having two characteristics in common: they all consist of some aspects of a social structure, and they facilitate certain actions of individuals who are within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence (Burt, 2001:32). Putnam (1993:167 in Burt, 2001:32) grounds his influential work in Coleman’s metaphor, preserving the focus on action facilitated by social structure: social capital here refers to features of social organisation, such as trust, norms and networks, that can improve the efficiency of society by facilitating coordinated action for mutual benefit (Tang, 2009:447; Burt, 2001:32).

Social capital in the early literature tended to romanticise its effects and underestimated its negative consequences. In fact, renewed interest in contemporary social networks informing various research agenda in urban Africa came under the influence of the

international agencies like the World Bank in the wake of poor performance of structural adjustment programmes (Lorenco-Lindell, 2002). Social relations have been portrayed as fulfilling at least two functions. On one hand, they play a positive role in poverty alleviation, as they are viewed as one of the several kinds of 'civil institutions' in which the poor participate for improvements of incomes, services and welfare (Woolcock and Narayan, 2000). On the other hand, networks of personalised relationships are seen as crucial components for the efficiency of the market. Social networks are said to improve the performance of enterprises, facilitate access to market information and enforcement of business contracts, among other things, and are advanced as alternative to state regulation (Lorenco-Lindell, 2002). Literatures that romanticise effects of social capital are used by the World Bank to legitimise its policies (see for instance Woolcock and Narayan, 2000). A growing number of studies have usually not taken a serious consideration of either the wider structural constraints in which networks operate or the power relations contained in networks (Lorenco-Lindell, 2002).

From an entrepreneurial perspective, works by Mark Granovetter in his famous publication of 1985 entitled 'Economic Action and Social Structure: The Problem of Embeddedness' has inspired a lot of studies in analysing the role of social capital (Leij, 2006). Granovetter (1982) argues that economic actions are embedded in ongoing networks of personal relationships and economic goal are typically accompanied by non-economic goals which are related to the social context. Economic actions are conditioned by ongoing structures of social relations. He contends that seemingly irrational behaviour in a market situation can be rationalised once we take into account the social relations agents are embedded in. He suggests a theoretical approach that involves the paradigm of rational action, yet at the same time taking into account the social relations agents are embedded in (Leij, 2006). Granovetter (1985:490) stresses the unique roles that both concrete personal relations and structures of relations play in the daily work and accomplishments of all sorts of economic actors. Social embeddedness of economic action encompasses a mix of both weak and strong ties that are more or less within the control radius of an individual entrepreneur (Granovetter, 1985:490).

However, a distinction is usually made between bonding and bridging types of social capital (El-Said and Harrigan, 2009:1235). It is also important to note that in some literature including the works by Mark Granovetter, instead of using the concepts of 'bonding social capital' or 'bridging social capital' terms such as 'strong ties' and 'weak ties' are used respectively (Kavanaugh, et al, 2005:120). Bonding types of social capital which is closely related to strong ties refer to networks of a homogeneous type. It is about social ties established through intra-group networks that occur frequently in families, kinship, ethnics, close friends and other intimate relationships bound together by shared identities, interests or place of residence. Putnam (2000 in Turner and Nguyen, 2005) argues that bonding social capital helps people to 'get by' on a day-to-day basis. In contrast, bridging types of social capital which is also closely associated to weak ties is more heterogeneous. It refers to associations and connections individuals and groups across social, geographical, and other casual linkages (El-Said and Harrigan, 2009:1235-1236; Kavanaugh, et al, 2005:120)⁷.

Access to social capital varies among individuals. Some actors only have access to primary and non-crossing social networks (such as the poor, caste or women) which limit their sphere of action while others can access both primary and cross-cutting networks (Casson, Guista and Kambampathi, 2010). In developing countries, the economically poor operating small enterprises tend to depend on their immediate neighbours and friends for credit and support to reduce risks and uncertainty while the 'richer' individuals rely more on bonding type of social capital (Turner and Nguyen, 2005:1695).

Social capital thus covers potential multitude of relationships between entrepreneurs, their families, their friends and their community. It provides networks that facilitate the identification, collection, allocation of critical information and scarce resources, thus promotes opportunity discovery and exploitation among entrepreneurs (Tang, 2009:446). Tang (above) further argues that early stage entrepreneurial activity involves high levels of

⁷ In addition to bonding and bridging type of social capital, there is also what is known as linking social capital in literature (Deakins and Freel, 2009; Woolcock and Narayan, 2000), which this study does not look into because of lack of clarity in its boundaries with the bridging social capital. Linking social capital is an extended form of bridging capital. It refers to ties that extend to different economic classes and people of different status (Turner and Nguyen, 2005). Edwards (2004:53) argues that linking social capital helps groups by making right connections that can offer them support, resources, opportunities and influence.

uncertainty, and information is a valuable resource that can be used to reduce uncertainty. Since no economic actor has perfect information with which to make rational choices and decisions, individuals are limited in their ability to process and store information, which results in bounded rationality. An entrepreneur's social network ties can thus expand the boundaries of rationality by creating and allowing access to knowledge and information. As the boundary is extended, more new venture ideas, opportunities, and potential competitive advantages may be recognized, screened, and assessed (Simon, 1976 in Tang, 2009).

Differences in network positions can explain much of the individual variance in access to knowledge required to discern attractive opportunities for new ventures (Tang, 2009:447). For instance, it is said that during the opportunity discovery process, network ties assist entrepreneurs by exposing them to new and different ideas, worldviews, and providing them with a wider frame of references both supportive and of nurturing the new potential idea or venture (Tang, 2009:467; Deakins and Freel, 2009). The knowledge and resources made possible by entrepreneurial networks will greatly enhance the survival and growth potential of new firms (Portes, 1998, and Boden and Nucci, 1997 in Tang, 2009).

In as much as the theory of social capital has played a dominant role in development literature, the theory is not without criticisms. To begin with, despite the popular and frequent use of the term social capital, there is still a lack of agreement on its definition and measurement (Beugelsdijk and Van Schaik, 2005 in Zoh and Acs, 2010:242). The definition, constructs and measurement of social capital depend on the researchers and on "whether they focus on the substance, the sources, or the effects of social capital" (Adler and Kwon, 2002:19 cited in Zoh and Acs, 2010:242). The diversity of its interpretations across studies has inevitably affected the way different studies that have attempted to measure it. However, intensive efforts have been underway to develop measures of social capital, with the World Bank being at the front of these efforts (Meagher, 2009).

Secondly, there is no generally accepted model that considers the impact of social capital on entrepreneurship. Another criticism is that negative outcomes of social capital are rarely considered by most advocates (Meagher, 2009; Turner and Nguyen, 2005). Social capital sometimes reinforces inequality. In certain instances connections can be used to promote

interests of only those connected, and can lead to a grid lock in the system as a result of special interest politics (Edwards, 2004:33). In other words, there can be a thin line between corruption and social capital. In addition, studies have produced conflicting results in examining the relationship between social capital and entrepreneurship. Some studies have produced positive results, while others have negative results or both (Zoh and Acs, 2010:242). Prior studies have also not sufficiently developed the indicators measuring social capital of each country or region. Another criticism levelled at social capital in most recent literature border on four negative consequences associated with it, namely; exclusion of outsiders, excess claims on group members, restrictions on individual freedoms, and downward levelling norm⁸ (Turner and Nguyen, 2005:1695).

Notwithstanding the above limitations, many academics, international organisations and non-governmental organisations are enthusiastically embracing the concept. It has become a catchphrase in development literature since the early 1990s to consider the resources available to individuals and groups through social connections and social relations with others (Casson, Guista and Kambampathi, 2010; Turner and Nguyen, 2005). The remaining part of this chapter therefore gives more understanding on the usage of social capital and social embeddedness as the theoretical analytical framework that guide this study.

2.8 Theoretical-Analytical framework

In order to analyse the nature and role of informal networks in influencing access to business related resources among the self-employed youth, the theoretical orientation of social capital and social embeddedness are being adopted as analytical lenses to inform the study. As previously noted, Granovetter's analysis of social embeddedness has inspired a lot of studies on understanding the role of social capital in economic actions (Leij, 2006; Lewis and Chamlee-Wright, 2008:109). Granovetter analyses economic action as involving rational action, and also taking into account the social relations agents are embedded in (Leij, 2006). Granovetter argues that all economic actions are embedded in social relations, and that many puzzling market situations can easily be understood if we take into account their

⁸ Downward levelling is used in a context where mobility of particular groups are blocked by outside discrimination.

embeddedness in social structure. Granovetter contends that what seems as irrational behaviour can be rationalised once we take into account the social relations agents are embedded in (Granovetter, 1973). He distinguishes and stresses the unique roles that both concrete personal relations and structures (or networks) of relations play in the daily work and accomplishments of all sorts of economic actors (Granovetter, 1985:490).

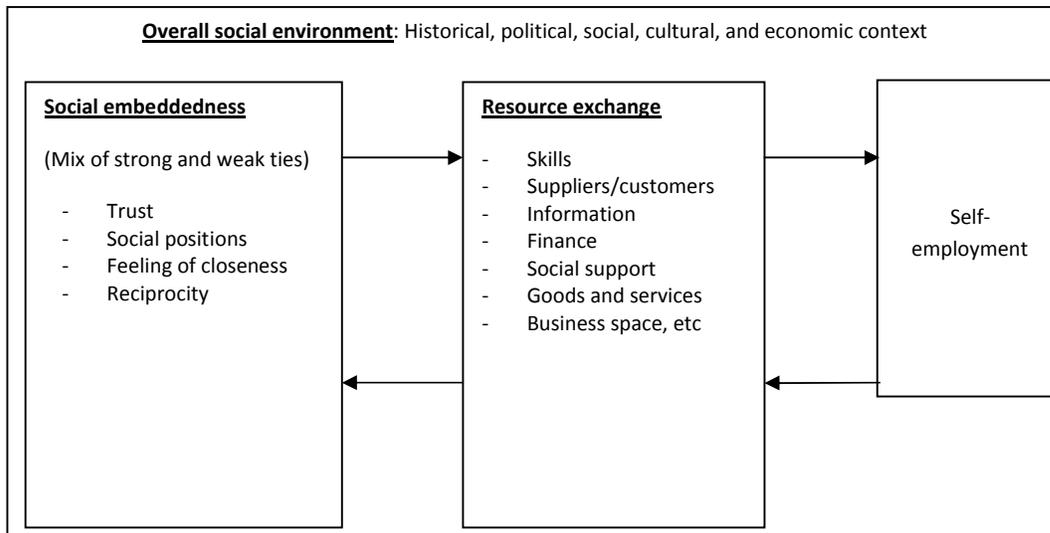
The social embeddedness of economic action encompasses a mix of both weak and strong ties (Granovetter, 1985:490) that are more or less within the control radius of an individual entrepreneur. The strength of a tie is said to be a combination of the amount of time, emotional intensity, intimacy (mutual confiding) and reciprocal services that characterise the tie (Granovetter, 1973). As earlier mentioned, what Granovetter characterises as strong ties is closely related to what Robert Putnam (2000) terms as 'bonding' social capital. Strong ties are typically constituted by family, and close friends (Kavanaugh, et al, 2005:119-120) and are perceived to play an important role under conditions of uncertainty and information asymmetry in weak institutional settings (Mwasalwiba, Dahles and Wakkee, 2012:389).

Weak ties on the other hand are relationships of a superficial acquaintance and carry little overall affect⁹. They link members of different social groups to integrate them into a larger social setting (Kavanaugh, et al, 2005:120). Paradoxically, in social capital literature, weak ties are perceived to be more beneficial for upward mobility than strong ties. Those people who move outside their close boundaries (family, close friends, and other near kin relations) can access new types of resources than those who are inward looking (Field, 2003:66). Weak ties are 'single-stranded relationships with acquaintances such as (former) classmates, college friends, co-workers and business relationships (Mwasalwiba, Dahles and Wakkee, 2012:389). Social trust increases as people get to know each other, learn who is trustworthy (feeling of closeness), and experience things together (social solidarity) through voluntary associations and informal group activities (Kavanaugh, et al, 2005:120).

⁹It is important to note that the word "weak" should not be interpreted negatively in this context. Weakness in a tie or social relationships just imply a more voluntary relationship, leaving open the option of breaking up or changing one relation for another, without social sanctions compared to the so-called strong ties where relationships at times may not necessarily be a matter of choice (e.g., connection through blood ties).

While the analysis draws on social capital literature, we deliberately chose to avoid using certain theoretical concepts central to social capital literature such as bonding and bridging social capital. Instead, we show consistency with Granovetter’s language by using ‘strong ties’ and ‘weak ties,’ terminologies as part of social embeddedness. It should also be mentioned that, while Granovetter’s works (1973; 1982; 1985) show a sharp distinction between weak and strong ties, the use of ‘strong ties’ and ‘weak ties’ only serves to help to open up lines of inquiry rather than settling issues in understanding the role informal networks play among self-employed youth¹⁰. We gained strength taking this departure from Coleman (1990), who while acknowledging the works of Granovetter, takes a position that social ties are potentially complex and sometimes overlaps exist between strong and weak ties. Accordingly, the idea in this study is to empirically uncover various openings in social embeddedness associated with the self-employed youth in their context. Figure 1, below presents an illustration of the theoretical-analytical framework that the present study uses.

Figure 1: Theoretical-analytical framework



Source: Researcher’s own design

In figure 1, the overall social environment presents interplay of historical, political, social and economic aspects which are beyond individual self-employed youth’s power but in

¹⁰ It should be noted here that our study takes a critical realist orientation (details in the research design and methodology chapter)

different ways contribute in shaping the individual entrepreneur's attitudes and motives, determine the availability of resources, present both constraints and opportunities, and set the level of legitimacy of entrepreneurship in society. Imperfect conditions arising from the overall social context thus necessitate resource exchange between the self-employed youth and their social networks.

The actual social embeddedness aspect (in figure 1), presents a mix of strong and weak ties as elements which bind relations of interaction among people. Forces behind relations include trust, reciprocity, different social positions and feeling of closeness. Trust entails a willingness to take risks in a social context based on a sense of confidence that others have in those they are connected to. Trust is what lubricates co-operation or support among people in a tie. People co-operate on a basis of trust and common understanding or shared problems, even when they do not know one another personally (Putnam, 1995 cited in Woolcock and Narayan, 2000). Trust in the present study is looked at in two different ways. On one hand, we look at the trust the self-employed youth have for those they relate with. On the other hand, we look at levels of trust those who relate with the youth have on them (the youth).

Reciprocity deals with a general expectation of return of a favour of kindness at some undefined time in the future in case of need, when an individual provides a service to others, or acts for the benefit of others at a personal cost. 'Social capital is said to operate with the notion of mutuality - either paying back the support that was given in the past, or extending support in expectation that it will be reciprocated at some later time' (Koniordos, 2005:168). Social capital is one of the non-economic capitals (social, symbolic and cultural) that can be applied and put to work in particular circumstances. It is something that can be 'stored' and used when necessary (Boehm, 2006:172). People would want to invest in a relationship with a view that others would also respond in their favour or act in other mutually supportive ways to their cause.

Social positions are captured to analyse changing life experiences among the youth and those they relate with. In some literature, the youth are said to be at cross-roads of

different life processes and experiences that position them with different social identities in life (Langevang, 2008:228). Norms are generally the unwritten but commonly understood formula for both determining the patterns of behaviour expected in a given social context, and for defining what forms of behaviour are valued or socially approved. For instance, someone would say: "I trust you because you are a member of my clan." People have common sets of beliefs and cues for behaviour developed in close association, which are a potent source of support (Putnam, 1995 in Woolcock and Narayan, 2000). Feeling of closeness is an aspect of solidarity that is also closely linked to the norms (moral dimension) that characterises social relations. Having dealt with the conceptual and theoretical framework guiding the study, the next chapter explores the literature related to youth, informal networks and self-employment.

3. REVIEW OF RELATED LITERATURE

3.1 Chapter Introduction

This chapter is dedicated to exploring the literature related to the subject of informal networks, youth and self-employment in Africa, therefore paving way for further inquiry on the subject. Studies in the review are grouped according to key themes they address. Thereafter, a summary of contributions of reviewed studies to the present study is given before making overall conclusions on the chapter.

3.2 Informal networks and self-employment in Africa

There has been a recent surge of interest in informal networks and their role in promoting development. Informal networks are treated as a social asset (that is, stock of social, psychological, and emotional assets) that contributes to a flow of benefit to individuals, or to communities especially in the context of state crisis in supporting business (Yusuff, 2011). As earlier mentioned, informal networks are part of social capital (Koniordos, 2005) and different terms are used in literature to refer to informal networks including: 'informal support networks', 'informal social networks', and 'social networks. These concepts are used interchangeably to refer to one and the same thing in this study. The neo-liberal literature focuses on the potential role of social networks to replace the cumbersome and inefficient regulatory framework of the formal economy. They are usually presented as being able to respond more effectively and democratically than state institutions to the economic and social needs of the population (Yusuff, 2011).

Surprisingly, although social networks are increasingly regarded in development circles as the solution to state failure and market failure, literature on the African continent on social networks portray confusing results. The bulk of the literature associate African social networks less with development than with economic decline, criminality, and global marginalization (Meagher, 2006:554). Social networks in Africa are described as being shaped by an institutional history of 'violent modes of accumulation' based on slaving, pillage, colonial oppression, and predatory states, giving rise to networks that operate as 'shadow structures' of patronage and criminality. Further, Meagher (2006:554 citing Chabal and Daloz, N.D.) argues that African social relations are embedded in 'cultural repertoires' of

clientism, trickery, corruption, witchcraft, and an absence of public morality. Far from promoting economic efficiency, African social networks are viewed as frameworks of opportunism and institutional subversion (Meagher, 2006).

On the other hand, some empirical studies on the continent have shown that entrepreneurs tend to use informal network, such as family, friends, religious community, co-ethnics, former classmates, and so forth in providing resources (e.g., information, financial capital, labour, tools, and machinery) more than formal network (UNDP, 2004; Kristiansen, 2004; Egbert, 2004). However, evidence as to whether social networks are more of a resource or constraint in Africa is confusing as results from different studies sometimes tend to be conflicting. For instance, in an extreme case, two authors (Kristiansen, 2004 and Egbert, 2004) unaware of each other's efforts conducted two independent studies in the same area (Tanga region in Tanzania) on whether social networks can be considered as a resource or a constraint on entrepreneurship drew different results.¹¹ Kristiansen drew conclusions that identify social networks as playing more of a positive role on entrepreneurship whereas Egbert's findings tilted more to the negative. There are also studies in Africa like Hanson's (2005), whose findings in Ghana show that in as much as social networks have helped to reduce vulnerability in Ghana, networks' demands of reciprocity or support from co-network members, neighbours and family, sometimes can be taxing such that some individuals opt out of the network.

3.3 Youth and employment challenges in Africa

The bulk of the literature shows that the life experiences and future prospects of the youth in many parts of the world today are more complex and less predictable than those of past generations (Langevang, 2008:2039). Studies on youth in Africa presents even a much more worrying situation, characterising the youth in negative and highly generalised terms as a problem (Sommers, 2010). Scholarship on young people in Africa has focused to a great

¹¹See Egbert (2004) and Kristiansen (2004). Both researchers conducted their studies in the same area in Tanzania's Tanga area. Apparently, one respondent was interviewed by both researchers (see Egbert, 2009).

extent on public culture, broadly defined; sexuality, with more concern with HIV/AIDS prevention than with young people's lives in context (Hansen, 2005:4).

Other studies show the youth as marginalised; disempowered, and reduced to a status of an underclass; in fact, they are perceived as 'a lost generation'; a generation whose life prospects look bleak (Waage, 2006:63; Obrien, 1996:56-60 cited in Hansen, 2005:4; Langevang, 2008:2039). Studies to a great extent show involvement of youth in wars as young soldiers, paramilitary, rebels, counterinsurgents, for example in Sierra Leone, Rwanda, and Liberia¹²; or African National Congress (ANC) youth, the Inkata militia, township gangs in South Africa, and youth groups and organisations who helped propel political shifts in Senegal and Mali (De Boek 2004 in Hansen, 2005:4). Youth frustration, alienation, and defiance and sometimes despair and fatalism also appear common place in literature on the African continent (Sommers, 2010). Kaplan (1996 cited in Sommers, 2010:317) describes the large number of out of school unemployed male youth in urban cities of Africa as '...loose molecules in an unstable social fluid that threatens to ignite.'

Taking together such observations hide the more mundane dimensions of everyday life in many settings where physical violence is not a daily fare or where numerous young people continue everyday living in spite of violence. Youth are not so much of a 'lost generation' (Hansen, 2005). Even amidst many challenges, young people in Africa still try to make the best of their situation and negotiate ground for their everyday lives and their future. 'We are managing' as youth say in Ghana (Langevang, 2008:2039). As Langevang (above) argues, there is much more that is happening on the African continent among the youth, particularly in peaceful environments including Zambia. However, this is not to undermine the huge challenges the youth face in their everyday lives. This argument points to yet another perspective, which is just emerging, characterising literature on the youth in Africa.

More recently, following the onset of neoliberalism and open market system in Africa, scholars have started to research the lives of 'ordinary' youth, (particularly urban youth).

¹² See for example various works of Marc Sommers, and Mats Utas, who stand among scholars who have written widely on the youth on the Africa continent.

One set of studies emerging focus on transition of youth to adulthood, especially amidst high unemployment and livelihoods challenges characterising the bulk of African countries. Another set of studies focuses on young people's social experiences in the present, exploring their identities and styles through consumption and leisure patterns in African cities following globalisation (Langevang, 2007 cited in Gough, 2012).

The protracted and deep-seated economic crisis that has afflicted almost every country in SSA, including Zambia since the late 1970s, has had a profoundly negative impact on the wellbeing of the large majority of the population on the continent. However, young people growing up in the midst of this crisis of development have been particularly badly affected. The ascendancy of neoliberalism as a dominant hegemony in Africa in general and Zambia in particular, has diminished the state's involvement in economic and social affairs. This has been based on the assumption that 'too much state involvement' creates distortions and high transaction costs in the economy. Economic opportunities in the formal sector have contracted sharply in the open market and a competitive business environment in Africa, through the World Bank sponsored Structural Adjustment Programme (hereafter SAP). In Zambia, because of the country's previously depressed economic situation coupled with policy concerns to reduce the size of the civil service, young people's entry into the types of wage labour that their parents knew is restricted. The ready access to employment which that education ensured in the first decade after independence in 1964 is no longer the case.¹³ Today, the road from school to job-market success hinges on money and connections, which in popular view privilege a tiny segment of the population (Hansen, 2005:6-7). On account of their disadvantaged position, most young people have limited options and end up looking for employment in the informal economy or in pursuit of self-employment (Hansen, 2005).

Before specifically addressing the informal economy, it is important to remind ourselves about the wider context in which this debate is taking place. African societies are generally viewed as dualist economies. Dualism is rooted in the modernisation school of thought and

¹³Within the historical context of Zambia, the state has had an obligation to create employment.

is associated with economists like Arthur Lewis (1954). As a concept, dualism has swung in and out of fashion in development debate. Lewis viewed developing countries as being characterized by a coexistence of two types of economy; the formal and the informal economy. On one hand, the formal economy is typified as capitalist in its mode of production – ‘modernizing,’ dynamic, progressive, capital intensive and highly productive. The formal economy has always received official support and recognition, with recorded and measured indicators of growth. The formal economy workers are regulated by state-backed legislation and dependent on industrial unions working through collective agreements (Andrae and Beckman, 2010:86). Organizations such as businesses and trade associations are considered to be formal in the context of the product or services they contribute to the economy as a matter of legal obligation by virtue of a contract, license or charter duly recognized by law. Legal enforceability is a prerequisite for an institutional factor to be considered formal (Andrae and Beckman, 2010).

On the other hand, the informal economy, which is also referred to as the ‘subsistence economy,’ or ‘peasant,’ or ‘marginal economy,’ ‘second economy,’ ‘underground economy,’ ‘the black market,’ ‘the hidden economy,’ ‘illegal economy,’ ‘unobserved economy,’ ‘unrecorded economy,’ ‘unreported economy,’ among other labels, is not easy to define (Spring and McDade, 1998; Muuka, 2003).¹⁴ Chickering and Salahdine (1991:10) contend that the informal economy can be defined focusing either on its functional attributes (size or complexity of operation, for instance) or its legal status (enterprises operating outside formal legal and financial institutions regardless of their complexity). Tanga (2009:18) describes the informal economy as ‘where agents of production are not only small in scale, but also operate under conditions of ‘informality’. It reflects activities outside full-time, secure, stable and protected employment, and operates without any form of social protection in many cases. The informal economy is associated with pre-capitalist modes of production, often depending on family labour, unsophisticated in its operations, and production patterns, use low technology and has low levels of productivity (Potts, 2008). It is characterised by diffuse sets of labour relations involving categories ranging from own-

¹⁴ Spring and McDade (1998) argue that there are as many definitions of informal economy as there are people studying it.

account workers, home workers, family workers of varying stability and terms of employment including apprentices but also wage workers whose conditions are not regulated by state or through collective bargain (Andrae and Beckman, 2010:86-98). Harth (1973 cited in Tanga, 2006) coined the term 'informal economy' to conceptualise the small-scale ad hoc economic activities that were undertaken in urban towns of Ghana that were not officially recognised.

The informal economy constitutes a substantial part of urban economic activities on the African continent, yet it poses dilemmas for both policy and growth (Stevenson, 2011; Economic Commission for Africa, 2004; Spring and McDade, 1998). While the formal economy has always received official support and recognition, with recorded and measured indicators of growth, the informal economy, on the other hand, has not been accorded official recognition; neither has it been officially regulated or measured (ILO, 2002). The informal economy is sometimes considered as undesirable, a 'retarded' sector with low productivity, and a drag on economic growth (Spring and McDade, 1998). Policy prescriptions for the informal economy in most developing countries, including Zambia have been more inclined to getting rid of the types of activities as opposed to supporting such (Potts, 2008).

In a more typical sense, operators in the informal economy come to occupy a particular area; it can be a street, sidewalk or park, out of the necessity, to make a living; and numbers of operators swell to the point that they result in congestion, trash, noise, and crime becomes intolerable. More often, governments in SSA would issue policy measures declaring that vendors are to become "formalized" and then attempt to use either incentives or force to expel them from their space; and vendors simply reappear days or weeks later, or create the same problem in a different space (Hansen, 2004; 2010). Roever (2005) also presents similar experiences in the operations of the informal economy in Latin America, particularly in Peru.

However, it is also important to note that more recent debates on the formal-informal divide show contradictions confronted by people at both ends of the divide. On one hand, informal economy workers are seen organising and getting registered, among other things.

At the same time, the formal economy is also adopting elements of informality through wage labour deregulation, outsourcing and casualisation in work places. We will not take this debate further (for discussion on debate see Andrae and Beckman, 2010:86-98; Wit and Akinyoade, 2008; Economic Commission for Africa, 2007; Wit, 2006). However, it suffices to mention that most youth in SSA, including Zambia work in the informal economy.

3.3.1 Youth self-employment in the informal economy in Zambia

A number of studies have been carried out on the urban informal economy in Zambia. Most of the studies on the informal economy in Zambia seem to be unpublished and hence inaccessible to interested persons (Bardouille, 1991). However, writings obtained provided valuable information which has increased our understanding of various issues surrounding the interest of our study.

Recent studies on Zambia acknowledge the importance of the informal economy (Locke and Lintelo, 2012; GEM Zambia, 2010; Hansen, 2010; Locke and Verschoor, 2008; Chigunta, 2007; Chigunta... et al, 2005; Mulenga; 2000). Studies have produced valuable information on the extent of the labour market situation in the country, and why there has been a drift towards working in the informal economy, especially among young people. Characteristics and problems associated with operators in the informal economy are also well documented and exposed. Among challenges operators face include difficulties in attracting investment capital, access to markets, isolation, business training, low income and severe competition (ZCTU and MUZ, 2004). Other challenges are: inadequate development of a legal framework and physical infrastructure, overlaps in entrepreneurial support programme goals and activities and rivalry among support institutions, uncoordinated policy initiatives, insufficient funding and inaccessibility of programmes to intended beneficiaries (Chigunta and Chisupa, 2013; Locke and Lintelo, 2012). There is also lack of a clear national policy on the informal economy as well as non-availability of a central authority with a mandate of coordinating informal economic activities in the country (ZCTU and MUZ, 2004; Locke and Lintelo, 2012; Hansen, 2010).

Studies also portray young people as having a negative attitude towards self-employment especially in the informal economy, with most young people using self-employment just as a stop-gap measure whilst waiting for formal employment (Mkandawire, 2001 in Chigunta, et al, 2005:16). Other evidence show that youth make deliberate choice to start business in the informal economy (Chigunta, et al, 2005:16). However, findings from studies show that the youth in particular find themselves in peculiar and disadvantaged positions in the informal economy (Chigunta... et al, 2005) and those engaging in informal economic activities do so in a highly risky environment (Locke and Lintelo, 2012). For instance, Mulenga (2000), using multiple research strategies (combining observation, informal interviews, focus group discussions, document analysis and a survey), in analysing government and local institutions' attitudes to poverty alleviation and livelihoods among youth on Zambia's Copperbelt region, found that youth were neglected in social policy, development and poverty reduction programmes. Mulenga, further found that the private sector also did not see any economic viability of supporting young people. He further found out that while some religious organisations do have some programmes, in practice, very few are operational; with some organisations only showing intentions to support the youth.

Locke and Lintelo's (2012) study also found out that it is increasingly difficult for young Zambians to construct youth-to-adult transitions that meet the normative expectations of coherent life trajectories towards being successful and/or being able to live well. They found that the youth who have made some headway attribute their progress on a variety of factors including their own hard-work, perseverance, luck, and the support of other people. However, no much detail is given, (for instance in relation to this study), on who the other people that support the youth are and how the perceived support is accessed, particularly for those youth who are self-employed¹⁵.

Hansen's (2010)¹⁶ study shows how self-employed young peoples' interests are being attended to in the economic spheres of Zambia. Using life course, she exposes controversies

¹⁵ One factor that makes Locke and Lintelo's (2012) study less informative in line with the present study is that it cuts across the youth in the formal economy; public and business sector, the informal economy as well as the unemployed youth.

¹⁶ Karen T. Hansen is an established academic professor with a long history of research (stretching as far back as the early 1970s) focusing on youth issues across Lusaka in Zambia.

between urban regulatory authorities and vendors over access to, control over, and use of markets and public space, sometimes which result in triggering major clashes in markets. Hansen also observes that although the youth are highly visible in markets and streets, they rarely assume an organised presence due to the fragmented nature of their activities, competition for space, and capital, among other factors. Hansen concludes that relations between the state and vendors have become more antagonistic than ever before in the context on economic liberalism in Zambia. However, much of Hansen's claims are insightful; she does not give detailed information on how she has been conducting her studies in the country. What she does, for instance, in one of her most recent works which is directly related to this present study, is simply to mention that observations for field research were made in Lusaka since the early 1990s (for more details on this account see Hansen, 2010).

Locke and Lintelo (2012) also empirically investigate young Zambians' experiences of transitions to adulthood (with particular reference to economic empowerment) and how they position their own progress towards and prospects for 'success' in relation to their peers. They found out that young Zambians' visions of success were not primarily economic but rather focused on being on the way to ensuring that they and their close relatives were able to 'live well' in much broader terms, which include meeting their needs and those of their extended families, achieving certain freedoms and a meaningful quality of life. Another study by Locke and Verschoor (2008) on factors that shape young people's trajectory toward economic empowerment provides a more nuanced picture of the aspirations, values, choices, and strategies followed by young Zambians as they move from school to work. It highlights how the constraints and opportunities encountered by youth shape - and often lengthen - their trajectories toward economic success. The study concludes that efforts to assist young people in Zambia must concentrate on the informal economy, where the majority of opportunities for youth lie.

Chigunta's (2007) investigation on the urban youth in the informal economy in Lusaka's Chawama compound shows different pathways young people use to establish and sustain their businesses. In as much as he finds that youth are able to develop sustained economic activities and can pursue independent livelihoods, their participation in informal enterprises is affected by lack of demand, access to credit, suitable working space and insecurity. He

further highlights age and gender (for female youth) as particular constraining factors the youth face in their business endeavours. Chigunta concluded that the youth did not usually have enough social capital or contacts or skills which are necessary for success in self-employment. However, Chigunta mostly deals with narratives, without interrogating what is underneath the surface of the reflections of the youth and non-youth business proprietors he investigated on using mixed methods approach.

3.4 Contributions of reviewed studies to the current study

Review of literature has contributed a lot to a better understanding of various issues related to informal networks, youth and self-employment. Studies have highlighted various issues which are helpful in locating the debate linking informal networks, youth and self-employment in Africa. Studies on Africa and developing countries in general have shown the controversy in the characterisation of the youth, self-employment and informal networks on the continent. Studies have also shown the informal economy as constituting a substantial part of urban economic activities on the continent (Stevenson, 2011; Economic Commission for Africa, 2004; Spring and McDade, 1998), yet it lacks official support and recognition and neither has it been officially regulated nor measured (ILO, 2002). It is more often considered as undesirable, a 'retarded' sector with low productivity, and a drag on economic growth (Spring and McDade, 1998) and policy prescriptions on it in most developing countries have been more inclined to getting rid of the types of activities (Potts, 2008).

Literature on Zambia brings out a lot of contextual information on various aspects of the study thus helping to set the ground for the present study. Studies have given insights on the situation of the youth under the neoliberal order and open market system in the country, including the inability of government to provide jobs (Hansen, 2005:6-7). Due to limited opportunities in the formal economy, most young people have ended up in the informal economy or pursue self-employment (Hansen, 2010). However, studies have further exposed institutional and other barriers the youth face in the informal economy, including weakness of government regulation, the private sector and other institutions in offering support to self-employed youth in the country. Reviewed studies thus provide a better understanding of the overall context for the present study, by identifying some key

entry points in investigating the role informal networks play in influencing self-employment among youth in the country.

3.5 Overall conclusions on reviewed literature

Notwithstanding the insights that were drawn from the literature, it is important to make some general remarks concerning the overall picture of the literature. First and foremost, to the best knowledge of the researcher, there is no study that has given a systematic and well supported account on how the informal networks operate in assisting self-employment among the youth in Zambia or elsewhere. Apparently, none of the studies on the African continent reviewed combine all the three elements (youth, self-employment and informal networks) in one study. Studies just address one component like the youth in isolation or in a few instances; combine two elements such as social networks and youth. Studies that deal with youth and self-employment on the African continent in general are quite limited. The bulk of the literature on youth and employment come from the north and less from the global south (Naude, 2008; Langevang, 2008). Moreover, there are even fewer studies conducted by scholars from the African continent itself. Most studies on the continent also tend to be characterised with a lot of generalisations and lack appreciation of the diversity of the vast continent of Africa. Some authors have a tendency of drawing conclusions on Africa as a whole based on one part of the continent.

Furthermore, most studies are not guided by systematic investigations that utilise consolidated body of knowledge or theories, in short. Instead, they tend to be more empirically based. In addition, results from some studies are not always consistent and in some instances point in different directions. Some studies also do not provide clear methodological approaches used for their investigations. Most studies are conducted in form of surveys or purely on qualitative lines. There are also very few studies that provide open frameworks for investigation, rendering certain findings questionable. With the general culture in the academia of making reference to previous works, some opinions have ended up characterising what now seem to dominate as knowledge on the African continent. In fact some writers on Africa have justifiably questioned the generalisations on the continent arguing that Africa is a wide continent with a lot of diversity (see for instance Meagher, 2006; Hansen, 2010; Langevang, 2008; Lourenco-Lindell, 2002; Jeppesen, 2005).

We do concur with such writers who hold views which suggest challenging the essentialism of much of the contemporary literature on the Africa. The weakness in the international literature is little appreciation of the diversity of African continent. The African continent is very huge and cannot be explained by merely taking one part and then draw conclusion on the whole continent. Differences exist across the continent and even within given societies when it comes to the economy, politics or sociology. If anything, challenging commonly held views and understanding specific contexts require taking a more open approach to investigating reality on the African continent. Having given the overall conclusions on the reviewed literature, we now turn to the research design and methodology employed in this study.

4. RESEARCH DESIGN AND METHODOLOGY

4.1 Chapter introduction

In this chapter, the philosophical view of knowledge, research design, methodology and techniques that the study employs in the collection, organization and evaluation of data are given. It also gives a detailed account on the sources of data including the study sites, target population, the sample size and sampling techniques, methods used in the collection of data, and the way the data was finally processed and analysed.

4.2 Critical realism as a philosophical position of knowledge for the study

The world can only be known under particular descriptions, in terms of available discourses. To date, there are various competing traditions in the progress of understanding the social world (Sayer, 2000:2). Paradigmatic positioning is important because it tells something about the worldview that guides the researcher; what the researcher perceives and what others should perceive and judge as 'quality', or, put in another way, which evaluation criteria should be used in order to ensure rigorous and meaningful results (Bøllingtoft, 2007:407). The subject of entrepreneurship and self-employment is complex as it involves a wide range of factors and issues which are sometimes difficult to separate (Balunywa, 2009). In order to generate meaningful results embracing complex issues on the role informal networks play in supporting self-employment among the youth, this study is anchored in critical realism as inspired by Andrew Sayer. The central tenets of critical realism arise from the works of Roy Bhaskar.¹⁷ Bhaskar's approach has been extended by other scholars, primarily British, with substantial contribution and influence in social science attributed to works of Andrew Sayer (Proctor, 1998:360).

Critical realism is both a philosophical and methodological position which arose in large part as an explicit rejection of positivism and its empiricist philosophy, especially as applied in social sciences. It proposes taking a 'middle way' in undertaking social scientific research. It avoids both reductionist forms of modernism, that take little or no account of interpretive

¹⁷Critical realism arose from Roy Bhaskar's attempt to explain underdevelopment within orthodox economics for his doctoral studies. He found that orthodox economics' commitment to an empiricist epistemology forbade discourse about ontology that was important to his enquiry. Subsequent study under leading realist, Rom Harre led Bhaskar to a new philosophy for science from a reconsideration of seminal works by Hume and Kant (Bhaskar1978 in Njihia, 2011:64).

understanding, and the problems of relativism and incommensurability that follow from postmodernism's discursive 'turn' (Sayer, 2000:2-3). On one hand, as a philosophy of science, critical realism offers a third way between empiricism and positivism. On the other hand, in the philosophy and methodology of social science, it provides an alternative to both hopes of law-finding science of society modelled on natural science methodology and anti-naturalist or interpretivist reduction of social science to interpretation of meaning (Bøllingtoft, 2007:407). Put differently, critical realism provides an alternative to several philosophical and methodological positions (Sayer, 2000:2). It can best be understood as an attempt to move beyond both classic empiricism and more recent conversationalists, postmodernism and certain forms of pragmatism, in accounting for the realm of human knowledge and the nature of truth (Proctor, 1998:362). It simultaneously challenges common conception of both natural and social science, particularly as regards to causation.

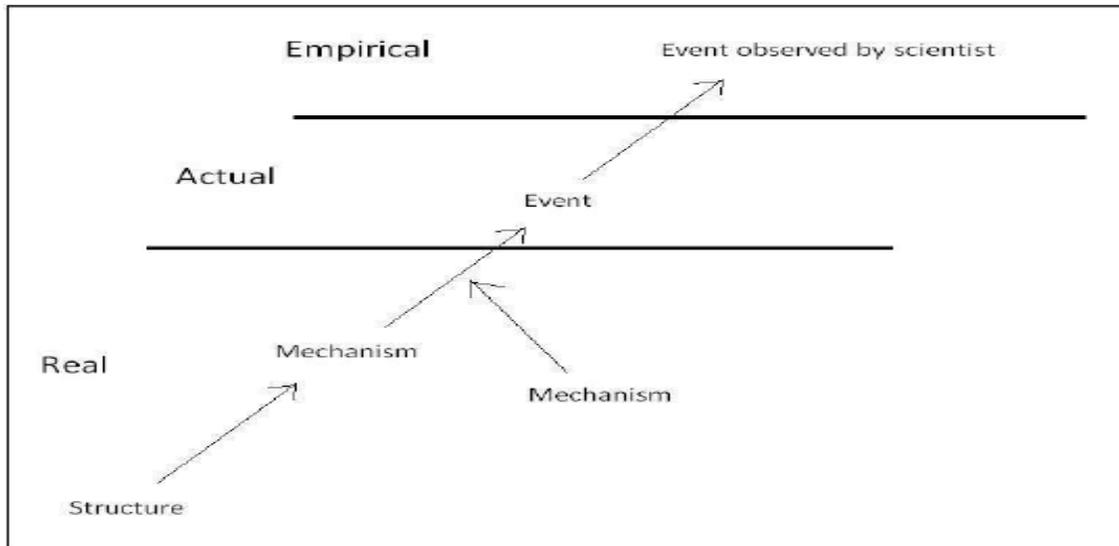
Sayer (2000) contends that, as a philosophical view of knowledge, critical realism on one hand holds that it is possible to acquire knowledge about the external world as it really is, independently of the human mind or subjectivity. On the other hand, it rejects the view of naïve realism that the external world is as it is perceived. It thus also recognizes that perception is a function of, and thus fundamentally marked by the human mind. It holds that one can only acquire knowledge of the external world by critical reflection on perception and its world. Critical realism challenges the transcendence of various dualisms such as objective-subjective, positivism-subjectivism divisions in the philosophy of science that most physical and social scientists take for granted.¹⁸ In the context of the present study, a challenge may be extended to rigidly held dualism such as formal-informal, weak-strong ties, necessity-opportunity among others, commonly used in political economy. Critical realism integrates insights of both idealism and new realism. Knowledge to critical realists is neither wholly objective nor subjective but it is in fact the result of interaction between subject and object (Sayer, 2000).

¹⁸ Transcendental realism was Bhaskar's first and most important philosophical innovation used in search for depth realism in social reality. Bhaskar challenged what he termed as the epistemic fallacy and anthropocentric bias of western philosophy which separated knowledge in terms of transitive and intransitive dimensions (Bhaskar, 1978 in Njihia, 2011:65). Intransitive dimension of knowledge comprises things that do not depend on human activity while the transitive dimension is of things that are related or in some way affected by human beings (Njihia, 2011:66).

In Bhaskar's model, reality consists of three ontological domains: (i) the real, (ii) the actual and (iii) the empirical (Bhaskar, 1975 cited in Sayer, 2000:11). The domain of the empirical is directly observable (Bøllingtoft, 2007:407; Njihia, 2011:67-68). In other words, the empirical is where we make observations, termed as 'experiences,' of life, of social interaction and especially of our objects of research. 'Experiences,' or our observations, constitute a certain part of what happens in our research and give us direct as well as indirect information about our object of research (Danermark et al, 1997:30). In spite of our observations, things happen anyway – the world is more than we can experience. The 'totality' of potential outcomes is called events, of which we can observe a certain, limited amount of experiences (Jeppesen, 2003:43). Accordingly, the domain of the actual refers to where 'events' are found. Still this domain only establishes a kind of descriptive knowledge of our object of research, as a pool of events, but we do not know what produces those events. In order to find out, we need a third domain, the real (Jeppesen, 2003:44). The real domain is composed of an 'invisible' layer, consisting of underlying mechanisms or structures that produce observable events. Structures are defined as 'sets of internally [i.e., necessarily, not contingent] related objects or practices (Sayer, 1992:92).

Critical realists seek to identify the structural conditions and mechanisms responsible for particular events. Mechanisms can only be inferred from events and empirical observations. However, not all events are experienced, and not all mechanisms are actualized, implying that we can only have limited knowledge of what underlies observations, and even less on what underlies events. When mechanisms produce a factual event, it takes place in the actual domain. Events and experiences result from a multiplicity of underlying mechanisms. Events are causally explained by retroducting and confirming the existence of mechanisms and in turn the existence of mechanisms is explained by reference to the structure and constitution of objects which possess them. Sayer argues that there can be several mechanisms, or powers, which co-create emergent events or non-events, which scientists may then observe (Sayer, 2000:235). Figure 2 shows structures and mechanisms in the domain of the real, the events in the domain of the actual, and observations in the empirical domain as advanced by Sayer (2000:15).

Figure 2: Three dimensions of critical realism



Source: Sayer, 2000:15

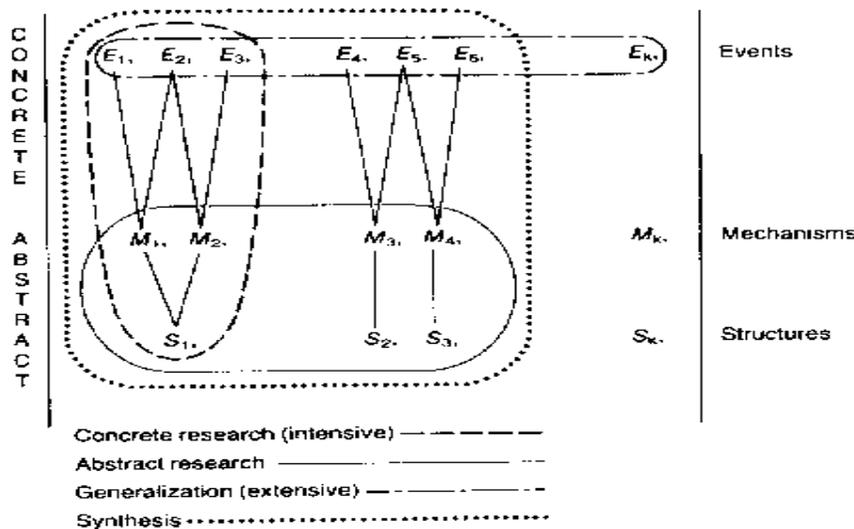
Since events and experiences are in the domain of the empirical or the actual, analysis involves critical exploration of underlying mechanisms in the domain of the real that would give rise to the events and observations. Events are not pre-determined before they happen but depend on contingent conditions, the future is open - things could go in many different ways. Events and experiences arise from workings of mechanisms which derive from the structure of objects, and they take place within geo-historical contexts. The 'same mechanisms can produce different outcomes according to context, or more precisely, according to its spatio-temporal relations with other objects, having their own causal powers and liabilities, which may trigger, block or modify its actions' (Sayer, 2000:15). Given the variety and changeability of the contexts of social life, this absence of regular associations between 'causes' and 'effects' should be expected (Sayer, 2000:15).

4.3 Types of research in critical realism

Sayer distinguishes four types of research, namely: concrete (intensive), abstract, generalisation (extensive) and synthesis. However, he argues that in practice, a particular project might combine several types. Concrete research involves studies of actual events and objects as 'unities of diverse determinations' each of which has been isolated and examined through abstract research'. Abstract (theoretical) research deals with the constitution and possible ways of acting of social objects, and actual events are only dealt

with as possible outcomes. Methods of generalisation tend not to involve abstraction, at least not self-consciously, and treat events and objects as simple rather than concrete. Its main purpose is to seek regularities and common properties. Synthesis research on the other hand attempts to explain major parts of the whole system by combining abstract and concrete research findings with generalisations covering a wide range of constitutive structures, mechanisms and events. Sayer argues that interpretive understanding is presupposed in all these types of research, though the extent to which it is problematised will depend on the nature of the topic (Sayer, 1992:236-237).

Figure 3: Types of research



Source: Sayer, 1992:237

4.4 Research designs in critical realism

Realists expect concrete open systems and discourses to be more messy and ambiguous than theories of them (Sayer, 1992:5). In their effort to reflect on the inherent complexity of concrete phenomena, the researchers [who employ critical realism] are likely to draw on multiple sources of data, both qualitative and quantitative (Danermark et al., 2002 in Blundel, 2007:56).

Sayer identifies two different kinds of research designs which can be employed in relation to research which seeks to link abstract to concrete, namely; the intensive and extensive (Sayer, 1992:242). Intensive research is strong on causal explanation and interpreting

meaning in context. The primary question concern how some causal process works out in a particular case or limited number of cases (Sayer, 1992:242).It is primarily concerned with what makes things happen in specific cases, or in more ethnographic form, what kind of universe of meaning exists in a particular situation. Intensive research uses mainly qualitative methods such as structural and causal analysis, participant observation and/or informal and interactive interviews (Sayer, 1992:244).

In contrast, 'extensive research' is used when research' is concerned with discovering some common properties and general patterns of the population as a whole.' It tells us about the extent or quantitative dimension of certain properties and relations (Sayer, 1992:242). In other words, extensive research search for regularities, in the belief that large numbers of repeated observations will give relations that are significant. To conduct an intensive research, one identifies a population and defines groups taxonomically, or on the basis of shared attributes, and seeks quantitative relations among variables. The criteria by which samples are drawn have to be decided in advance and adhered to consistently in order to ensure representativeness in extensive studies (Sayer, 1992). Typical methods of extensive research are descriptive and inferential statistics and numerical analysis (such as cross tabulations) and the large-scale formal questionnaire of a population or representative sample thereof (Sayer, 1992:244). Table 1 below summarises Sayer's intensive and extensive research designs.

Table 1: Intensive and extensive research summary

	INTENSIVE	EXTENSIVE
Research question	How does a process work in a particular case or small number of cases? What produces a certain change? What did the agents actually do?	What are the regularities, common patterns, or distinguishing features of a population? How widely are certain characteristics or processes distributed or represented?
Relations	Substantial relations of connection	Formal relations of similarity
Type of groups studied	Causal groups	Taxonomic groups
Type of account produced	Causal explanation of the production of certain objects or events, though not necessarily representative ones	Descriptive 'representative' generalizations, lacking in explanatory penetration
Typical methods	Study of individual agents in their causal contexts, interactive interviews, ethnography. Qualitative analysis	Large-scale surveys of population or representative samples, formal questionnaires, standardized interviews. Statistical analysis
Limitations	Actual concrete patterns and contingent relations are unlikely to be 'representative', 'average' or generalizable. Necessary relations discovered will exist wherever their relata are present, for example, causal powers of objects are generalizable to other contexts as they are necessary features of these objects	Although representative of a whole population, they are unlikely to be generalizable to other populations at different times and places. Problem of ecological fallacy in making inferences about individuals. Limited explanatory power
Appropriate tests	Corroboration	Replication

Source: Sayer (1992:243).

Sayer points out that the two research designs have different roles which 'may be complementary rather than competing.' However, Sayer tends to favour the intensive research design and the quest for causal relations and identification of the reflexive mechanisms (Sayer, 2000). However, it is important to note that critical realism also permits combining intensive and extensive methods in one research (Danermark, et al, 2002).

The current study draws benefits from both the intensive and extensive research designs, thus utilises mixed methods design. Critical realists argue that the choice of methods should be dictated by the nature of the research problem and in most cases, it is suggested that the

most effective approach is to use the combination of quantitative and qualitative methods or techniques (Olsen, 2002 cited in McEvoy and Richards, 2006:71). What is most important from a critical realist perspective is how the methods are used (Pratschke, 2003 cited in McEvoy and Richards, 2006:71). Triangulation in methods and sources of data under critical realism are used for three reasons: confirmation, completeness and retrodution.

In terms of confirmation, it is possible to counteract the biases that are associated with single-method studies. Findings are corroborated with each other and support a more robust conclusion than either source of data can support alone (McEvoy and Richards, 2006:72). For the purpose of completeness, triangulation is done in order to obtain complementary perspectives, and a greater level of detail than could be obtained from using either data source. It helps to reveal different facets of the same reality and also to examine reality from different perspective, thus enabling to develop a more comprehensive picture of a phenomenon under investigation. Methodological triangulation for the purpose of confirmation and completeness may play a valuable role in a strategy that is underpinned by critical realism. This is because detailed observations may provide a platform for making retroductive¹⁹ inferences about causal mechanisms that are active in a given situation (McEvoy and Richards, 2006:72).

4.5 Explanation in critical realism

The major task of science, within critical realism perspective, is to enable investigations of relationships between structures, mechanisms, events and experiences, to identify causes and effects and explain why events occur (Danermark, et al, 1997:69-70). Critical realism promotes a non-predictive explanatory science, as a means to overcome the fallacies of other philosophies like the positivist or rational ones. Instead, it advances an understanding of theoretical frameworks or 'theories' as conceptualisations' in the sense that to theorise about something should be understood as a prescription of ways to conceptualise something (Sayer, 1992 in Jeppesen, 2003:46). The critical realist perspective requires that theoretical concepts constructed are 'practically adequate' (Sayer, 1992:50). Concepts need

¹⁹ Retrodution as a concept is fully explored in the next sub-section.

to focus on the elements which are the fundamental ones, while it should abstract from elements which are unimportant, and the use of concepts without real references should be avoided (Sayer, 1992:44). Critical realism emphasises the process of abstraction²⁰ by formulation of such concepts, based on the argument that abstract concepts can be differentiated based on their practical adequacy (Danermark, et al, 1997:59). Critical realism thus finds the two well-known and widely used forms of scientific reasoning, namely deductive and inductive as insufficient (Jeppesen, 2003:47).

Critical realism adopts a distinctive form of scientific inference, known as 'retroduction' as a tool of analysis. Sayer defines retroduction as 'a mode of inference in which events are explained by discerning (and identifying) structures and mechanisms which are capable of producing them (Sayer, 1992: 107). It is a mode of analysis in which events are studied with respect to what may have, must have, or could have caused them. In short, it means asking why events have happened in the way they did (McEvoy and Richards, 2006:71). According to Sayer, in many cases, the mechanisms so retroduced will already be familiar from other situations and some will actually be observed.

A closely related lens to retroduction that critical realists use for drawing inferences is abduction or abductive reasoning. Abduction is a kind of reasoning that allows inferring 'a' as an explanation of 'b'. It allows the precondition 'a' to be abduced from the consequence 'b' (Sayer, 1992). The process of abduction seeks to establish a new understanding or new knowledge of the object or phenomenon based on two elements: a) an empirical observation or an event, and b) an abstract framework (theory, concept, set of structures and relations). The process of reasoning takes place at an abstract as well as the concrete level. Based on the knowledge that has been established as the outcome of a scientific inquiry and the movements from abstract to concrete and back, we are in a position to redefine our object and understand it in a new context (Jeppesen, 2003:47).

In abduction, it is acknowledged that there can be infinite possible explanations for any physical process we observe, but we are inclined to abduce a single or a few explanations in

²⁰Abstraction is understood as a means of undertaking the scientific work of establishing concepts, as a part of thought process taking place, when we as researchers select or isolate specific aspects of an object or phenomenon and simultaneously 'abstract from' the other aspects of that object or phenomenon (Danermark, 1997:59).

the hopes that we can better orient ourselves in our surroundings and eliminate some of the possibilities (Sayer, 1992). For instance, based on the review of literature in the present study, the use of informal networks among the youth may be generally perceived to arise as a consequence of failure of formal institutions to render expected support to the self-employed youth. Yet arguing within the realms of abduction, there can be many possible reasons behind this. However, the study for instance, just singles out informal networks in order to explain their nature and influence in supporting the youth in self-employment. This study uses both retroduction and abduction, although it tilts more towards abduction because the problem under investigation is perceived more as a consequence of something.

In order to establish sufficient, coherent explanation of the phenomenon under investigation, critical realism uses abstraction. Abstraction is understood as a means of undertaking the scientific work of establishing concepts as a part of thought process taking place. Accordingly, researchers select or isolate specific aspects of an object or phenomenon and simultaneously 'abstract from' the other aspects of that object or phenomenon (Danermark, 1997:59). There are various forms of abstraction, from the critical realist perspective. However, the most commonly used are structural analysis and causal analysis. Structural analysis seeks to discover and establish the relationships between the various objects under investigation. It provides the 'basic' internal relations of the object(s) as a kind of snapshot (Danermark, 1997:59).

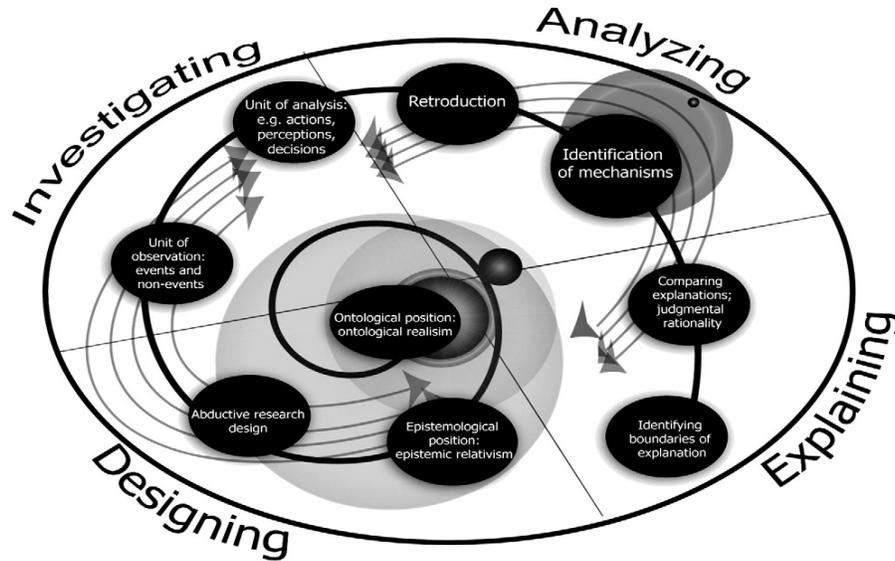
In order to investigate and understand processes and dynamics, a second type of abstraction and analysis is needed, that of causal analysis (Danermark, 1997:69). Causal analysis is aimed at explaining why situations actually take place as they do. Causality concerns not a relationship between discrete events ('cause and effect'), but the 'causal powers' or 'liabilities' of objects or relations, or more generally their ways-of-acting or 'mechanisms (Sayer, 1992:104-105). By focusing on the concrete forms of events and experiences and what happened in particular situations, the analysis seeks to explain how the causal powers or liabilities were activated, what was the specific situation and conditions, why the causal powers were/were not activated and why a particular change did/did not take place (Sayer, 1992: 106). While the emphasis on abstraction might indicate an emphasis on 'the system' or on structures, and less emphasis on actors or agency, it is important to stress that critical realism does not per se attach importance to structure over

agency. On the contrary, Sayer highlights that our understanding of structures, mechanisms, etc, can only be established by focusing on the object and studying it at the level of the empirical (Jeppesen, 2003:47).

Notwithstanding critical realism's provocative approach to philosophical debates to established schools of thought, it also has been criticised even among its own supporters. One major criticism that has been levelled against it is that, it is inaccessible to a broader audience owing to the difficult writing style of Roy Bhaskar, one of its founders and principal writer. It is often easier to read other critical realist writers to grasp Bhaskar's works; hindering wider dissemination (Njihia, 2011:62). The language and concepts it uses are opaque in nature; it has many neologies and new concepts requiring whole new interpretation (Danermark, et al, 1997; Njihia, 2011). It also lacks a consistent theoretical guide, making it not an easy ontology to apply in research process.

However, recent publications have been more responsive to enhancing its accessibility and applicability in guiding research (Njihia, 2011; Ryan, et al, 2012). For instance, in an attempt to close critical realism's application gap in business and related studies, Ryan, et al (2012) have developed a clear support in the design and execution of studies on business relationships and networks using critical realism as ontology. They have introduced a 4-task Critical Realist Research Spiral (CRRS) which can be used as a guide for researchers in the consistent use of this ontological position. The spiral addresses specific thought processes and design issues in critical realist informed research (Ryan, et al, 2012). The 4-task Critical Realist Research Spiral to a great extent has influenced the design of present study, in giving guidance to the researcher's thought processes (see Figure 4, below for the CRRS model).

Figure 4: The Critical Realist Research Spiral²¹



Source: Ryan, et al, (2012:302)

The Critical Realist Research Spiral consists of four research tasks: ‘Designing, Investigating, Analyzing, and Explaining’ (Ryan, et al, 2012:302). These tasks should be considered as sequential in the research process. The designing stage is the beginning point in the spiral, and is located near the centre. For example, in the designing of a critical realist research project, the researcher makes an explicit ontological decision to use the critical realist ontology in business relationship research. The ontological and epistemological position that the researcher is taking are shown from the very beginning²². This ontological commitment in task one, guides the type of an abductive research design including the theoretical framework the researcher adopts to aid the investigation. However, theories need not to be held on to rigidly. Other approaches should also be incorporated to get to know other surrounding issues on the subject being investigated. Theories are merely used to aid the study. This is in conformity with Sayer’s (1992:71) acknowledgement of the important role that theories play in aiding research in critical realism. Sayer insists on adopting theoretical

²¹The development of the model came from the writing of personal stories by Annmarie Ryan, Jaana Tähtinen, Markus Vanharanta, and Tuija Mainela by means of personal introspection. Each author had used critical realism as their ontological position in their doctoral and subsequent research projects and based their accounts on the challenges faced and solutions found throughout the research process. These accounts were then analyzed firstly by considering common issues in their usage of critical realism (Ryan, 2012:302).

²²However, Ryan, et al (2012) stress the spiral can be entered at different entry points.

lenses which are practically adequate – which work in other contexts; which are consistent with other knowledge and practices. Used theories should explain the situation under study by giving account of what produced it and not merely a way of ‘deriving’ or calculating results, unless it concerns a unique object. The theory should also be robust (Sayer, 1992:71). In the case of the present study, social capital was adopted as part of the abductive design to aid the collection of certain type of data. The conceptualisation of social capital appears to subsume a number of discrete dimensions that are linked to particular outcomes in relationships (Furstenberg and Hughes, 1995:580 ff). This in turn leads to the design task (task two), which encompass the nature and scope of data collection. This leads to the nature and scope of data analysis (task three). The analysis (in the analysing stage) is done by retrodution²³ in order to identify mechanisms responsible for those actions and non-actions. When it comes to explaining, (which is the fourth stage), the researcher compared various explanations, making judgement rationally. At the same time, the researcher makes boundaries of those explanations.

However, it should be mentioned that Ryan, et al (2012) stress that the model is not presented with a pre-determined or linear path in mind and the spiral can be entered at different points²⁴. Further, they argue that while the four tasks are presented sequentially, in practice there is a soft demarcation between them. For example, even during data collection, researchers are involved in understanding related processes. Moreover, the movement back and forth between theory, empirical data and analysis is commonplace (Dubois and Gadde, 2002 in Ryan, et al, 2012). It is this flexibility that gives the model its spiral quality. In developing an understanding of the data, there is need to move in and out of more general or abstract explanations of the phenomena (Ryan, et al, 2012: 302). The spiral is supported by nine reflective questions guiding the researchers throughout the process (see table 2 below).

²³ Besides retrodution which is being advocated for by the CRRS for analysis, critical realism also has abduction as another approach for data analysis.

²⁴ Each one of the four authors who jointly developed the CRRS entered the spiral at different stages (Ryan, et al, 2012:302).

Table 2: A summary of reflective questions and suggested responses

Tasks in the research process	Sub-themes in the research process	Reflective questions	Suggested responses
Task one: designing critical realist research	Ontological realism	1. How does the view that relationships and networks are 'real' affect our attempts to understand and explain them? / or what are relationships if they are not seen as 'real'?	We need to try to understand business relationships such that their properties are legitimate objects of analysis.
	Epistemic relativism	2. How does the critical realist view of relationships and networks-as-structure deal with the issue of change and transformation?	Critical realism proposes interplay between human agency as the primary mechanism of change and the provision of stability via structure that involves learning, reproduction and elaboration processes, which emerge throughout the lifetime of the relationship.
	Abductive research design	3. Does taking a critical realist position mean that we should consider our knowledge of business relationships as corresponding directly with our empirical observations?	There is no simple correspondence between ideas and reality as knowledge is always fallible and theory-laden.
		4. How can we design our research so as to allow for higher levels of theoretical sensitivity?	We need to make use of theoretical lenses to sensitize the researcher to collect certain kind of data, but to not restrict data collection to only that type of data.
Task two: field investigating in critical realist research	Choice of unit of observation	5. What kinds of data should a critical realist be interested in and why?	Narratives, documents, observations; data triangulation
	Choice of unit of analysis	6. What role do events play in critical realist research?	Events occur at the domain of actual and are the lead to specification of causal mechanisms.
		6a. What then, along with and beyond events, might critical realist research be drawn to, in the study of business relationships and networks?	Human actions, perceptions and decisions and the consequences of these on the relationship.
Task three: analysing data in critical realist research	Retroduction	7. How can we move beyond rich description and consider causality in business relationship and network research?	Critical realism requires particular modes of thinking to reflect on not only what happened, but what could happen or what hasn't happened; taking into account the situational and contingent nature of causal powers.
	Identification of mechanisms	8. What are the possible sources of mechanisms and how do we decide on those most important?	A priori from existing alternative theories or posteriori from the data, including within the conscious intentions of actors, and in a less observable state within the context of processes.
Task 4: causal explanations in critical realism research	Judgmental rationalism	9. How can a researcher judge between competing explanations of the phenomenon under examination?	This is based on judgmental rationalism where all explanations/conjectures are not equally fallible.
	Identification of boundaries of explanation	10. When do we stop causal analysis?	When we can make sense of the internal relations in a relationship and accepting that our explanations are both local and theoretically generalizable. Of course other more practical issues can also play a part in deciding the end date of research.

Source: Ryan et al, (2012:302).

The last component of the epistemological and methodological issues is to link the research design to my empirical investigation. The next section provides a detailed account of the whole empirical research process including the research site, target population, respondents, methods used for data collection and analysis, fieldwork experiences and various choices the researcher had to make in the process of conducting fieldwork.

4.6 Target population and study sites

The primary target population for the study were young males and females, aged between 15 and 35 years who are self-employed in Lusaka city in the markets. Lusaka has been the fastest growing city in Zambia in the post-independence period. Lusaka city has an estimated population of 2.1 million²⁵. The annual population growth rate in the city was 4.6 per cent in the 2000-2010 period compared to 2.8 per cent for Zambia as a whole in the same period (CSO, 2012). Table 3 below shows population growth trends for Lusaka from 1963 to 2010.

Table 3: Population of Lusaka from 1963 -2010

Year	Population	Annual Growth Rate (%)	% of National Population
1963	123,146	-	3.5
1969	262,425	13.4	6.5
1974	421,000	9.9	9.0
1980	535,830	4.1	9.4
1990	769,353	3.7	10.4
2000	1,103,413	4.0	10.7
2010	2,191,225	4.6	16.7

Sources: Various CSO reports (1994; 2001; 2012)

Lusaka city attracts people of diverse backgrounds, coming from different parts of the country (Zambia) and outside (especially neighbouring countries like Angola, Democratic Republic of Congo, Tanzania, Zimbabwe, South Africa and Rwanda, among others), looking for economic opportunities in different areas. People in Lusaka engage in different business

²⁵ Different government documents have different figures with some sources estimating the population of Lusaka as high as 2.5 million.

activities, operated at different scales, both in the formal and informal economy. However, the informal economy seems to dominate in the city (Hansen, 2010). It is estimated that only nine percent of Lusaka's population are employed in the formal economy and the remaining 91 percent operate in the informal economy (CSO, 2000). Among people who have been drawn to the city of Lusaka include the youth. The youth in the city engage in various economic activities ranging from small scale artisan or production, vending to provision of various services in different sectors of the economy (Hansen, 2010).

4.7 Contextualising the study within urban markets in Zambia

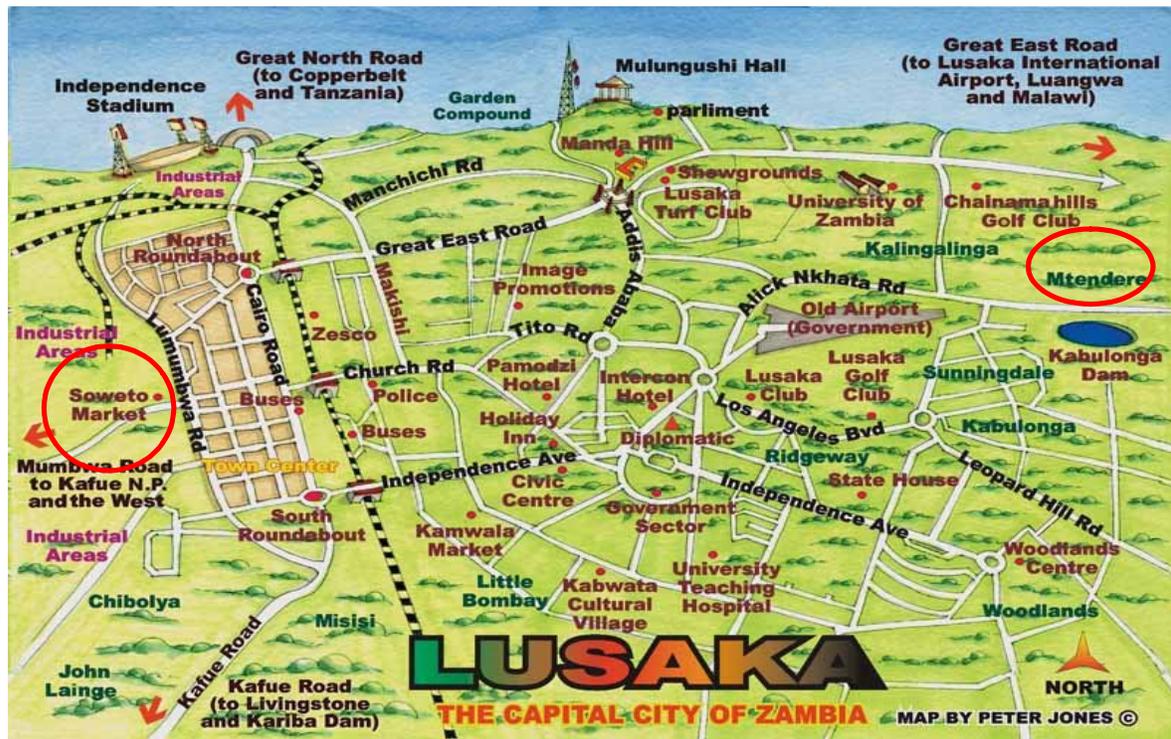
Urban markets are part of the urban landscape in Zambia. Markets in the country have over the years become centres of political, social, economic and cultural life of the low income groups in urban areas. A large portion of informal employment in urban areas is found in markets (Hansen, 2010). Markets provide incomes to the traders and many urban dwellers have raised their families from market incomes. Markets have a diverse commodity base, service activities, and participants within them. They provide commodities and services required by a wide range of people, especially the poor. A high percentage of the food stuff found in markets is usually not found in supermarkets (Nchito, 2006).

The other important aspect of market trade is the packaging of goods. In markets goods are repackaged and sold in quantities that are required by the purchaser, making them affordable to a wide range of customers, according to measure. The argument is that you only buy what you can afford. It is only in a market where one can buy a teaspoon of sugar (Nchito, 2006). There are also certain indigenous foods which are only found in markets and these are not only desired by the low income residents. Bargaining for good prices is part of the market culture. Customers always negotiate for lower prices in markets. Markets are also spaces of social interactions within the city. Traders interact with their customers on a regular basis and reach levels of acquaintance where people can get goods on credit (Hansen, 2010; Nchito, 2006).

4.7.1 Markets in Lusaka

Lusaka now has approximately 57 designated²⁶ markets which are acknowledged by Lusaka City Council (LCC), which is the planning authority for the city. However, there are also some markets in the city that are not recognized by LCC. The number of markets within the city has increased steadily since independence. In 1980 there were about 36 designated markets in the city and the number grew to 40 in the 1990s and 54 in 2000s (Nchito, 2010). Lusaka's streets and markets are among the most important source of non-formal employment (Hansen, 2010). In Lusaka, the study was conducted in New Soweto and Mtendere markets. Given below in Figure 5 is the map of Lusaka city, showing the location of the two selected markets.

Figure 5: Map of Lusaka highlighting the location of Mtendere and Soweto markets



Source: Google maps

New Soweto and Mtendere markets were selected because they seem to have a lot of youth engaging in a wide range of business activities. Besides this, each site between the two has

²⁶The term designated, or authorized, market refers to areas where urban retail is permitted under the Market Act.

its own unique qualities that warranted their selection for the study. The next section provides brief profiles of New Soweto and Mtendere markets.

4.7.1.1 Summary profile of New Soweto market

Soweto market, to begin with, is Lusaka's largest market and it is centrally located in Lusaka city. It is positioned at the edge of the light industrial area. The market began informally and illegally in the late 1970s, on privately owned land, as a centre of the produce trade for peri-urban farmers (Hansen, 2010). Over the years, the market grew rapidly, featuring the capital's largest auto part section plus the standard trades in small-scale manufacture, repair, and services. Toward the end of 1994, traders in Soweto's outside section and part of the built-up interior market were relocated to yield space for the construction of a new market (Hansen, 2010). New Soweto market, as it is now known is an ultra-modern market with the state of the art infrastructure, although makeshift structures are also becoming part of the norm in the market²⁷.



A photo of the main entrance into New Soweto market taken by the researcher

The New Soweto market was officially opened in 2009. It has 619 shops of different sizes, a big warehouse, 21 depots, shades, 2 stand-alone and 3 communal butcheries (with each

²⁷Makeshift structures and other trading arrangements have become part of the infrastructure following the presidential directive allowing vendors to trade freely anywhere, even in places which should have been used as parking spaces, bus station and loading bays.

communal butchery accommodating up to 50 marketeers). The market also has three commercial banks and a police post, located within its premises. It also has well serviced sanitary facilities such as ablution block with well-functioning toilets, waste disposal containers, drainage facilities, and running water. The market is operated under the management of LCC,²⁸ who employ a market manager, who in turn reports to the Director of Housing and Social Services at LCC.

Traders in the market are governed by regulations provided for by LCC. Anyone interested in doing business in the market has to apply to the market manager. Those whose applications are successful sign a tenancy agreement which clearly provides specific guidelines that are supposed to be strictly adhered to, in conducting business in the market. Among guidelines include prohibiting formation of any association or organization within the market area; not allowing subletting of market stalls; authorities are required to repossess any business facility that does not operate for more than 21 days; traders to stick to permitted business activities; paying market levies on time; business activities to be undertaken in their designated²⁹ places.

4.7.1.2 Summary profile of Mtendere market

Mtendere market is one of the biggest markets located in Mtendere Township (Compound), which is about 8 kilometres east of Lusaka city. Mtendere compound is also one of the oldest and biggest unplanned residential townships of Lusaka. The township has three markets namely; Kadzimayi, UNIP complex and Mtendere Main markets. The study was conducted at Mtendere main market (commonly known as Mtendere market), which stands to be the biggest and oldest market among the three. The market got established in 1969 and it was registered as a self-help co-operative society in 1971. Unlike New Soweto Market, Mtendere market is run by its own members through a market manager, a full time employee of the Co-operative Society. The market manager reports to the Board of Directors for the Co-operative Society. The market is subdivided into seven (7) zones and

²⁸ However, before the market was reconstructed, it used to be run by its members as a co-operative market.

²⁹ By design, the market has specific locations for different business activities. However, this is not followed especially after the presidential intervention on street vending; different businesses are jumbled.

each zone has a leader. Demarcations for zones are done arbitrarily out of proximity among stands (stalls) for easy administration.

Mtendere market is open to anyone, although most people running businesses there are predominantly residents of Mtendere compound. However, there are also some people who come from other places within Lusaka running business there. People interested in operating business in the market have to apply through the Society manager, who together with the board scrutinise applicants and make appropriate decisions. The market has self-made structures, typical of most markets found in densely populated residential areas in Lusaka city (Hansen, 2010). According to market officials, Mtendere market has roughly an estimation of 500 active business people, operating different types of businesses. Out of this estimation, about 300 are registered members of the co-operative society while about 200 operate business without registration. The unregistered business operators are mostly concentrated in the margins of the market or what the locals, in the area, call as 'no-man's land.' The market also reflects various business activities found in other densely populated peri-urban centres in Lusaka. Having given a description of the two markets for our investigation, the next section provides detailed information on how fieldwork for the study was conducted.

4.8 Negotiating for fieldwork, methods and interpretation

4.8.1 Negotiating for fieldwork

Field research was mainly undertaken in two phases. Phase one was between December 2011 and April 2012. Follow up research took place from May 2012 to August 2012. Field work was led by the researcher assisted by two unemployed trained graduate research assistants.³⁰ Fieldwork began with dealing with gate keepers³¹ in order to get permission to access respective markets. In the case of New Soweto market, the researcher had to deal with government bureaucrats from LCC whereas at Mtendere market, permission had to be

³⁰Graduate assistants mainly assisted in generating sampling frames and conducting the survey using the questionnaire.

³¹A gate keeper is a person who controls access to something. In the context of our study we are referring to the officials who oversee affairs in the markets.

obtained from the Co-operative Society Board of Management. In both instances, there were some delays to get clearance, even though it took a much longer period to secure government clearance.

At New Soweto market, despite showing official documentation from the University of Zambia, the researcher learnt that he could not do fieldwork in the area without official clearance from LCC management. This required a formal written application to LCC management, which the research did and had to wait for a couple of weeks to get a response. Several follow ups were made to get feedback, with the researcher being referred from one office to another and back, between two directorates (Directorate of Human Resources and Administration and Directorate of Housing and Social Security). It took 6 weeks before permission was finally granted to undertake fieldwork at New Soweto market. This also only came after 'pushing' the file (application letter and other documentation) through some junior members of staff within the system.

In the case of Mtendere market, the researcher required seeking the approval of Mtendere Co-operative Board of Management before undertaking fieldwork there.³² The Co-operative society manager organised a meeting between the Board and the researcher two days after submitting the letters of introduction. In that meeting, the researcher was asked all sorts of questions, concerning his research and why Mtendere market was chosen and not any other market in Lusaka. The interview took more than three hours. Interestingly, the researcher learnt later that, the co-operative management team had sent representatives to the University of Zambia, with photocopies of the researcher's introductory letters to verify their authenticity with purported authors (Assistant Dean, Graduate Studies in the School of Humanities and Social Sciences, the then Head of Department of Development Studies and the supervisor). This was done at the same time they arranged for a meeting with the researcher.³³ After one week, permission was granted to begin the research at Mtendere market. However, the patience in waiting exercised by the researcher in the process of

³² The market is run by a co-operative society with an elected executive committee who serve for a period of two years per term and they constitute the management board which makes decisions on behalf of the co-operative society. Interestingly, not every marketeer at Mtendere market is a co-operative society member.

³³ The researcher learnt about this in a meeting with the supervisor the following week.

waiting for clearance in both research sites proved very helpful in different ways (as it shall be seen later in this same chapter).

Other than just 'sitting' while waiting for official clearance by respective authorities, the researcher took time to familiarise himself with the two markets. He had an opportunity to engage in informal conversations with traders, to learn more about what was happening around, the way markets operate and their organisation. He also learnt about internal politics going on within the markets. For instance, he learnt about politics involving the Patriotic Front (PF) government's intentions to handover all co-operative markets to local government authorities (councils and municipalities), something which was said to be against the wishes of the marketeers themselves. Investing more time in the research sites before actual execution of the research, which came as a result of bureaucratic delays in securing clearance for fieldwork turned out to be 'eye opener' to many things the researcher had taken for granted. It enabled him to understand and effectively adjust to local realities when he embarked on the actual investigation in the two sites³⁴.

After clearance, interviewing officials at the two markets was given priority so as to gain more insights on a number of issues pertaining to getting to know who the traders were, forms of support available to them and rules governing running business in the market among other things. In some cases documentation was availed to the researcher to confirm some issues that came up in the discussion. This information set ground for the main fieldwork.

4.8.2 Fieldwork methods: Intensive

Fieldwork data collection involved a combination of intensive and extensive means of data collection which were done sequentially. Data collection began with an intensive study and then extensive in the first round. The second phase of the research was purely intensive.

³⁴In Zambia, markets act as centres of politics; where political parties have wielded their influence in different ways including political support. So one cannot just trust any stranger and open up to them. Besides, there has been tension in the market especially from the time of election campaigns and later as government changed from the Movement for Multiparty (MMD) to Patriotic Front on the 20th September, 2011.

The intensive research side of the study was undertaken qualitatively, using face to face in-depth interviews. This employed an unstructured interview guide as well as non-participant observation³⁵ with initially 12 purposively selected self-employed youth, involved in different business activities. Six participants were selected from Mtendere market while the other six came from New Soweto market. However, two participants were later dropped thus remaining with 10 participants. (The reasons that prompted this decision to eliminate two participants are given in the next paragraph). Of the two dropped, one came from Mtendere market while the other one was from New Soweto market.

All in-depth interviews were carried out by the researcher himself. This method of in-depth interviewing was deliberately a slow process, which required several visits to one participant to learn more and also to confirm certain ideas or thoughts previous interviews provoked in the mind of the researcher. Through frequent visits to participants, trust was eventually developed between individual interviewees and researcher. Just as Chickering and Salahdine (1991:17) argue, distrust on the part of the interviewee does not always take the form of explicit refusal to answering questions but sometimes can translate into erroneous and deceptive information. The importance of creating a rapport was something that the researcher took seriously. It worked very well not only in winning trust among interviewees but also led to the dropping of two participants (as earlier mentioned, one from each study area) on account of providing false information rendering their ineligibility as cases of interest. It was discovered that the two young men who were dropped from the research were actually not owners of the businesses they were managing: one was merely an employee of another person whereas the other one was operating the business on behalf of his brother.³⁶

³⁵ To a great extent, non-participant observation was achieved through allowing interviewees to attend to customers and visitors, answering phone calls and other engagements which came along the way, as the interviews we were going on. The short breaks in the middle of the interviews, (through 'interruptions' indicated above), proved helpful in some instances to make connections of what was said in interviews and the interactions and conversations the self-employed youth had with their clients.

³⁶The two participants gave misleading information, in the initial encounters, claiming ownership of the businesses they were operating when in the actual sense they were not. The one from New Soweto market was in fact recommended to the researcher by one market official but in later visits, another person (the real owner of the business) was found. Real ownership between the two was established by verifying with official records that the researcher had access to, later. In the case of Mtendere market, the youth who was dropped

Interviews began with self-introduction and asking preliminary questions to ascertain business ownership among the purposively selected interviewees. As an entry point in soliciting data pertaining to the trajectory in business and to learn how the youth mobilised various resources, all interviewees were asked one broad question: 'tell me about how you became self-employed.' Each interviewee used their own starting point in their narratives. The researcher had to listen attentively and carefully observed as he evaluated the interviewee's responses. Follow-up questions were asked to clarify explanations on specific issues that came out of individual interviewee's narratives. Some interviewees were able to give account of different aspects without much probing. However, there were some in both markets, who the interviewer had to keep on asking questions to get the required information.

The initial interviews took between one and one and half hours per session, with the longest taking two hours ten minutes. However, follow up interviews were of a much shorter duration. All interviews were conducted in a natural setting, that is, within business premises of the self-employed youth using the language each interviewee was most comfortable with. Conducting interviews within their business premises provided the researcher an opportunity to observe what was happening around. In some instances, purported supporters, mentioned during the interviews came through and the researcher was able to make connections and confirm some issues through interactions between research participants (interviewees) and their clients and visitors. On a few occasions, with permission from concerned participants, an endeavour was made to talk to their 'visitors' in order to learn more about their relationship with the participant. The researcher also had a privilege, on two separate occasions, to talk to two participants' spouses, who were found on site, during the follow-up meetings with those participants.

The in-depth interviews were captured in narrative form, based on life experiences of self-employed youth. On the basis of the initial intensive inquiry, a lot of information was obtained, which helped the researcher to understand pre-determined variables and social institutional triggers and constraints in the direction of choices in different contexts self-

was assisting his brother in running business. The business owner (brother) was in full time employment and only went to his shop during weekends and on public holidays.

employed youth made. The researcher recorded all interviews except for one, where the interviewee refused. The researcher also had to take photos with a camera.³⁷ Using a visual aid was helpful in improving understanding and illustrating the writing, later. It made it easier for the researcher to recall certain aspects of what was going on among individual interviewees, including such things as feelings, gestures, and facial expressions as well as the general business surroundings.

Following completion of each interview, the researcher had to listen to each recording twice before transcribing. The listening and transcription process helped to immerse the researcher in the data and to reflect on what the interviewees were saying and how they were presenting themselves during the interview. Where there was need to seek clarification, respective interviewees were called by phone.³⁸ Each transcript was read several times while listening to the corresponding audio to ensure accuracy of the transcribed tape and to come to a better overall understanding of each participant's experiences. The process of transcribing and listening to the tape prompted additional questions for follow-up and subsequent interviews with respective participants. An endeavour was also made to elicit official views from authorities at New Soweto and Mtendere markets. In some instances, classified information from authorities was availed to the researcher to scrutinise. The first phase of intensive research proved very helpful in guiding the development of the questionnaire that was later used in the survey for an extensive study. The next subsection, therefore, addresses the way the extensive side of the research was carried out.

4.8.3 Fieldwork methods: Extensive

The extensive fieldwork was conducted using a survey approach. A survey is a quantitative data collection tool mostly used in extensive studies (Sayer, 1992:242). 'A survey is

³⁷ It is also important to mention here that ethical issues were taken into consideration. These included voluntary participation, informed consent, and confidentiality of information. Photos were also taken voluntarily and with permission on the understanding that they will not be made public through the media, for commercial purposes.

³⁸ The interviewees gave the researcher their contact numbers.

conducted on a representative sample'...'data are gathered on variables such as type of employment, income, number of dependants and household structure, type of housing tenure, ethnic origin, educational and skills qualification and so on' (Sayer, 1992:243). A survey aims to provide regularities and common patterns or a snapshot on how issues of interest to a given research are, on a relatively wider scale. Researchers who adopt the survey approach are able to use a wide range of methods within a strategy (Denschombe, 1998). In the case of the present research, a questionnaire was used. Depending on the design, the questionnaire permits variable degree of flexibility of response, according to circumstances (Simon, 2006). Different formats of questionnaire present potentially invaluable tools for ascertaining a wide range of factual information and subjective views and perceptions from a representative sample (Denschombe, 1998). In order to give room for differing accounts of reality, a semi-structured questionnaire, combining closed and open-ended type of questions was used in this study.

The survey involved face to face interviews with an initial sample of 239 respondents³⁹ who were randomly selected using proportional to size approach of population. New Soweto market is about three times bigger than Mtendere market. Therefore 179 people were interviewed from New Soweto market while 60 respondents came from Mtendere market. Through interaction with the market manager, the researcher learnt that New Soweto market had a computerised database which shows all traders in two categories; those registered with LCC and those not registered. All together, the market as of 28th February, 2012 had 1371 traders (771 registered and 600 unregistered)⁴⁰. Out of this, a sample of 179 respondents, representing 14% of the total population of marketeers was interviewed.

As for Mtendere market, authorities did not have a database or any comprehensive list of their traders that one could easily use for a sampling frame. However, the researcher learnt that the market authorities had two registers for marketeers; one for market levy collection and the other one used for garbage collection payments. Given the situation, with help from

³⁹The samples in both sites initially included youth and non-youth as year of birth was not captured on details provided in either the LCC database for traders or the receipt books that were used to generate sampling frames. Interestingly, in the initial analysis, it came out that more than fifty percent of the respondents were 35 years and below and none of the traders was below the lower limit of 15 years.

⁴⁰However, access to the database was granted with permission by LCC head office. Having had the study approved formally with LCC, this time a clearance was given within two working days by LCC management.

the co-operative market authorities, the researcher developed his own sampling frame by comparing names on the two registers. In total, Mtendere market as at 31st March, 2012 had 401 regular traders (200 operating 'shops' and 201 operating in what is known at Mtendere market as 'no man's land'.⁴¹ From the total, a 60 sample of respondents was randomly selected, representing about 14 percent of total of 401 marketeers.

However, developing the sampling frames and selecting respondents on paper, based on the sampling frames developed was one thing, accessing respective people that were selected in the sample was another matter altogether. Challenges encountered included non-co-operation for some selected respondents; some either refused to be interviewed or demanded payment in order to provide information.⁴² Some respondents were also not just found within their business premises, even after doing two call backs on different days. Some shops especially at New Soweto market, had been closed (for more than a year, as reported by neighbours, who also claimed that they knew nothing about the whereabouts of the owners). Some shops (though only a few) were open yet with nobody and no merchandise inside, but later in the evening found locked.⁴³ It was discovered later that some of the shops found closed were actually used as storage spaces for owners and other trades, who were conducting business in open spaces within the market or elsewhere. Attempts were made to follow up and interview traceable respondents among such people. However, we only managed to interview two among such while others refused to be interviewed.

⁴¹These are areas in the margins of the markets.

⁴²Some of the respondents wanted to demand payment perceiving the researchers as making money using them but with clear explanations this was avoided.

⁴³ It was later discovered that some people instead of using designated premises within the market especially at New Soweto market preferred to trade in the open space following the presidential directive to allow marketeers to do business anywhere including the streets. Such people who owned stands or shops within the market were just using them as storerooms at close of the days' business and authorities have no powers to control amidst a presidential directive.

4.9 Ethical considerations in dealing with research participants

Like it has already been stated, from the very beginning, a clarification had to be made to all participants what the purpose of the research was. Participants were also asked individually if they were willing to participate in the study or not. At the same time, confidentiality of information was assured to all participants in the research. Even photos were taken with permission and with a clear understanding of the purpose. Further, in order to protect participants' identity, the researcher avoided using participants' real names in the write-up. Therefore in instances that require expressing in exact words what a particular respondent said, in order to make a point, pseudonyms are used instead of real names.

4.10 Methods for data processing and analysis

Data processing and analysis was done separately for quantitative and qualitative data. Preliminary analysis of quantitative data began with a creation of a database for capturing data in Statistical Package for Social Sciences (SPSS). The post-coding of open-ended questions on the questionnaire and cleaning entries was done by an expert. Basic computations were also done to show regularities and patterns emerging on various aspects in line with research questions. Frequency distribution tables and cross tabulations were done and results presented in form of tables and graphs.

Getting figures on patterns and regularities was one thing.⁴⁴The object of this study was beyond numbers, types of connections, which resources are mobilised or not mobilised, etc. The main thrust of the study to gain more understanding on various issues surrounding informal networks among self-employed youth, including how connections are secured, utilized, resources they help to gain or lose in the process, and differentiation of access according to various demographic variables (such as age, gender and others). The analysis of specificity of structures, mechanisms, powers and various processes at play could only be better explored using qualitative means. For that purpose, the in-depth interviews with self-employed youth and non-participant observation provided required 'thick' descriptions.

⁴⁴ This is not said to undermine the fact that figures played a key role in exposing observable events.

Qualitative data analysis was done manually using short phrases, specific statements and themes that emerged from the field. Before qualitative data analysis, the collected data had to be processed, raw field notes typed, edited, and tape recordings transcribed and corrected. Interviews were then coded line by line. Themes from the written text were identified by highlighting and underlining chosen statements and phrases that appeared revealing and spoke to each youth's experiences in business. Selected themes, phrases and sentences were then compared to look for emerging patterns, showing commonalities and differences among participants.

With the identified themes, the researcher then began the process of data analysis using abduction. As already mentioned, the process of abduction seeks to establish a new understanding or new knowledge of the object or phenomenon based on two elements: a) an empirical observation or an event, and b) an abstract framework (theory, concept, set of structures and relations). The process of reasoning takes place at an abstract as well as the concrete level. The researcher had to compare various explanations, making judgment rationally. From a critical realist perspective, the best explanations are those that are identified as having the greatest explanatory power (McEvoy and Richards, 2006:71).

The researcher had to combine the qualitative and quantitative data at the point of analysis. Combining the two approaches was very helpful at the point of explanation. Quantitative methods helped to identify patterns and associations that were otherwise going to be masked. Qualitative methods, on the other hand, helped to illuminate complex relationships that were unlikely to be captured by pre-determined response categories or standardised measures. Further, the triangulation of methodologies helped to illustrate and clarify certain issues emerging from the data thus providing practical adequacy of findings on the relationship between informal social networks and youth self-employment in the contexts studied.

4.11 Chapter summary

This chapter described critical realism, as a philosophy of science that guided this study. It gave a general orientation to critical realism, discussing types of research designs and how explanations are made in critical realism. Thereafter, the chapter provided the research design and methodology, which the study employed for fieldwork. Further, it gave a

detailed account of the sources of data, description of the study sites, target population, the sample size and sampling techniques, methods used in collecting, processing and analysing data. It also provided a thick description of various negotiations the researcher had to engage into before and during fieldwork. The next chapter gives the overall setting for the study, in order to set ground for empirical findings thereafter.

5. CONTEXTUALISING SELF-EMPLOYMENT AMONG THE YOUTH IN ZAMBIA

5.1 Chapter introduction

The drift towards self-employment, particularly in the informal economy, among the youth in Zambia, cannot be fully understood without taking into account the wider context in which the self-employed youth are embedded. Self-employment stems from an interplay of several factors including historical aspects (legacies of the past), political (government policy and intervention), social (demographic trends such as population growth, unemployment, poverty, etc) and economic (labour market) dynamics in Zambia. All these, in one way or another, present the parameters within which the self-employed people exploit and create opportunities and deal with setbacks and threats in their given context. In other words, these dimensions define the opportunity structure and constraints within which the self-employed people operate. This chapter therefore sets out to explore the overall context in which self-employment, among the youth, arise in Zambia.

5.2 Introducing Zambia

Zambia is a landlocked country found in Southern Africa. It is located between latitudes 8° and 18° south and longitudes 22° and 34° east and covers a total surface area of 752,612 square kilometers. The country is bordered by eight countries; the Democratic Republic of Congo to the north, Tanzania to the north-east, Malawi to the east, Mozambique, Zimbabwe, Botswana and Namibia to the South, and Angola to the west. Figure 6, below presents the political map of Zambia, showing international boundaries and the location of provinces in the country.

Figure 6: Map of Zambia⁴⁵



Zambia gained independence from Britain on 24th October 1964 with Kenneth Kaunda as first republican president. The country, in the period following independence, presented a development success story and by 1969 Zambia was classified as a middle income country. Zambia’s Gross Domestic Product (GDP) per capita was one of the highest in Africa, and it was higher than that of Brazil, Malaysia, Turkey or South Korea. At that time, Zambia was also the largest producer of copper in the developing world and third largest producer (after the United States and the Soviet Union), producing 12.2 percent of total world production (Bostock and Harvey, 1972 cited in Haglund, 2010:84). Paradoxically, Zambia currently stands in the lowest category of human development as defined by United Nations Development Programme (UNDP). Zambia’s rank in the 2011 UN Human Development Index (HDI) stood at 164 out of the

⁴⁵Border areas for Northern and Eastern provinces are now re-aligned following the creation of Muchinga province

187 countries assessed (UNDP, 2013)⁴⁶. Poverty at national level stands at 60 percent while in rural areas it is as high as 77.9 percent (CSO, 2012:3).

5.3 Historical dynamics in economic management in Zambia

Understanding the social, political and economic landscape of Zambia today requires a brief discussion of the influence Kenneth Kaunda, the first republican president from independence and his United National Independence Party (UNIP) government had on the country. Like many other leaders of newly independent African countries, Kaunda rejected the principles of the free market. In 1968, he embarked on a series of socialist economic reforms popularly known as the Mulungushi reforms, whose main objective was to place the economy under state and citizens' control. The socialist development strategy featured central economic planning, with virtually all the factors of production put under government purview. The Zambian government became a dominant player in employment creation among the citizenry and the formal sector was controlled by and, increasingly dependent on the government (Hansen, 2010).

Taking advantage of good foreign exchange earnings from her mineral wealth (copper in particular), Zambia in a short run managed to change the face of her economy to the benefit of Zambians. The UNIP government had a privilege of creating jobs and business opportunities, and promoting industrialisation. The government adopted many policies including import substitution industrialization strategy (ISIS), Zambianisation, and massive infrastructural development, all aimed at securing social and economic empowerment of ordinary Zambians (Mtetsha, 2013). Zambianisation was a popular policy in which indigenous Zambians were to takeover jobs, industries, and national administrative roles from foreign experts, in a bid to provide jobs for ordinary Zambians as well as empower citizens. This was despite the fact that most Zambians were either untrained to fill these vacancies or merely had no experience whatsoever. This period also saw mass

⁴⁶ Source: www.hdr.undp.org/en/reports/global/hdr2013

investments in infrastructure such as schools, roads, hospitals as well as expansion of the public service to increase employment opportunities among Zambians (Mtetesha, 2013).

However, over the period 1973 to 1980, Zambia suffered a massive contraction, due to a fall in copper prices at international markets, following the world energy crisis. This resulted in huge balance of payments deficits for the country. The prolonged economic crisis led to macro-economic instability, hyperinflation, budget deficits, shortages of food and other essential commodities and widespread poverty, which left the country almost bankrupt in the 1980s (Bigsten and Tengstam, 2010). In an effort to maintain production and import levels, the Zambian government had to borrow money from external sources resulting in a huge and unsustainable foreign debt. However, the economic crisis drastically affected levels of production as imports and inflation went up (Hansen, 2010). The balance of payment deficit inevitably led Zambia to adopt the International Monetary Fund (IMF) and World Bank sponsored SAP, which diminished the heavy presence and involvement of the state in running the economy of the country. However, more than one attempt to introduce SAPs had occurred in the 1980s but many of the policies were either not implemented or were withdrawn due to political resistance that the UNIP government faced (Phillips and Bhatia-Panthaki, 2007).

The change of government, from UNIP to the Movement for Multi-Party Democracy (MMD), in 1991 saw the introduction of a more vigorously pursued SAP which resulted in rapid de-industrialisation and economic liberalisation. SAP measures such as retrenchments, privatization and closure of some parastatal companies, among other factors, led to massive loss of employment in the formal economy in Zambia, from about 17 to 11 percent of the labour force, between 1992 and 1999 (Hansen, 2010:15). This pushed more and more people into an already overcrowded informal economy (Nchito and Hansen, 2010). Neoliberal policies in the 1990s resulted in a major shift in the control of the economy from the state to the private sector. The private sector, constituted by (private) enterprises, since then has become a major player in securing economic development, growth and with that employment in the country.

However, it was not until 2002 that Zambia's economy gradually started to recover and register positive growth (Phillips and Bhatia-Panthaki, 2007:793). Since 2002, Zambia has continued to register positive economic growth for over a decade now. The economy grew at an average of 4.8 percent from 2002-2005 and 6.1 percent during the period between 2006 and 2010. Her real GDP growth in 2010 stood at 7.6 percent and declined to 6.6 percent in 2011. Due to her impressive economic performance, the World Bank in 2011 reclassified Zambia as a lower middle-income country. Other macroeconomic indicators in the country have also been impressive. The annual rate of inflation, for instance, closed the year 2012 at 6.5 percent (GRZ, 2013).

Although the Zambian economy has enjoyed rapid economic expansion in the last decade, there has been lack of convergence between economic growth and employment creation in the country⁴⁷. A major challenge is that the country's recent economic growth has not been inclusive⁴⁸ of all segments of society. The key contributors to recent economic growth have been increased production in the mining (fuelled by foreign investments), agricultural and construction sectors, with mining accounting for most of the growth (Chigunta and Chisupa, 2013). However, Zambia has not been very successful in revenue extraction from copper exports. The mining sector has weak linkages to other sectors, resulting in low value chain development and employment capacity. Zambia has also failed to facilitate economic diversification, particularly in labour-intensive sectors like agriculture, tourism and manufacturing (Chigunta and Chisupa, 2013). The next section looks at government policy and intervention related to youth employment in Zambia.

⁴⁷ Much of the economic progress registered in Zambia is attributed to copper exports which have had a good run of high prices on the international market.

⁴⁸ Inclusive growth is taken to mean 'growth that not only creates new economic opportunities, but also one that ensures equal access to the opportunities created for all segments of society (Chigunta and Chisupa, 2013:1).

5.4 Government policy intervention towards youth employment in Zambia

5.4.1 The National Youth Policy and National Plan of Action for the Youth

For a very long time, the Zambian youth were neglected by government policy. It was only in 1994 that the Government adopted a National Youth Policy (NYP) which was later replaced by a revised one in 2006 (Ministry of Sport, Youth and Child Development, 2006). While the relevant policy, legal and regulatory framework for the promotion of youth employment creation and entrepreneurship development exists, it lacks synergies necessary to facilitate concerted action (Chigunta and Chisupa, 2013). This failure is besides the fact that there seem to be increasing awareness of youth issues, especially the challenge of youth unemployment⁴⁹ in the country.

To begin with, there has been an incoherent approach towards addressing youth (un)employment challenges in Zambia at institutional level. The NYP policy has not been effective in serving as a guiding framework for policing and programming youth issues in the country. Among challenges include inadequate understanding of the NYP, use of multiplicity of youth definitions, absence of explicit focus on youth employment as a key objective, low level participation of social partners' in implementation of youth programmes due to absence of clear mechanisms for their involvement, absence of overall policy framework and direction for youth activities, lack of linkages with sectoral policies, and absence of strategic coordination among various government agencies, among others (Chigunta and Chisupa, 2013: 12).

Besides the NYP, Zambia has the National Plan of Action for the Youth (NPAY) prepared in 1997, whose performance has also not been satisfactory. Besides lack of adequate funding, other critical challenges of the NPAY emanate from the NYP, such as the failure to treat youth employment as a key thematic area, lack of specificity (making implementation and monitoring problematic), poor targeting (little or nothing has been done to aid the integration of

⁴⁹ For instance, youth unemployment emerged as a serious campaign issue in the run-up to 2011 elections in Zambia.

disadvantaged and vulnerable young people into the labour market), and lack of a clear guiding framework for multiplicity of actors in delivering services, among others (Chigunta and Chisupa, 2013).

5.4.2 The Sixth National Development Plan 2011-2015

Zambia also has the Sixth National Development Plan (SNDP), which is the overall policy framework meant to guide national development in the country. The SNDP aims to build on the gains of the Fifth National Development Plan (FNDP) in the process of attaining the Vision 2030 (a national long term vision). However, (in relation to our subject of interest), just like the NYP, the SNDP does not treat youth employment as a key objective. The chapter on Child, Youth and Sports Development in the SNDP has only two objectives; the first one focuses on sports while the second one focuses on providing appropriate empowerment and training in entrepreneurship. There is also no mention of youth employment under strategies and programmes in the SNDP.

5.4.3 Other government policies and programmes

Other government policies that affect young people are the Education policies, the National Employment and Labour Market Policy (NELMP), the Micro, Small and Medium Enterprises (MSME) policy, Gender, culture, and ICT policies (ILO, 2012; Chigunta and Chisupa, 2013). However, interventions particularly towards youth entrepreneurship and self-employment by government, are associated with failure (see Hansen, 2010; Chigunta and Chisupa, 2013 for more details on this aspect)⁵⁰. In fact, the Zambia government acknowledges its own failures in this regard. Among challenges highlighted in government documents, include lack of an explicit policy framework, limited resource allocation, and inadequate coverage and impact (FNDP, 2006; Ministry of Sport, Youth and Child Development, 2006). Other challenges are lack of

⁵⁰Chigunta and Chisupa (2013) and Hansen (2010) have done thorough evaluations of government policies and programmes including the Poverty Reduction Strategy Paper (PRSP), Technical Education, Vocational and Entrepreneurship Training (TEVET), the National Youth Policy and Youth Empowerment Fund, among others, and their overall conclusion is that government has failed to effectively support the youth in Zambia.

clearly defined coordinating agency across various government ministries, institutions and programmes, thus leading to spread of resources. Some programmes are a mere duplication and replication of efforts and lack focus. For instance the Citizens Economic Empowerment Fund (CEEF), Youth Empowerment Fund (YEF) and Constituency Development Fund (CDF) more or less duplicate efforts of one another in some way⁵¹.

Further, government ministries that oversee youth issues in Zambia keep on being realigned or changing from one ministry to another. Chigunta (2012) also observe that the ministry responsible for youth in the country is least funded, despite being charged with the biggest segment of the country's population. They further note that the Ministry has several other challenges including ministerial staff graded lower than those in other ministries (e.g. Chief Youth Development Officer is equivalent to a Senior Community Development Officer or Senior Education Officer in other Ministries), thus creating demotivated staff. All these factors in one way or another affect service delivery in support of young people in the country.

5.4.4 Education and skills training

Education and training systems are critical in preparing young people for the world of work. However, questions have been raised on the relevance of education that children receive in Zambian schools to the demands of the labour market, and especially their own self-employment. The GEM (2012), through the National Expert Survey, established that teaching in primary and secondary education in Zambia does not encourage creativity, self-sufficiency, and personal initiative. Similarly, colleges and universities do not provide adequate preparation for starting up or growing new firms. The general lack of career guidance has also not helped. In fact, there has been an urge to change the education curriculum to include entrepreneurship at different levels (Chigunta and Chisupa, 2013, my own emphasis added).

⁵¹ The CEEF, YEF and CDF programmes in one way or another have a mandate of promoting the empowerment of marginalized or disadvantaged people, including the youth, to access to economic resources.

Skill training is particularly important in ensuring that youth acquire the necessary entrepreneurial skills. The Government is providing training in entrepreneurship development in the country. With a potential demand for tertiary and training of about 1.63 million, the vocational education and training system in the country can only enrol or absorb about 14,000 students annually; that is about 4.6% absorption rate (Chigunta, 2012). The number of Government skills training institutions has remained stagnant for many years. The Ministry of Science, Technology and Vocational Training has 24 institutions. The number of youth accessing the Youth Resource Centres under the Ministry of Sport, Youth and Child Development is very minimal compared to the youth population requiring such skills. Currently, it is approximated to be 1250 trainees per year in all the 16 Youth Resource Centres country wide (Chigunta, 2012). Further, the quality of technical education offered by the Department of Technical Education and Vocational Training (DTVET)⁵² has been declining due to lack of equipment, instructors and inadequate budgetary allocation (Chigunta and Chisupa, 2013; Mayaka and Moyo, 1999).

Specifically focused on investment, trade promotion, and the development of small and medium enterprises (SMEs), Zambia has a revised Technical Education, Vocational and Entrepreneurship Training (TEVET) policy of 1998 meant to support technical and entrepreneurship training. This policy has been hailed as an example of a youth oriented policy, specifically revolving around micro-enterprise with clearly targeted beneficiaries: young women and men from Grades 7 through 12 who are no longer in school, for a demand driven culture of entrepreneurship. While this policy shift is a reaction to the lack of fit between the skills taught in formal institutions and the needs of the labour market (as already mentioned), it does not reckon with the workings and organization of Zambia's informal economy, nor does it engage with the structural barriers of the labour market in the country (Hansen, 2010).

⁵²The name of the institution in 1998 changed from DTEVT to TEVETA (Technical Education, Vocational and Entrepreneurship Training Authority) following the adoption of the TEVET Act No. 13 of 1998.

5.4.5 Interventions by other players on youth entrepreneurship

Government has pledged to engage the private sector and non-state actors including non-governmental organisations (NGOs) and the church, in order to supplement government efforts in addressing the problematic school-to-work transition among the youth. Accordingly, privately owned institutions, NGOs and religious institutions and donors have initiated programmes aimed at supporting small enterprise development. However, a closer examination reveals stagnation and decline in the number of private, church, trust and NGO-run institutions (Chigunta and Chisupa, 2013). The coverage of such institutions appears to be extremely low, meaning that few young people benefit from their interventions.

On the other hand, the private sector, which is the main driver of the Zambian economy since 1991, does not seem to have any substantive programmes aimed at supporting youth employment creation. Mostly, skill training in organisations is in-house; meant to benefit individual organizations' own employees (Chigunta, 2012). There is little information on bilateral organizations aimed at supporting youth entrepreneurs (Chigunta, 2012, Mulenga, 2000). Donor agencies such as Swedish International Development Agency (SIDA), Irish Aid, and Department for International Development (DfID) are among international organizations that have taken a lead in assisting the Zambian government in facilitating entrepreneurship. However, casual observation suggests that these institutions tend to work in isolation from each other, resulting in little or no significant impact on youth (Chigunta, 2012). The next section gives a picture of population and employment trends in Zambia.

5.5 Population and employment trends in Zambia

Zambia, with an estimate of 2.8 percent population growth rate, is one of the countries in the world whose population is growing rapidly. The Fifth National Development Plan notes that the continued rapid population growth of the workforce creates a 'mismatch between increasing labour force and the rate at which the economy is able to absorb this increasing labour force (MFNP, 2006). Table 4 provides a summary of population growth trends in Zambia from 1963 (a

year before independence) to 2010. It shows the overall total population estimation (in millions), the percentage share of its concentration between rural and urban areas and the average population growth rates.

Table 4: Population trends in Zambia - 1963 to 2010

	1963	1969	1974	1980	1990	2000	2010
Zambian population (in millions)	3.5	4.1	4.7	5.7	7.4	9.9	13.1
Urban (%)	20.5	29.4	35.6	43.0	39.9	34.7	39.5
Rural (%)	79.5	70.6	64.4	57.0	60.6	65.3	60.5

Average population growth rate (%)

1963-1969	1969-1974	1969-1980	1980-1990	1990-2000	2000-2010
2.5	2.9	3.1	2.7	2.4	2.8

Sources: (Colciough, 1989; CSO, 1969; CSO, 1980; CSO, 1990; CSO, 2000; CSO, 2010).

Table 4 shows an overall rapid increase in the population over the years, from 3.5 million in 1963 to 13.1 million in 2010. Alongside this has been the rise in urban population vis-à-vis rural population, which besides high fertility rate is as a result of rural-urban migration. From the figures above, the percentage share of urban population has almost doubled from 20.5 percent in 1963 to 39.5 percent in 2010 while rural population in the country has reduced from 79.5 percent to 60.5 percent in the same period. Table 5 shows the trends in population growth in different age groups in Zambia from 1969 to 2010⁵³.

⁵³ In 1969 was when the Zambian government undertook its first comprehensive national census of population and housing. This was followed by that of 1980, and since then, government regularly conducts census in every ten (10) years with the latest national census being that of 2010.

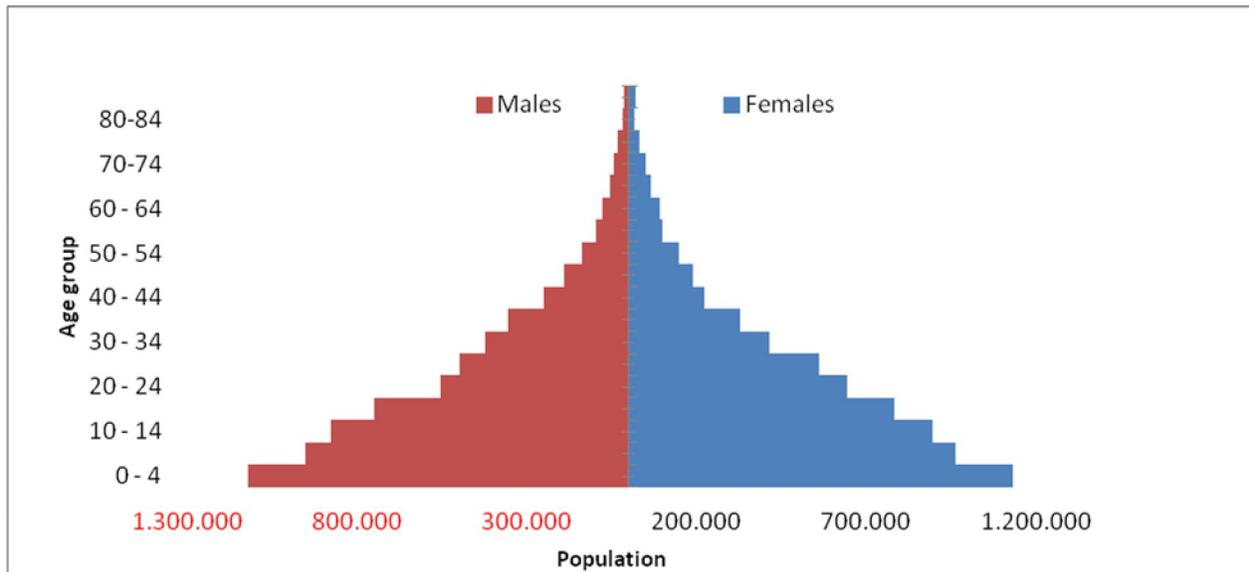
Table 5: Trends in population growth in different age groups in Zambia, 1969-2010

Age (years)	1969	1980	1990	2000	2010
0-4	367,313	1,020,027	1,198,528	1,656,720	2,214,887
5-9	324,592	984,271	1,117,831	1,461,082	1,856,336
10-14	236,725	768,391	1,028,246	1,205,646	1,699,042
15-19	172,676	592,967	939,395	1,069,996	1,427,884
20-24	132,325	473,791	710,761	908,672	1,117,476
25-29	125,438	336,933	532,783	741,148	1,006,244
30-34	115,955	292,394	429,349	557,873	800,773
35-39	117,189	237,447	296,650	429,987	647,813
40-44	87,327	212,537	265,561	325,776	447,584
45-49	85,163	177,090	214,159	245,320	354,989
50-54	59,464	145,511	191,983	203,612	270,254
55-59	62,980	97,632	140,789	144,838	184,828
60-64	29,161	91,855	115,552	131,375	161,875
65-69	28,284	62,017	73,898	100,493	118,582
70-74	8,572	42,139	56,509	68,935	90,802
75+	12,118	-	60,028	85,852	126,948

Source: CSO, 1969; 1980; 1990; 2000; 2010 Census of Population Reports

Besides accelerated population growth in the country, its age structure is also a matter of concern. Zambia has a bottom heavy demographic structure, characterised by a large youth bulge (GEM Zambia, 2012). This has been a growing population trend over time as depicted in Figure 5, above. Zambia's latest National Census report (2010) shows that almost 75 per cent of the population falls below the age of 35 years; with 45 per cent being aged 14 years and below; 21 per cent between 15-24 years and 25 per cent falling between 15-35 years. Zambia's growing youth population will continue to pose serious socio-economic challenges, especially the need to create employment for the youth (GEM, 2012). Figure 7 below is a pyramid depicting Zambia's bottom-heavy population structure.

Figure 7: Population pyramid for Zambia, 2010



Source: CSO, 2012

While the Zambian population has been on an increase, employment on the other hand has been on a decline, more so in the formal sector. As earlier mentioned in chapter one, the formal (public and private) contributes only 12% of total employment while 88% are in the informal economy (ZBS, 2010: 5). This entails that there are few new entrants in the formal labour market. The following section presents employment trends in the formal sector in Zambia.

5.6 Formal employment trends in Zambia

During the First National Development Plan (FNDP) (1966-1970), employment in the formal sector in Zambia increased at an annual rate of nearly 6.0 percent from 233,000 to 310,000. In the Second National Development Plan (SNDP), formal employment figures were expected to rise by 20,000 jobs very year, starting from 1971 (National Commission for Development Planning (NCDP) (1979). However, this could not be realized. Instead, the formal sector only increased by 23,460 from 370,030 to 393,490 in 1975 against a target of 100,000 in the SNDP. Formal employment dropped to 368,790 in 1976 and by 1978, it further reduced to 368,460. The reduction came as a result of low levels of investments in the economy following the fall of

copper prices in foreign trade. By 1983, formal sector employment in Zambia stood at 363,800, constituting 16.2 percent of total labour force (CSO, 1996). During the 1990s, following the adoption of SAP, formal sector employment continued to reduce. For instance, between March 1994 and June 1996, formal sector employment declined by 4.6 percent from 502,400 to 479,400. Table 6 below, presents a disaggregated pattern of formal employment trends between 1997 and 2001.

Table 6: Formal employment trends: 1997-2001

Agency	1997	1998	1999	2000	2001
Central government	129,200	117,250	119,377	123,128	124,000
Local authorities	15,100	9,339	9,550	9,527	9,506
Parastatal companies	73,900	70,039	71,626	71,452	71,297
Private sector	256,900	270,816	276,955	283,233	289,654
Total	475,100	467,444	477,508	487,340	494,457

Source: Ministry of Finance and Economic Development, Economic Report: 2001:52.

What we see from Table 6 is the reduction in formal employment in the public sector. Formal sector employment declined from 12 to 7 percent of the working age population between 1991 and 2007 (ILO, 2008:24). One special feature now seemingly characterizing the Zambian labour force is the high rate of unemployment.⁵⁴ Unemployment rate describes the proportion of the economically active population of working age who are not working, but are either seeking work or would do so if jobs were available. Particularly affected by the limited absorptive capacity of the formal labour market are the youth, who as already mentioned, constitute 28% of the unemployed in the country. This figure is almost double the national average of unemployment at 15.5% of the total labour force. Out of this figure, 30 percent of affected people are in rural areas and 70% in urban areas (Labour Force Survey, 2008). Since our study has an urban bias, we also present disaggregated figures showing the percentage distribution of unemployment among young people in urban Zambia.

⁵⁴Unemployment is defined as all persons above the age of 14 years without work, but available for work or seeking work (CSO, 2005).

Table 7: Distribution of unemployment among the young people in urban Zambia (%)

Age group	Males	Females	Both sexes	Total estimate of labour force /age group
12-19	77.7	80.2	79.1	502,000
20-24	57.8	64.9	61.3	891,000
25-29	28.4	41.2	33.7	848,000
30-34	13.0	27.9	19.2	708,000
All Zambia	25.7	41.1	32.3	4,926,000

Source: CSO, 2010:111

Besides slow economic performance following the economic crisis in the country, two major policy measures responsible for the decline in formal employment in Zambia are the Public Sector Reform Programme (PSRP) and the Privatization Programme. Almost all companies that were privatised in the country reduced their employment establishments. Statistics indicate that between 1992 and 1995, estimated total of 61,000 lost employment in the public and parastatal through job layoffs (ZCTU, 2001, cited in GRZ, 2004). According to Hansen (2010:15), between 1992 and 1999 formal employment (in Zambia) declined from 17 to 11 percent of the labour force.

The revived private sector in Zambia equally has not been able to create enough employment for a growing population (ZCTU and MUZ, 2004). If anything, mass job losses among major employers seem to continue even in the most recent times (Lusaka Times, 19 July, 2012). Zambia's economy is continuously being dominated by big foreign investments. As earlier indicated, the big mining companies, who are the major drivers of Zambia's extractive industry, rely more heavily on capital intensive techniques of production than human labour; meaning only limited jobs are created by these conglomerates. Besides this, mining companies have been downsizing their labour force, following a recent steady decline of global copper prices (Centre for Trade Policy and Development, 2011). All these issues affect the labour absorption capacity in the formal sector in the country. Furthermore, upon coming to power in 2011, the

Patriotic Front (PF) government increased the minimum wage⁵⁵ which some employers, especially in the private sector, seem not willing to pay (Lusaka Times, 19 July, 2012).

Meanwhile, like earlier indicated, every year a huge number of youth (about 300 000) join the labour market (CSO, 2007), yet there are few job opportunities in the country. School leavers, school dropouts, and graduates are all pressing on a shrinking formal labour market in Zambia (Hansen, 2010:15). The plight of the youth has been worsened by their limited access to education, which has constrained their access to formal employment (MFNP, 2006). These and many other employment related challenges leave only a small segment of the population to access employment in the formal economy, while the majority of the people have limited options but to look for opportunities and jobs in the informal economy. The informal economy thus does not only absorb the majority of those who have never had a chance to work, but it also takes care of people who were retrenched from government and parastatal companies (ZCTU and MUZ, 2004). According to Hansen (2010), employment in the informal economy is seen as the last option, without which people end up being unemployed.

In the case of Locke and Lintelo (2008:2), they view engagement in self-employment as part of the multi-stranded sets of strategies for getting ahead while waiting for better opportunities other than 'just sitting.' It is important to note that public sector jobs (formal employment) continue to be viewed as very attractive by the overwhelming majority (81.5 percent) of the youth because of high economic risks associated with the informal economy (Chigunta and Chisupa, 2013:13). The high expectations among the youth is understandable, given the desire for stable employment, especially among those who invested longer terms in their education, though it is not realistic given the limited absorptive capacity of the public sector (Chigunta and Chisupa, 2013:13). Table 8 shows official statistics on the distribution of the labour force by type of employment and by sector in Zambia.

⁵⁵ In July 2012, the PF Government announced a new minimum wage of not less than K520, 000 (roughly US \$90) for domestic workers and over K1 million (roughly US \$170) for shop and other workers in order to protect employees who are not represented by any union.

Table 8: Distribution of the labour force by type of employer and sector

By Type of Employer	Formal	Informal	Total Number	% of the Total
Central Government	209,546	0	209,546	4.0
Local Government	26,891	0	26,891	0.5
Parastatal	40,000	0	40,000	0.8
Private	225,012	659,213	884,225	17
NGO/Church	13,485	17,479	30,964	0.6
International Organisation	4,675	2,059	6,734	0.1
Household ⁵⁶	0	3,969,991	3,969,991	76
Other	2,566	50,842	53,408	1.0
By Sector				
Agriculture	84,921	3,727,001	3,811,922 ⁵⁷	73
Mining & Quarrying	15,641	80,098	95,739	1.8
Manufacturing	38,757	129,603	168,360	3.2
Electricity, Gas & Water	2,119	12,152	14,271	0.3
Construction	5,166	81,800	86,966	1.7
Wholesale & Retail Trade	133,643	327,815	461,458	8.8
Hotels & Restaurants	11,591	33,006	44,597	0.9
Transport & Storage	48,056	49,996	98,052	1.9
Finance & Insurance	20,975	35,669	56,644	1.1
Community, Social & Personal	161,307	222,445	383,752	7.3
Total	522,176	4,699,585	5,221,761	100

Source: Labour Force Survey, 2008.

The picture presented in Table 8 shows how narrow the contribution of the formal sector is to the labour market in the country compared to the informal sector. Given the huge number of

⁵⁶In this category we are looking at paid domestic employees such as houseboys and maids within households

⁵⁷The agriculture sector, even though large in terms of labour force, only accounts for around 20% of Gross Domestic Product (GDP).

young people being offloaded onto the labour market annually and the limited absorptive capacity of the formal sector, it leaves the majority as self-employed in the informal economy.

5.7 Chapter summary

From what has been presented in this chapter, we see the self-employed youth being embedded in a complex environment. The interplay of various factors including the historical, economic, social, demographic and neglecting policies and institutional context and factors, all act to the disadvantage of young people. Young generations have been affected by various challenges including economic restructuring which included privatization of parastatal companies and downsizing employment in the public sector, following the prolonged economic crisis, which began with the fall of copper prices and rising oil prices in the early 1970s, non-inclusive growth associated with recent economic boom, and lack of diversification. Further, failure of government intervention in supporting the youth, ever growing population, rapid urbanization trends, increasing poverty levels, among others have all in one way or another contributed to rising levels of unemployment in Zambia. This in turn has paved way for the emergence of self-employment in the informal economy in the country. In this regard we see sense in the argument advanced by Hansen (2005:8), about the transformed urban space in Zambia giving young people, particularly those from poor economic backgrounds far fewer economic options in the city than their parents' generation enjoyed. The next chapter therefore provides empirical findings of our study.

6. RESEARCH FINDINGS AND DISCUSSION

6.1 Chapter introduction

This chapter addresses the empirical findings and discussion on the objectives of the study namely; to investigate determinants of entry into self-employment among the youth in Zambia; to identify and analyse informal networks and resources the self-employed youth have and how such are accessed and utilised in support of business in Zambia, and; to identify opportunities and obstacles self-employed youth face in accessing and utilising informal networks in Zambia.

However, before presenting the findings on the given objectives, some digestible statistics reflecting various demographic characteristics of the respondents in the quantitative survey as well as brief profiles of participants in qualitative interviews are provided. Thereafter, a section presenting findings and a discussion on determinants of entry into self-employment among the youth is given. This is followed by findings and discussions on the types of informal networks and resources the self-employed youth have and how they are accessed and utilised in relation to business and opportunities and obstacles youth face in using such support in Zambia. The section presenting findings on the last two objectives is subdivided into subunits showing dynamics involved in accessing and utilising informal networks in accessing different resources among the self-employed youth. Thereafter, an overall discussion on the findings and then a summary and conclusion to the chapter are given.

6.2 Demographic characteristics of survey respondents

In this section, descriptive statistics showing various characteristics of the self-employed youth who responded to the quantitative survey questionnaire are given. The original sample for the survey, as earlier on indicated, was 239 respondents⁵⁸; which represented a mix of different age

⁵⁸Targeting the youth from the outset proved challenging as age was not reflected in both the LCC database for marketeers (at New Soweto market) and the levy and garbage collection lists (at Mtendere market) that were used to generate the sampling frames (details in the methodology chapter). The separation was only made after capturing the various ages among survey respondents on the questionnaire, and using SPSS, those outside the age range of interest were eliminated for the analysis.

groups (both young and old people) who run business in the two research sites. However, as the study focus was the youth (people in the age range 15 - 35 years), non-youth (those above 35 years) were eliminated for analysis. Table 9 shows disaggregated statistics of age and business location among survey respondents.

Table 9: Age and business location

Age group	Mtendere market	New Soweto market	Total	%
15-25	7	18	25	10.5
26-35	33	83	116	48.5
36-45	9	54	63	26.4
46-55	8	22	30	12.6
56-66	3	2	5	2.1
Total	60	179	239	100

n=239

From the original sample (239 respondents) in the two sites, almost 60% were young people. After eliminating the non-youth, we remained with a total sample of 141 self-employed youth; with Mtendere and New Soweto markets being represented by 40 and 101 respondents respectively. Table 10, shows a summary distribution by age and gender of the self-employed youth who finally constituted the sample that was used for analysing the quantitative survey data.

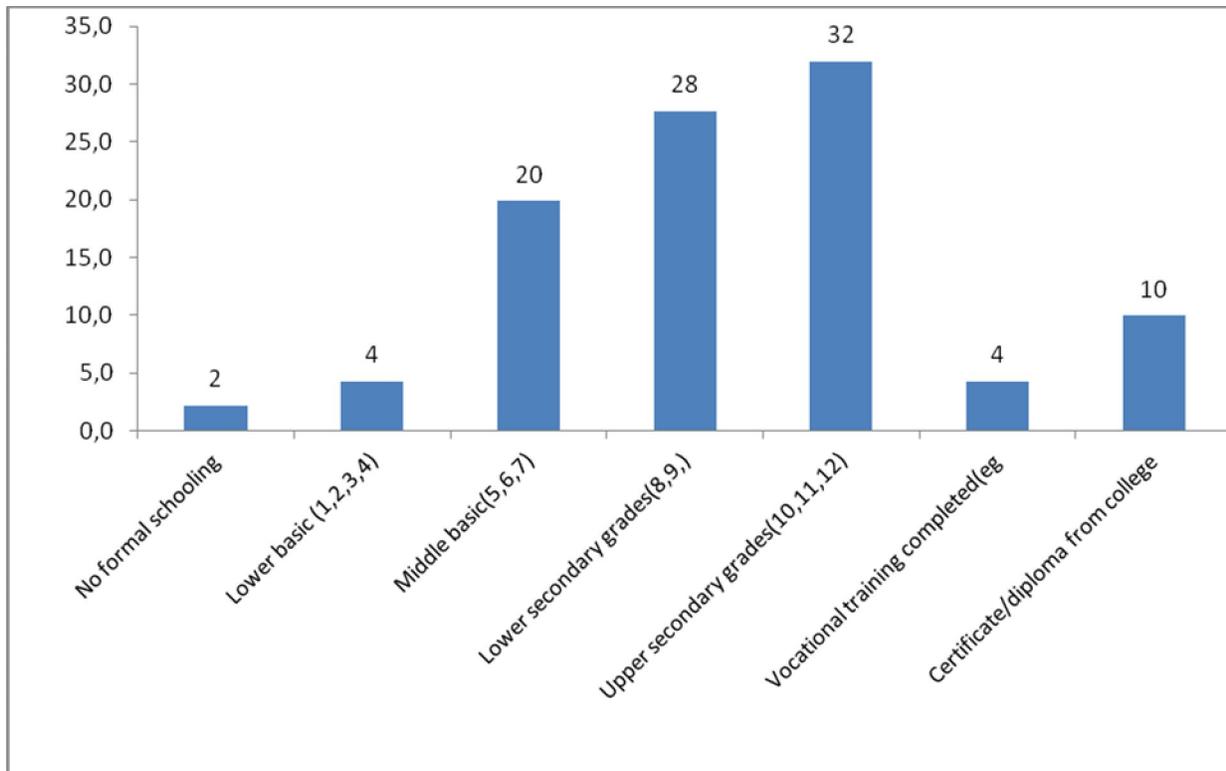
Table 10: Distribution by age and gender among self-employed youth

	Mtendere market	New Soweto market	Total	%
Age group				
15-25	7	18	25	18
26-35	33	83	116	82
Gender				
Male	29	44	73	52
Female	11	57	68	48
Total	40	101	141	100

n=141

In terms of division of the sample on gender lines, males and females were represented by 52% and 48% respectively.⁵⁹ Figure 8 shows the distribution pattern on education attainment among the self-employed youth who participated in the quantitative survey.

Figure 8: Education attainment among self-employed youth (%) n=141

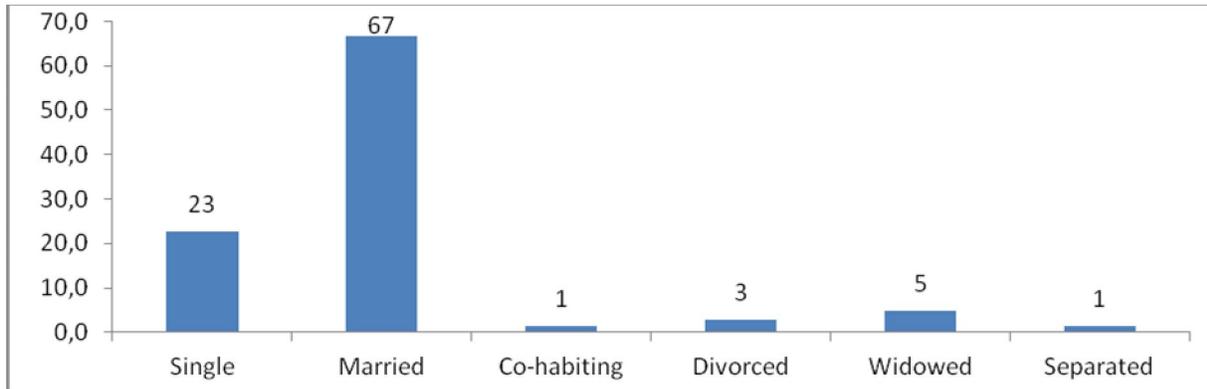


Results as depicted in figure 8 show more concentration in self-employment among youth who attended school between grade five and grade twelve. Apparently, school examinations in Zambia are taken at three levels; grade 7, grade 9 and grade 12 levels. The rising pattern emerging from the distribution may perhaps be an indication that those who do not succeed getting to the next level of education, for various reasons, constitute the majority of those who go into self-employment, among young people. This claim has backing from in-depth interviews, where six out of 10 of interviewees indicated that they could not proceed to the

⁵⁹This was not by design, results just came out to be this way.

next level of education for various reasons including failing examinations, death of parent or sponsor, and falling pregnant (for girls) among others.⁶⁰

Figure 9: Marital status among self-employed youth in the survey (%) n=141



In terms of the marital status, those who were married constituted the largest portion with about 67% followed by those who were singles, who represented about 23% among the self-employed youth in the sample. Those that were co-habiting represented only 1% while the divorced and widowed represented about 4% and 5% respectively. The score for those on separation stood at 1% among self-employed youth in the survey.

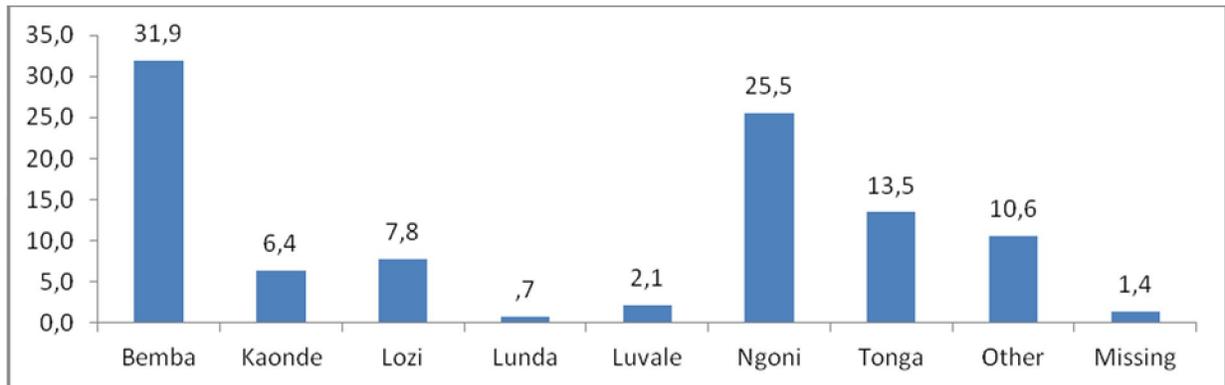
A summary of the distribution of the sample on ethnic⁶¹ lines is shown in Figure 10, below. However, it is important to note that Zambia has about 73 ethnic groups though the most dominant ones are seven namely; Bemba, Kaonde, Lozi, Lunda, Luvale, Ngoni⁶² and Tonga. Besides English, which is the official language for Zambia, ethnic languages spoken by these seven major tribes are the only ones currently taught in schools in different parts of the country where they are arguably more concentrated.

⁶⁰This aspect is well addressed later, in this very chapter on the section showing brief profiles of interviewees as well as on motivating factors for entry into self-employment among the youth.

⁶¹Although intermarriages are common in Zambia, most people tend to have some inclinations on ethnic identity.

⁶²Note that Nyanja is the common language spoken by the Ngoni groups.

Figure 10: Ethnic representation among self-employed youth



The distribution on religious lines showed that about 97% were Christians, whereas a combination of Hindus, Moslems and other religions constituted only 3% of the sample. The dominance of Christianity was not surprising as Zambia has always been identified with Christianity, in as much as people have the freedom of worship with any religion of their choice. Zambia was even constitutionally endorsed as a Christianity nation in 1992.

6.2.1 Distribution of business activities among survey respondents

Using an open-ended question, each respondent was asked to give a description of the products and services they were offering the markets, as a way to identify the types of business activities they were involved in. At the end of the exercise, a very long list was generated showing a variety of business activities that different entrepreneurs were involved in. However, for convenience sake, various business activities were regrouped into five different categories⁶³ namely; retail trade, crafts, manufacturing, wholesale and restaurant business. From what was given in the two study areas, it seems that most types of business activities that are common around the city of Lusaka are found in the two research areas. Table 11 shows a summary of business activities self-employed youth were involved in, as revealed by the survey.

⁶³This categorisation of business activities was done after completing the survey data collection through post coding the questionnaire.

Table 11: Type of business activities by location among self-employed youth (%)

Business Activity	Mtendere	New Soweto	Total
Retail trade	73	88	84
Crafts	18	3	7
Restaurant	8	7	7
Wholesale	3	1	1
Manufacturing	0	1	1
Total	100	100	100

n=141

Businesses grouped under retail trade were for those involved in selling goods such as groceries, cosmetics, stationery, spices, CDs and DVDs, clothes (old and new), foodstuffs, kitchenware, automobile spares, mobile phones and accessories, fertiliser and seed, among many other things. Retail trade, with 84 %, was the most dominant business activity among the self-employed youth in the survey. This was trailed by those involved in craft related activities and restaurant business with both constituting 7% of the survey respondents.

However, looking at the two markets in isolation, there was a big variation among the self-employed youth involved in craft related business activities, with Mtendere market having about 18% while New Soweto market only had about 3% of the young entrepreneurs involved in craft related business. One possible explanation on the big difference is that, at Mtendere market, traders are relatively free to engage in any form of business activity anywhere within the market as long as it is legal in the eyes of the co-operative society management, who are the market overseers whereas at New Soweto market, (which is under the control of LCC), traders are somewhat restricted by the design of the market (and to some extent regulations); whereby different business activities are allocated specific trading areas⁶⁴. Crafts related activities included those in businesses like metal fabrication, carpentry and joinery, hair dressing, tailoring and design, and electronic repairing, and weaving among others. The

⁶⁴However, like earlier on mentioned, this is slowly changing following the Presidential directive which restrains local authorities in enforcing informal business operators to operate in designated places. Most regulations are no longer being followed. Due to political pressure LCC has limited powers to control what goes on. People do all sorts of businesses other than what is designated (Interview with a Government official from LCC).

restaurant business category involved people who prepare and serve a variety of meals as well as teas, chips, and fries, among other foodstuffs. In a sense, both crafts and restaurant business somehow require some special skill to run.

The manufacturing and wholesale business categories were both ranked at 1% among self-employed youth. Put under the manufacturing business category were those involved in business activities such as making cooking oil, soap, and grinding mealie mill, etc. Those classified under the wholesale⁶⁵ business were those selling things in bulk at order price. Among their merchandise included soft drinks, fresh farm produce, cooking oil, kapenta, beans, fish, etc.

Table 12: Business ownership among self-employed youth by gender (%)

Type of ownership	Male	Female	Total
Sole ownership	78	90	84
Joint ownership	22	10	16
Total	100	100	100

n=141

Results showed that the majority of the youth were sole owners of the businesses they were running. However, there were more female youth compared to their male counterparts who operated businesses as sole owner (90% and 78% respectively). Having provided demographic characteristics of survey respondents, the next section presents brief profiles of those who were subjected to the in-depth interviews and non-participant observation, on the qualitative component of the study.

6.3 Brief profile of participants in the qualitative interviews

This section gives a brief profile and background of the self-employed youth that were purposively selected to participate in the qualitative study. Suffice to say that three of the respondents in the quantitative survey were also selected for the qualitative study. Provided in

⁶⁵Those we classified under the wholesale business, besides selling to person interested in bulk buying were also more of suppliers to some fellow marketeers.

summary form include the given name,⁶⁶ business activity, experience, marital status, and brief background among other characteristics.

Table 13: Brief profiles of self-employed youth who participated in the in-depth interviews

Thomas, age 29, runs a wholesale business, selling fruits and fresh vegetables at New Soweto Market. In his business, he employs 10 people including two of his young brothers. He went up to grade 12 level of education. Before becoming self-employed in 2001, he worked as quality controller for four years in a horticultural company. He only resigned when he heard rumours about the liquidation of the company he used to work for. He is married and lives in Kaunda Square II with his wife, a son and a daughter, his two young brothers and two sisters-in-law and a maid. He grew up in Kitwe.

Tobias, male, age 32, sells assorted hardware goods in Mtendere market. He stopped school in grade eight after the death of his parents. He then migrated to Lusaka from Petauke, to live with his elder brother, a carpenter. He learnt carpentry from his brother, and later abandoned it and moved on to his current hardware business, through the influence of his friend in 2003. He learnt business skills through his friends. He currently lives alone within Mtendere compound.

Chiti, a single lady aged 29 is self-employed as fashion designer and tailor at New Soweto Market since 2006. She completed grade 12 and has a qualification in fashion design and tailoring. She got exposed to this line of business by her mother who used to be a tailor. Chiti has a daughter and a young sister who she lives with. She also supports her sick mother, who lives with another sister of hers in Ndola.

Mary is 30 years old, married and a mother of three children. She is a grade 9 school dropout, who grew up in Mtendere compound. She runs two cosmetics and hairdressing shops at Mtendere market. She has been self-employed since 2005. Mary attributes success in business to her husband. She acquired business skills from a friend who was involved in a similar business. She lives in Chalala with her husband, three children, and a young sister.

Innocent, aged 24 is a single male who is self-employed as a metal fabricator; making braziers, basins, pots, window frames, and door frames, among other things, in an open space near one of the entrances to Mtendere market. He took over business from his late father, who used to operate in the same location. His father taught him the craft when he was still in school. He lives within Mtendere with his mother (a widow) and three of his siblings. Innocent stopped school in grade 9 after the death of his father.

Jackson, male aged 29 years, is self-employed in shoemaking and repairing business at New Soweto market since 2001. He is married and has one child. Jackson only went up to grade 7 in school. He claims that he acquired skills in shoe-repairing 'accidentally' through spending time with an elderly man who used to repair shoes under a tree near his parent's home in Chipata. Jackson hopes to open a big shoemaking company in future.

Anna, a 25 years old single mother of one child left school in grade 11 after falling pregnant. She was raised by her mother, a retired school teacher. Her mother refused to support Anna to get back in school when she delivered. Anna moved from Kabwe to Lusaka, together with her daughter and started living with her aunt (mother's young sister). Although without experience or qualifications, her aunt found her a job as a waitress in her friend's restaurant and Anna worked for about 8 years, up to when the business got closed. Instead of

⁶⁶ Besides the name of the participants which were changed for anonymity, other details are captured as given by the participants.

looking for another job, she decided to start her own restaurant business, a business she runs to date.

Phillip, aged 35 years runs an ICT business centre offering internet and secretarial services at Mtendere market. Phillip completed grade 12 and has a certificate in basic accounting. Phillip had gone to South Africa to look for a job but was unsuccessful. Upon failure to get a job abroad, he started cross-border trading; buying ICT equipment, including photocopiers, computers and scanners from South Africa and reselling in Zambia. He stopped cross-border trading after he got involved in a road accident, which left him partially paralysed. When he recovered, he decided to open a business centre with some of the ICT equipment he had bought for resale. Phillip is married with one child and lives within Mtendere compound.

Miriam, a 26 years old female and single mother, runs a business of selling vegetables at Mtendere market. Miriam took over business from her late mother, who used to sell vegetables at the same stand in the market. She stopped school after failing her grade nine examination. Miriam lives with her old father (widower), daughter and two young sisters within Mtendere compound.

Mutale, 34 years old male runs a combined hardware and automobile spares shop, selling electrical and car spare parts and decorating materials at New Soweto market. He also owns a mechanics workshop elsewhere. He established his business in 2009. He acquired business skills through helping a brother (who is a mechanic) as a spanner boy in his business. He employs four assistants who he pays wages, though not regularly. He is married with four children and lives with other four relatives in Matero compound.

Having given various characteristics of the respondents in the quantitative survey and participants the in-depth interviews, the subsequent sections in the chapter address the objectives of the study; beginning with determinants of entry into self-employment among the youth.

6.4 Determinants for self-employment among the youth

What motivates people to become self-employed is an old debate that seems to take centre stage in contemporary entrepreneurship literature. The recent interest in this debate has particularly been prompted by the unexpectedly high rates of entrepreneurial activity in developing countries, whose rates are much higher than those of developed countries (Rosa, Kodithuwakku and Balunywa, 2006). As it has already been stated (in chapter 1, 3 and 5), there has been an increase of self-employment in Africa, particularly in the informal economy, and many of those who have been attracted are the youth (Herrera, 2006). Similarly, in Zambia, self-employment in the informal economy accounts for a fairly large portion of the active

labour force among the youth (Chigunta, Chisupa and Elder, 2013; Hansen, 2010; Bigsten and Tengstam, 2010; Chigunta, 2007).

As such, the first objective in this study was to establish motivating factors to get into self-employment among the youth. The next section therefore provides findings and a discussion on factors influencing choice to go into self-employment among young people. In the quantitative survey, a question was asked to all respondents to indicate the primary reason for getting into self-employment. Table 14 provides a summary of findings among survey respondents in this regard.

Table 14: Main reasons for self-employment by business location (%)

Location	Unemployment	To seize opportunity	To supplement income	Others	Total
Mtendere	50	50	.0	.0	100
New Soweto	58	34	7	1	100
Total	56	38	5	1	100

n=141

What emerges from the survey findings is that the majority of the respondents, (56%) decided to go into self-employment due to unemployment. However, when we disaggregate the data between the two research sites, New Soweto market had a fairly higher figure (58%) compared to Mtendere (with 50%), among those who settled for self-employment on account of lack of employment. Therefore, self-employment in this context becomes a significant alternative way to getting integrated into the labour market (in the absence of employment opportunities in the country) among young people.

These results are very close to findings by Chigunta, Chisupa and Elder (2013), Hansen (2010) and Chigunta, et al (2005) on Zambia, indicating unemployment as a leading factor to self-employment among the youth. For instance, Chigunta, Chisupa and Elder (2013:41) found out that those who decided to be self-employed on account of unemployment was 53.2 percent, thus (in this context) implying that self-employment is the second best option among youth in Zambia. Findings are also similar to the Ugandan case, where Langevang, Namatovu and Dawa

(2012) equally identified getting into business as a way to avoid unemployment among young people. In the case of Zambia, the youth make up the bulk of the unemployed people with about 28 percent while the national average for unemployment in the country stands at 15.5 percent (Labour Force Survey, 2008). Part of the problem leading to the high rate of unemployment in Zambia can be explained by, among other factors, the contractions in the formal labour market, non-inclusive economic growth and rapid population growth, among other factors (Hansen, 2010; Chigunta and Chisupa, 2013). In a way, we see the overall context playing a role in explaining what is going on in Zambia.

Another motivating factor indicated for getting into self-employment was that young people wanted to seize some business opportunities (38% of the survey respondents). These results are consistent with the latest GEM findings, which show that 38.8% of people in Zambia have high perceptions of good opportunities for starting business (GEM Zambia, 2013). However, GEM studies on Zambia for 2012 and 2010 show a steady decline on perceptions on the presence of good business opportunities, with 46% and 41% respectively (GEM Zambia 2012; 2010). It is also important to mention that results on those who chose self-employment in order to seize some identified business opportunities, in the current study, show a big variation between the two research areas, with Mtendere market having more young people (50%) compared to New Soweto market whose score was 34% on this aspect.

Another factor revealed as influencing choice of self-employment by some young people, was that they wanted to supplement household income. This was represented by 5% of the respondents while those who indicated other reasons for their choice of self-employment only accounted for a mere 1 percent. Surprisingly, all respondents in the survey who identified supplementing household incomes came from New Soweto market.

Participants in qualitative interviews were equally asked questions on why they chose self-employment. The qualitative interviews corroborated the survey findings pointing to lack of employment as one of the main reasons why the youth chose self-employment. However,

findings further revealed that decisions are not usually made in a straight forward manner. In-depth interviews yielded a lot of information pointing to other intervening factors and dynamics influencing choices to get into self-employment among young people; making the whole picture much more complex. Motivating factors for self-employment among youth combined various reasons including unemployment, fear of losing a job, passion, changing life circumstances (such as death in family, failure, accident, etc), to support family, to achieve economic prosperity, to be independent, to avoid being a beggar, to supplement household income, family influence, for survival, fear of losing a job, taking advantage of opportunity offered by the market, among others.

The following excerpts may perhaps help to illuminate complications surrounding choices made in the direction of self-employment among youth who participated in the qualitative study.

‘...I looked for employment for more than one year. When I got fed up, waiting for a job which never came, I decided to assist my brother in his automotive mechanics business as a spanner boy. In the process I developed interest in mechanics and later decided to start my own business in the same field’ (Mutale).

‘I wanted to get employed as truck driver. In pursuit of my dream job I came to Lusaka [from Eastern province of Zambia] following my uncle’s advice that chances were higher for me to get a job as a truck driver here [Lusaka], but things could not just work out for me and I ended up doing what I am doing now [making and repairing shoes]’ (Jackson).

Another young self-employed youth, Phillip initially had plans of getting into formal employment but he could also not get a job. Out of the influence of some of his friends working abroad [South Africa], Phillip had even travelled to South Africa in search of employment there, but he could not succeed to get a job. After eight months in South Africa, he decided to return home. In his own words he describes how he eventually became self-employed as follows:

‘...when I gave up looking for employment in South Africa... instead of just coming back [to Zambia], I decided to buy two second hand computers for resale in Zambia, using the small

savings I had made from earnings through doing odd jobs. After successfully reselling those computers it dawned on me that I could just become a businessman and venture in cross border trading, buying items from South Africa where they are cheaper and resale here [Zambia]. I did this [cross border] business for about two years. But I switched to this [current] business when I got involved in a road accident on one [business] trip from South Africa, which left me this way [moving on crutches]. When I felt much better, because of how I am [lame], I decided to open up a business centre using some of the computers which I had purchased for resell from South Africa and here I am' (Phillip).

As for Anna and Thomas, they thought of becoming self-employed when they were at the verge of losing employment. For Anna, it was at the time when her employer (her Aunt's friend) who she was with for eight years decided to close her business that Anna decided to be self-employed. In her own words, this is what Anna had to say to explain circumstances which prompted her to get into self-employment:

'Probably, if it was not for my [former] employer's business that closed down, I could have still been working for her even if she was not paying me lot of money. But what I used to get was enough for myself and my daughter and I could at times even buy groceries and food at my aunt's house, where I used to live then. Now, after getting used to handling my own money, I could not imagine myself begging [money] from anyone to support my daughter and myself...' That was how I thought I should start my own restaurant business. In fact as someone who did not complete school, looking for a job for me was going to be more difficult than working on my own' (Anna).

In the case of Thomas, it was when rumours started circulating that the horticultural company he used to work for [as quality controller], was going to close down, that he started thinking about getting into self-employment. Thomas made his first move towards self-employment when it became evident that the company was closing down. Thomas said: '... as the company started downsizing staff through retrenchments, I did not want to wait for my own turn to be retrenched. I had to make a quick move to quit'. When asked why he opted for self-employment and not looking for another job, he said:

'...business for me is in-born⁶⁷.... I used to run a small grocery, though for fun, in as much as I used to supplement household income in Kitwe, before I came to Lusaka. So [doing] business is something that just came naturally at that point, although to be honest, I was not sure what kind of business I was going to settle for, this time, as a serious source [of income] for my livelihood' (Thomas).

However, further revelations on how Thomas accessed information leading to the choice of the particular business he eventually settled for, and how he made up his mind to quit employment and start business can be seen as an element of seeing an opportunity. He said:

'...the idea [of this line of business] came through a close [female] friend from another country, who used to live here [Lusaka]. My friend asked [me] to accompany her to buy butternuts at a nearby market place, after a church service. Surprisingly, butternuts happened to be among the produce that the company I used to work for was exporting to Europe. But I had no idea whatsoever on how profitable they were. I did not even know that they had some high demand locally [in Lusaka]. She [referring to his friend] even assured me that if I had a reliable source and started a business of selling butternuts, I will be assured of the market through her connections. That was how I quit employment and started business (Thomas).

In the case of Phillip, we see a combination of seeing an opportunity as well as changing life circumstances as motivating factors for becoming self-employed. While for Anna, there is an element of survival as well as seeing self-employment as providing some kind of independence [not wanting to bother other people] in meeting her daily needs. Anna says that even if she was not being paid that much, she would have still continued to work for her employer (her aunt's friend), if it were not for the closure of her (former) employer's business. This may imply that in as much as Anna wanted money, she could have had other motivating factors beyond income, for staying on that particular job.

⁶⁷ When he was young, Thomas had a small shop in Kitwe, selling groceries. He only stopped that business when he moved to Lusaka, following a sister who got married there. However, when he went to Lusaka, he settled for paid job instead of continuing in business.

'I had developed a very close relationship with my employer. She used to treat me like her own daughter' (Anna).

The case of Thomas is even much more complex. On one hand, one may see elements of necessity (when he talks about wanting to take a move before his turn to be retrenched came) as a motivating factor for starting business. But again when we reflect on his argument that business to him was 'in born' and the fact that he used to run business as a child though 'for fun' on one hand, and also taking into consideration how he made a decision to quit employment, following his discovery of the profitability and availability of local demand for butternuts as well as the friend's assurance of the market, on the other hand, we may be persuaded to link him to opportunity driven entrepreneurship. After all, in a sense, it was on the basis of his conversation with the friend that triggered the move to quit employment and get into self-employment and that specific business of selling butternuts, for that matter. Some studies in a way classify those who either get dismissed or laid off as necessity entrepreneurs (Block and Wargner, 2010), however, literature seems not to be so clear on the classification of those who act ahead of circumstances. We shall return to this debate in the main discussion, after presenting findings on other objectives of the study.

6.5 Informal networks and access to resources

This subsection presents findings on the use of informal networks among the self-employed youth in accessing business related resources. However, (as mentioned earlier) bearing in mind that business undertakings require a wide range of resources, such as information and ideas, finance, skills, customer and suppliers, labour, etc, the chapter is subdivided along different resources⁶⁸ which were identified as important for running business among the youth themselves. We structured findings this way to ensure that we adequately cover dynamics and challenges involved in accessing and utilising informal networks in mobilizing different

⁶⁸However, it should be pointed out from the very outset that this study did not quantify the relative weight of different resources in business neither does the order of presentation necessarily reflect the relative importance of different resources.

resources among the self-employed youth, in their given context. Further, the suggested approach prompted us to combine the last two objectives of the study for easy flow of ideas in the presentation of findings.

6.5.1 Access to information and ideas

Information is one of the critical resources in any economic undertaking. Any person interested in business requires information throughout the life cycle of a business, starting from identifying the type of business (products or services to offer the market), how to start and manage the business, where to locate the business, customers, among other considerations. Sociologists invoke the propensity of social networks to transfer information (Granovetter, 1985). As such, one key aspect of this study was to understand sources of business related ideas and information among the self-employed youth. The self-employed youth were asked a number of questions concerning how they mainly got ideas and information related to their business. Table 15 provides a summary of responses with regards to access to business related information and ideas among survey respondents.

Table 15: Main source of business information and ideas by business location (%)

Location	Family	Friends	Customers	Suppliers	Media	Other	Total
Mtendere market	8	38	50	5	0	0	100
New Soweto market	22	42	26	9	1	1	100
Total	18	40	33	8	1	1	100

n= 141

In table 15 above, the media (internet, newspapers, radio, television, etc), to begin with, which in most cases is regarded as a vital source of information, in this case seem not to play a significant role in providing business ideas and information among the self-employed youth. One possible explanation on the low usage of the media could be linked to the poor reading culture that generally exists among Zambians. Another reason could be that perhaps the media

does not carry much information related to how to start or run business. Instead findings revealed a number of channels reflecting a combination of strong and weak ties as sources of ideas and information related to business among the self-employed youth. Strong ties included talking to friends and close family members. In the study, talking to friends emerged as the most dominant channel (with 40 percent) as a main source of business information and ideas; and the distribution pattern was more or less the same in the two areas. Through friends respondents accessed different ideas and information related to their businesses.

However, qualitative interviews further revealed that access to business related information and ideas was usually accessed through casual talks among friends⁶⁹. Interestingly, Chigunta (2007) identified casual talks [‘kucezaceza’ in Nyanja language], as a way of passing time, especially among the youth who have ‘nothing to do’. However, in this study, casual talks emerge an important way some young people get access to information related to business. For instance Tobias says:

‘When I came to [live in] Mtendere, I used to get bored just staying at [my brother’s] home as I had nothing to do. Later I made friends within the compound [Mtendere] ... and we would meet almost every afternoon to pass time at one of our friend’s Kantemba [makeshift shop] outside the market and discuss any subject ... politics, sports, girls, business or even dreams or whatever is happening around. It was through talks of this kind that opened up my mind and helped me to acquire some ideas related to running business’ (Tobias).

In the case of Thomas, although he had intentions to stand on his own in business, it was also through some casual talk with a friend that he developed an idea of the actual business that he eventually settled for. He says:

‘... taking this line of business [selling fresh farm produce] was more like an accident than anything to me. The idea came through a casual talk with a foreign friend of mine, who one day asked me to accompany her, to [go and] buy some butternuts at a nearby market place, after a church service. ... but before talking to her ... I had no idea how profitable butternuts were or

⁶⁹A casual talk is taken to mean a more relaxed and aimless talk, usually among friends.

even that they had a lot of demand locally. ...I made up my mind on the basis of my friend's assurance that if I quitted my job and started a business of selling butternuts, I would be assured of the market, through her connections with residents [in Zambian] from her country. I have not regretted the decision I took from that time as my friend stood for me' (Thomas).

Besides seeing strong ties at work here, we also see through Thomas, strong ties somehow providing mechanism that invoke linkages to weak ties, in a wider social context. This comes in the wake of the assurance that Thomas gets from a trusted friend who guarantees him market through her own connections. Thomas considered this information reliable, and he even made up his mind to resign and begin business, a decision he claims has no regrets having taken, as he puts it. Similarly, Thomas had to reciprocate the support he received from his friend by selling butternuts to her cheaply. In the case of Tobias, he has continued to rely so much on his friends for business information and ideas even when he feels more established in business. In his own words he says:

'Even this time when my business is more established there are times when business gets tough, especially around the middle of the month, usually all of us here [in the market] are affected. During such [hard] times, instead of sitting or standing alone [by our own stands shop], we sit together as friends at one shop, playing draft, chess or just chatting. In the process, we engage in discussions of all kinds. But sometimes, you find that someone touches on a certain idea that you find appealing to your business. From there, you may want to find out more or even try implementing such an idea. ... I have found [that] trying some of those ideas in my business working very well for me' (Tobias).

Tobias mentioned varying commodities he sells in different seasons of the year (something he associates his success in business with) as something he learnt through casual talks with friends. Although generally dealing with hardware business, Tobias varies his merchandise following what he terms as the 'demands of the season' (that is, things that most customers look for in a given season in his area). For instance, he indicated that during the rainy season, because of leakages many people have in their houses in Mtendere compound, he mostly stocks his shop

with roofing related products such as roofing compound, roof sealant, asbestos sheets, plastics and so on. He says that:

‘This strategy of selling different things in different seasons helps me a lot in making money. If it were not for sharing information with my friends, I would not have been in business today. In fact, nowadays, a day cannot pass without me touching money [meaning without selling something]. Meanwhile, previously, I sometimes would open my shop in the morning and close in the evening without selling anything at all’ (Tobias).

The findings on the way the self-employed access business related information in this study seem to be consistent with findings by Roever (2005) in Peru. Roever (2005:34) identified the way collective occupation of a common urban space among informal economy operators as providing a setting in which individuals develop networks, and have an opportunity to discuss their common problems and share and exchange information (Roever, 2005:34).

Talking to friends (strong ties), were closely followed by talking to customers (with 33%) as source of information and ideas related to business. However, findings showed a huge difference on the use of customers in accessing business related information in the two sites, with Mtendere market scoring 50% while New Soweto market had 26 percent. Perhaps, the reason for having more personalised customers among the self-employed youth at Mtendere market could be attributed to the fact that the market is located in a residential area (Mtendere Compound itself), whereas New Soweto market is located in a business area, quite distant from residential areas.

The relatively high score on the use of customers, as a source of business ideas in the survey came as a surprise. However, in-depth interviews revealed detailed information regarding different ways the self-employed youth were accessing information from customers. For some (such as Anna, Thomas, and Mutale), had been involved in running other people’s businesses before they started their own businesses. Therefore, for those with previous experience (either through assisting relatives or as employees), operating other people’s businesses provided them with opportunities to interact with customers at that time. Therefore, in one way or

another, such enabled them to get some ideas and information which later helped them in their own respective businesses. In the case of Mary and Tobias, they indicated that they got some ideas on things to order basing on frequently asked for items by some customers.

However, in some cases, in-depth interviews also revealed that some self-employed youth accessed direct advice, on what items to sell or line of business to do. For instance Mary, Mutale and Tobias, separately revealed that they each had some people who started as ordinary customers, who have since become close friends, who would go direct to their shops any time they wanted items related to their respective businesses. Each one of them indicated that some regular customers would suggest to them what items to stock in their shops. In the case of Tobias, he revealed that some of his regular customers were even sending their children or relatives to buy from him with instructions that:

‘[I]f I do not have what they [my customers] want I should know what to do; meaning I should take the trouble to look for that particular commodity on their behalf, which I do. Sometimes depending on how often such requests are made, when I have money, I would think along stocking my shop with such items’ (Tobias).

Having presented various channels being used to access information and ideas, the next subsection addresses how the self-employed youth accessed business related finances.

6.5.2 Access to finance

Inaccessibility of start-up capital and finance poses one of the most prominent challenges confronting young people trying to establish themselves in business in Zambia (Mwenechanya, 2007). This study corroborates previous findings pointing to lack of access to business finance as one of the major constraining factors in starting and running business among the self-employed youth in the country. Table 16 provides a summary of responses on the main sources of business financing among the self-employed youth in the survey.

Table 16: Source of initial capital by gender among self-employed youth (%) n= 141

Source of financial support	Male	Female	Total
Own savings	66	25	46
Family	30	66	48
Friend	1	7	4
Formal Bank	1	0	1
Other	1	2	1
Total	52	48	100

In Table 16, those who indicated to have sourced business finance using loans from a bank or a formal lending institution was the lowest, accounting for only 1 percent of all the respondents. These findings are consistent with GEM 2012 survey findings on Zambia (GEM, 2013). However, this is not surprising in the Zambian context, as the cost of borrowing money from formal lending institutions is generally high. Even though in post 2005, single digit inflation has been attained in the country, the prime lending rates are still above 15%, which is unsustainable for most of the people in informal businesses (Mwenechanya, 2007). Furthermore, commercial banks do not usually extend credit facilities to people working in the informal economy, more so those without collateral, such as the youth. The youth are said to lack collateral and business experience, as such it is considered a very high risk by lenders to extend credit facilities to people without collateral (Arzeni and Mitra, 2008).

Findings revealed that the self-employed youth mainly got financial support for business from strong ties, particularly the family, which represented 48% of the respondents. However, the study revealed a huge variation between male and female youth on their reliance on family support for business financing. About 66% of the females indicated the family as a source of initial capital while only 30% of the males used the family as initial capital for their businesses. Similarly, in the latest study by Chigunta, Chisupa and Elder (2013:40-41), their findings were that 32.1 percent of the self-employed youth financed their business by borrowing from family and friends, while the use of formal loans was almost completely lacking, accounting for less than one percent.

In the absence of official support, the current study revealed that the family plays a very big role in providing financial support towards business among the self-employed youth. Families seem to accommodate both the pains of unemployment and the difficulties of establishing business among the less privileged people, by giving money to those who wanted to go into business. This is not very strange as African traditional societies (including in Zambia) have been known to help less fortunate members through instruments of norms of exchange or reciprocity (Tanga, 2006). There is generalised trust in an African setup, believing that when those supported grow up, they should also be able to reciprocate the help⁷⁰. This is more of an element of social embeddedness bordering to some extent on trust, social positions and feeling of closeness. Tanga (2009) in Lesotho also established that in the absence of reliable and established financial support structures, the family has been a primary source of care and support to need members, especially the elderly and children.

However, interviews also revealed that financial support towards business from the family was usually inadequate to meet the expressed needs. Chigunta, Chisupa and Elder (2013) equally identified the insufficiency of financial resources coming through family and support from friends among self-employed youth. This perhaps can partly be attributed to the enormous pressure exerted on households and individuals by forces of capitalism and globalisation. Economic pressures seem to have affected and changed family structure especially the extended family system in Africa. Everyone is short of money, so family members are simply not able to help their kin. Families have become tiny nuclear families, where people are now more concerned with the affairs of their immediate family (Tanga, 2009). This may, in a way, possibly explain why some youth tend to struggle on their own to raise finances for business; which seems to be the case in this study where 46% of the self-employed youth indicated to have used their own savings as sources of business capital.

⁷⁰ In the Zambian context, different expressions are used in various languages to emphasise obligations parents have to support their children as security when parents grow up. For instance in Chitonga, they say 'Yakula yanyonka moombe' (translating as 'when it (the cow) grows it sucks from a calf' while Bemba say, 'mayo mpapa naine nakupapa' (translating as 'mother carry me, I will carry you as well').

However, the study also revealed that, in some instances, it was not in every situation that the family was not capable of availing financial support for business. There were instances where some young people could not be assisted for other reasons; including not approving what the individual family member seeking help wanted to do (engaging in business), as well as lack of trust, among other reasons. Statements such as 'one has to 'be hard' to get financial help even from within family circles,' as Mutale puts it, speak volumes. Anna, Chiti and Mutale also shared similar experiences and thus can be used here as cases for illustration.

For instance Chiti's first contact in her line of business was her own mother, who was quite successful in tailoring business. Through her mother, Chiti learnt basic tailoring when she was still young. When she completed grade 12, her mother was taken aback when Chiti mentioned that she wanted to go into fashion design and tailoring, along her mother's career path, so to speak. In her own words, Chiti had this to say:

'It was not an easy battle to win for me. When I mentioned tailoring, my mother said that she was not going to help me with anything to get established along my choice, even if she had means to do so. She told me that my results were good and I could settle for a better career like journalism or anything more decent for a grade 12 school leaver, with such good results. My mother even stopped me from going to her shop [where she used to do her tailoring business from] as a way of discouraging me so that I could choose another occupation. But I insisted that tailoring was what I wanted, and told my mother that whether with or without your support and blessings, I am going ahead. It was only after a long time, and with reluctance that my mother finally accepted my decision. She later started allowing me again to assist her in business. When she later realized how skilful I was, she gave me some money to buy some materials and an old sewing machine, which was all I wanted to stand on my own in business' (Chiti).

In the case of Anna, the money she wanted from her family was not a lot. She just wanted to supplement her own savings, from her former employment, so as to start business with a relatively bigger amount. However, when she asked for financial help indicating that she wanted to start her own restaurant business, her relatives including her own mother (who had just got her retirement benefits as a teacher) refused to assist her. This is what Anna said:

'...all my close relatives, particularly my mother and my aunt, were very opposed to my idea. It is like they had a lot of doubts in my ability to stand alone in business. They discouraged me saying that being on my own in business, as a young lady I would just end up being abused by men and have another pregnancy, if not contracting HIV/AIDS and die thus make my [own] daughter suffer as an orphan. Instead of supporting me, they advised me to consider looking for another job. So in the end I had to go it alone [without support from anyone]' (Anna).

As for Mutale, he had to pester his elder brother for a long time before getting financial assistance from him. Surprisingly for Mutale, instead of receiving hard cash when his elder brother agreed to assist him, the brother proposed an arrangement which even further delayed him in carrying out his wishes of establishing his own business:

'...it took me a long time to convince my brother to give me money to start a business of my own. When my brother reluctantly gave in to my idea, instead of giving me hard cash there and then, I entered into a loose agreement with him, whereby I had to continue working together with him and collect whatever amount of money we realised on a specific day (every week). This was very disheartening as sometimes nothing was realised on my day and it took me a long time to build up my capital base. At some point I even thought of abandoning my idea of standing on my own in business' (Mutale).

Revelations such as these seem to conform to the argument by Portes (1998:17 citing Rumbaut 1977:39) that 'family ties bind, but sometimes these bonds constrain rather than facilitate particular outcomes.' In this context, not only do we see social positions (being marginalised) in family setups, with those above, dictating the course of action against the wishes of those subjected to their authority. Such revelations, in a way, may also help to shade more light perhaps on why Locke and Verschoor (2008) observed that trajectories for young people trying to establish themselves in Zambia are characterised by delays, interruptions, incompleteness, false starts, chance opportunities, reversals, adverse events and interactions.

Own savings (as earlier mentioned), among the self-employed youth (which stood at 46% in the survey) seem to play a very big role as source of initial business capital. Findings further

revealed that male self-employed youth relied more on their own savings compared to their female counterparts (66% and 25% respectively). In-depth interviews also confirmed that most self-employed youth used their own personal savings as a source of capital for their businesses. Multiple and unique experiences were revealed on how individual self-employed youth mobilised such finances. Some pathways the youth use to mobilise money for business purposes included savings from past employment, retrenchment packages, fundraising by engaging in odd jobs such as cleaning, carrying things for customers, piece work within the family or elsewhere as most common ways used. In extreme cases, some youth even engaged in illegal activities including stealing and prostitution, as indicated by Jackson and Mary in the following quotes:

‘A lot of things are happening.... it is not easy. Some young people do piecework here, there... Some steal other people’s things, not that they want to be thieves, but sometimes as a way of fundraising for business. People steal phones, hand bags, anything and sell.’ ... but I have not done that myself. For me it has mostly been piecework for carrying other peoples’ things’ (Jackson).

‘I know some friends who have started business through prostitution. One is now operating a boutique and sells women’s clothes’ (Mary).

Findings also showed that some young people used friends as sources of initial financial support. Interestingly, financial support from friends for business only accounted for 4% among all survey respondents (see Table 16 above). This shows a big contrast with the support the self-employed receive from friends in terms of business ideas and information. Friends were identified to play a big role in the provision of business related ideas and information (with almost 40% of the respondents), yet financial support from friends was quite low. However, Tobias provided one of the possible explanations to this discrepancy. He indicated that:

‘Friends can easily help if they had money, except that they are also faced with similar challenges in terms of financial hardships making it difficult for them to offer help’ (Tobias).

Those who obtained business capital using other means accounted for a mere 1 percent among survey respondents. This other category included people who obtained money from informal lending channels such as chilimba, (an informal revolving fund) and kaloba, loans from illegal money lenders. Surprisingly, from in-depth interviews, chilimba was said to be a very popular way of financing business among the youth, with seven out of ten participants indicating that they at one time or another used it. Chilimba is an informal system of group saving, based on trust, with varying membership of people (usually of the same class such as friends, neighbours, marketeers, etc) who form a sizable group and agree to contribute a uniform amount (anything ranging from small amounts as low as K10.00 to thousands of Kwachas). Each member contributes the agreed amount at an agreed interval (daily, weekly, or monthly) to one member of the group, rotating around the group until everyone has received. This continues until the group agrees to stop. In a group of ten youth contributing 100 Kwacha per day, an individual receives 1000 kwacha every tenth day. It is flexible, and members change over time and contributions vary considerably as well as intervals between contributions. The advantage perceived in this system as Mary observed is that:

‘Chilimba imposes some discipline on saving behavior; discouraging members from spending all their income, especially business capital which one can be tempted to use for other things when faced with certain financial problems.’

In as much as chilimba was perceived to be popular for financial support among participants in the in-depth interviews, it was revealed that this mode of financial support had some challenges including failure to settle dues among members. Such emerge as some of the challenges associated with informal networks. However, the youth revealed several ways they were using to help in bailing out defaulters among group members. Among mechanisms some of the youth use to settle owing contributions include swapping turns to receive contributions among friends, friend pays on behalf of their friend and reciprocate when it is their turn. Sometimes depending on circumstances, a defaulter would be excused from making a contribution and equally when it is their turn to get money, they do not receive.

In terms of Kaloba, the participants in the interviews identified it as the easiest way to get money for business as money was readily available. Further, it does not require formal application or collateral to access money from the lender. However, kaloba was said to be often used by young people as a last resort, and in cases of desperation as it was perceived to be expensive. The rates of interest were said to be very high and the repayment period usually short.

‘More often a person is required to pay back more than double the amount borrowed within a very short space of time. If a person is not able to make payment on time as agreed, a further one hundred percent is added to the loan and personal property is liable to be seized’ (Mutale).

Fears of utilizing kaloba for business financing were apparently expressed by almost all interviewees except for one, who revealed that he used to be a money lender, in the same practice, at one point. The next subsection presents findings on access to business related skills among self-employed youth.

6.5.3 Skills acquisition

Skills play an important role in promoting entrepreneurial talent and sustaining business (ILO, 2002). Young entrepreneurs were asked to describe how they mainly acquired skills related to their business. Findings revealed different ways by which business related skills were acquired among the self-employed youth. While formal institutions, such as schools and skills training institutions play a role in imparting skills, their contribution towards self-employment among youth, based on the findings, seem quite low. This did not come as a surprise as there are some studies on Zambia which suggest that schools have generally failed to prepare young people for the world of work (GEM Zambia, 2013; Chigunta, Chisupa and Elder, 2013; Chigunta, 2007; Hansen, 2010). Results in this study showed (see table 17 below) more reliance on informal channels such as learning from family relations, friends, apprenticeship, and former employers among others, as sources of business skills. The inability for formal institutions to provide necessary business skills could perhaps in a way explain why the self-employed youth rely on informal channels for skills acquisition.

Table 17: Main source of business skills by gender among self-employed youth (%)

Main source of skill	Male	Female	Total
Former job	10	6	8
Apprenticeship	8	7	8
Skills training	4	13	9
School	15	13	14
Family relations	19	27	23
Friends	25	12	18
No skills	12	16	14
Own initiative	7	6	6
Total	52	48	100
	100	100	

n=141

As it can be seen in Table 17, strong ties such as support from family members and friends seem to dominate as channels through which skills were acquired among the self-employed youth. The family in particular, seems to play a bigger role (with 23%) as a source of business related skills among self-employed youth. Further, findings revealed more reliance on family members among female self-employed youth compared to their male counterparts with 27% and 19% respectively, as channels for skills acquisition. Picking it from the experiences of young entrepreneurs such as Innocent and Miriam (and Anna, to some extent), parents seem to pass certain skills to their off-springs or to other relatives particularly craft type skills. Further, we noticed, to some extent, a perpetuation of gender roles in the study. Fathers and other male relatives were imparting male gendered skills to their ‘sons’ while mothers and other female relatives were passing on ‘female skills’ to their ‘daughters’.

Results also showed more reliance on friends (more than twice the percentage) among male self-employed youth compared to their female counterparts as source of business related skills. While it is all about strong ties at play in both cases (above), social embeddedness seem to play a big role here in influencing sources of support for skills acquisitions. For instance, it is common knowledge in the Zambian setup that young females spend much of their time at

home than males do. As such given their circumstances, young females are more likely to learn more from within the domestic environment compared to their male counterparts. Similarly, young males have higher chances of learning different skills from their friends as they usually spend much of their time interacting with friends compared to females (Tanga, 2009).

Interestingly, interviews revealed that some self-employed youth did not just start business on their own from nowhere; they usually started by working as helpers in other people's businesses such as close relatives or friends or were previously employed before they established their own businesses. Providing excerpts here my help to shade more light on this aspect.

'I acquired much of my business skills by helping my brother who used to own a backyard [mechanic] workshop at our parent's home' (Mutale).

'...I knew nothing about the restaurant business, besides cooking basic traditional meals which I learnt from my mother when I was growing up. It was my employer [aunt's friend] who taught me most of the skills related to operating a restaurant business' (Anna).

Unfortunately, some self-employed youth who acquired business related skills in family circles, had challenges when it came to establishing themselves, along the footsteps of those relatives who helped them. In some cases, relatives showed reluctance to let them stand on their own in business for various reasons (like already mentioned). Mutale's struggle to stand alone after working for his brother for some time was more revealing on this aspect:

'Later, I thought of standing on my own in business... I shared my intentions with my brother. ... but from his talk, and also his behaviour later on, it was clear that my brother did not want me to be on my own business. It is like he wanted me to continue working for him in his business. ...yet he was not giving me enough money whenever I asked for help from him, meanwhile we were making a lot of money and sometimes it was me who was handling the money from [his] business'(Mutale).

From the survey, those that learnt skills from previously employment stood at eight percent. Another informal channel that was revealed as a source of business skills acquisition among the self-employed youth was learning through apprenticeship. However, contrary to the conventional wisdom which places apprenticeship as a widespread form of skills acquisition in the informal economy in developing countries (Samlowiski, 2011), findings in this study revealed that in Zambia, training through apprenticeship is not very dominant. Only 8 percent of self-employed youth acquired skills using apprenticeship among survey respondents. This appears to support previous results by Chigunta (2007), whose findings suggest that apprenticeship in Zambia is not common as a way of learning skills.

The study also revealed that sometimes skills acquisition among the self-employed occurred accidentally. For instance, passing time with friends and other people in some instances also served as an important channel for learning business skills among self-employed youth. Jackson's case in this context was more revealing and can be used as an illustration:

'...my primary reason for spending time with the old man [who used to repair shoes near my home] had nothing to do with learning skills from him. ...it was simply a matter of passing time out of boredom'. ..The old man was just involving me in his own business by performing simple tasks, out of his own convenience, but little did I realise that I was learning the art, and these are now skills that have become a basis for my livelihood income (Jackson).

Apparently, even in the case of Tobias, spending time with his peers (especially during difficult times) (as earlier mentioned) has also been a useful way of learning some survival skills that he employs in his business. From the findings, there are indications that social capital, particularly in form of strong ties (friends and close relatives) plays an influential role as a source of skills acquisition. Those people who the self-employed youth regularly interacted with played a significant role in influencing who they became. Like Aryetey, Doh and Andoh (2013) argue, even though human beings are formed by genetic constitution, essentially our continuous interaction with the social context in which we live influences who we become. Embeddedness in social relations plays a crucial role in shaping human destiny.

6.5.4 Access to customers

The self-employed youth in both Mtendere and New Soweto markets regarded having easy access to customers as important for survival in business in their given environments. However, when asked about who their regular customers were, the general pattern revealed more reliance on customers who just walk in (with about 92%) among the self-employed youth. These findings are consistent with the GEM Zambia 2012 survey results (GEM Zambia, 2013). Mary observed that:

‘As a young person, it is not easy to get regular customers, especially if you are just starting business. It takes a lot of sacrifice to get connected and have people following you.’

From the trend and this revelation, it seems that young people generally do not have a strong customer base. This claim is also in line with findings by Chigunta (2007) in Chawama compound of Lusaka, who observed that the youth in the informal economy did not have many social networks.

However, some self-employed youth (including Mary quoted above), acknowledged that they had some personalised customers who included friends, family members (strong ties) and other people who were more instrumental in their businesses.

In a market like this one where almost everyone is selling something, you cannot manage if you do not have personalised customers (Chiti).

‘I have people who come directly to buy from me....sometimes my customers send children to me saying: go to Tobias and buy such a product, if he does not have it, he will know what to do, meaning if I do not have the item [the] customer wants, I have to look for it on their behalf among other marketeers (Tobias).’

Young entrepreneurs revealed that they used different ways to secure, maintain and strengthen ties with customers, especially those outside family circles. One of the key themes that came out prominently in the interactions with the youth in the study was the notion of

'being good'. In a number of cases, participants used an expression of being good as key in fostering ties with customers.

The notion of being good (as revealed by participants) has some element of 'doing good' by extending some favours to others. It is concerned with neo-patrimonialism and patron-client system – but explored somewhat from a different angle. It involves acting in certain ways that are 'acceptable' in social settings. It implies being friendly in a sense, by showing 'kindness' – or allowing easy partying with someone. It can even mean trading on a wrong path; in other words, operating outside the officialdom notion of good citizenship – by extending favours to others, in order to attract and/or strengthen social relationships. It usually involves acting in a non-economic manner in a market situation. It may seem irrational, but actors expect some rewards in form of reciprocity, to come their way by extending favours to others.

In the context of this study, to be good meant, among other things, selling products and services at prices relatively lower than ruling prices, providing *mbasela*⁷¹, giving tips, extending credit to known and trusted customers (and sometimes even strangers), helping customers in looking for products elsewhere when one (the trader) does not have (in his or her own stock) what the customer is looking for, negotiating for better (lower) prices on behalf of customers, when buying from other people. In some instances, it involved delivering products on request to the customers as well as helping to carry purchased goods on behalf of customers. As a way to illustrate on the notion of being good, cases of Mary, Thomas, Tobias and Mutale are used here.

'We conduct business differently here. Business is more personal. Depending on how you treat others, your business can be affected [accordingly]. ...you have to be good. If you are not good

⁷¹*Mbasela* is a Nyanja word for extra. Most commodities sold in the markets are usually repackaged in smaller quantities and therefore when someone buys, the seller adds a bit more as a way to entice buyers to continue buying from them.

to customers, you will not only lose those particular ones, but also their friends. But again, if you are good, you will see customers coming back [later] and referring their friends to you (Mary).⁷²

‘I always take advantage of social relations to attract customers. ...because I initially used to buy butternuts from my employer [then] at staff price, I developed a strategy of selling to my friend who linked me to this line of business at a relatively lower price. In the process, she got motivated and linked me to some of her own friends and other people. Some of those people even started to call me to take things at [their] home, occasionally whenever they had functions and that gave me further connections. I was amazed that I could make so much money with the help of a friend in a short time (Thomas).

‘When you impress customers, they appreciate. They even start referring other people to you and you will have a lot of customers. And if you do not assist your customers, you lose out in the process. When customers run away from you this way, you have no one to blame but yourself’ (Tobias).

‘Sometimes, when regular customers come and explain to me that they do not have cash, I assist them by giving them what they want on credit’ (Mary).

‘Normally, when I am dealing with a customer for the first time, I am quite flexible with payments to avoid losing them’ (Mutale).

What emerges from the study is that social networks are not naturally given. They must be constructed through investment strategies oriented towards strengthening relations, as Portes (1990) would argue. Our study, in the name of ‘being good’ revealed how some self-employed youth sacrifice their own resources, including time and hard-earned money, to foster or strengthen ties with customers; things they do with an expectation of some form of pay back (reciprocity) at some point.

⁷²Interestingly, while interviewing Mary, two women walked into her shop and the woman leading the other introduced her friend to Mary while displaying the hair piece that she had bought from Mary. When the interviewer asked that woman why she came to Mary’s shop, she said ‘I always come to this young lady whenever I want to change my hair style, she knows how to handle her customers.’

While 'being good' was a common practice that seems to serve as insurance against business failure among some self-employed youth, the study also established challenges associated with reciprocity. Some of the actors the youth were trying to build relations with (among customers) were also making their own choices based on what suited them. For some people, opportunistic self-interest remains a powerful and ubiquitous motivator of individual behavior (Hills, 2011). In what he terms as instrumental self-interest, Hill (2011) argues that in any given population at any given time, some actors act in completely self-regarding ways ("what's in it for me?") while others demonstrate strong reciprocity. In this study, findings revealed instances where some people only took advantage of favours extended to them by the self-employed youth, but could not reciprocate the support offered to them. In a way, we notice their (youth) marginal position, at least from a cultural perspective, putting them more at a disadvantage especially when dealing with people who were older than them. To illuminate this Mary, Innocent and Tobias in separate interviews had this to say:

'...there are some [people] who after assisting them don't want to co-operate when it comes to paying back. For instance, one of my regular customers, an elderly woman, who I had trusted after frequently buying from me, one day came without money. I gave her the hairpiece that she wanted on credit. But when I called her [on phone] after some time, to remind her about my payment, she started to ignore my calls but when I used a different phone she answered and when she realized that it was me calling, she shouted at me and cut the line. ... if it were a fellow elderly person, that woman would not have shouted at me when I caught her cheating on me' (Mary).

'I have had some experience where some people would tell me to make things for them and then they disappear for good. At times, someone would even persuade me to abandon what I could have been working on for other customers, in order to attend to their requests. But when they disappear I have to struggle to sell that particular item. Some older people are just manipulative and only interested in serving their own interests. It is like they take advantage of my age.... Nowadays, I make most of my things on order and I request for down payment so that I do not end up unnecessarily spending my money on some material or waste my time making something that I later on fail to sell' (Innocent).

‘Some people are not kind. It is like they do not understand how we struggle.Although it does not always happen like that...I gave [things on] credit to some people but [they] started hiding from me and I discovered later that they started buying [similar] things elsewhere within the market. Anyway, I understand business now. You [either] make profit or loss. I don’t judge other people on the basis of those who [have] disappointed me. I always want to trust people especially the elderly ones but things just don’t work out well for my business sometimes’ (Tobias).

6.5.5 Access to trading space

Both New Soweto and Mtendere markets are heavily congested places. When asked on what basis the self-employed youth were operating in those premises they were doing their business, it was revealed that 16% owned the premises, 14% were just occupying the space or squatting and the majority of them (66%) were renting the facilities. Interestingly, Mtendere market had more self-employed youth (perhaps by virtue of the nature of the market) who owned their trading space (48%) compared to New Soweto market (which only had 4 percent space ownership). Occupying space without authorisation from anyone was more of a feature of New Soweto market. Table 18 shows the distribution in terms of the basis on which the self-employed youth in the survey occupied the business spaces they were using.

Table 18: Basis on which self-employed youth occupy business space (%) n=141

Basis for trading space occupancy	Mtendere	New Soweto	Total
Owns	48	4 ⁷³	16
Renting	52	72	66
Just occupying no authorization	0	19	14
Others	0	5	4
Total	100	100	100

⁷³ Ideally no individual at New Soweto market is supposed to own trading space in the market. But there were people who strongly felt that they owned the trading space among makeshift shop occupants. The score of 4% ownership at New Soweto perhaps could include such traders.

However, in as much as renting, as indicated above, appears to be the most common way under which the youth access trading space, what emerged from in-depth interviews seems to reveal that most youth were renting as third parties. For instance, when Mutale was asked about how he acquired the shop at New Soweto Market, (he started by sighing and says):

‘Aah, you see, getting a place of your own is not easy especially in these new structures. Quite alright there are rules on how people should acquire shops. But in actual practice, the rules are usually not followed. For me, the shop belongs to someone else who is renting from LCC but does not run any physical business.... This is the person that I pay rent to and it is higher than what he pays the [Lusaka city] council. Most of us young people here operate under such arrangements’ (Mutale).

In such cases, a shop or stand in the market may be officially allocated to someone else, who would in turn sublet it to another person, informally as it is against LCC regulations. Mutale revealed that subletting shops at New Soweto market was a very common thing. This was also confirmed by one market official, who indicated that there were a lot of things happening underneath the surface in the market and most people who knew what was happening on the ground are the people in charge of security in the market. However, those who know what goes on are usually bribed, as Mutale observed.

‘You don’t have to quarrel with them [LCC police officers] when they come to you. You just have to be good and co-operate.... Even for people looking for stands inside the market, if they are serious, we tell them go to the security officers or just see the section chairman.⁷⁴ Give them something [money] small, fast fast they connect you without their boss [market manager] knowing’ (Mutale).

At New Soweto market too, a relatively higher percentage of people (19%) were occupying trading space without official authorization from LCC. Such people were mostly concentrated in

⁷⁴ Mutale described section chairmen / chairladies as mostly the longest serving [and most often self-appointed] marketeers in a given area. Such people usually work hand in hand with market authorities in organising and coordinating activities within their respective areas of control. If you are a relative, they can easily help you. But if you are not, you have to pay something to get a space.

the boundaries of the market and along the corridors and streets. Some of them also occupy the area which was designated as a bus station, but the marketeers have taken over the space for trading. Interestingly, for some people like Jackson, acquiring space was by way of encroaching, through someone who initially showed kindness to him. However, after operating in that location for almost two years, Jackson now feels that he owns the premises he occupies for his business.

'I used to operate there [he points] near the gate. My umbrella, the one I was using as a business shelter [then] got blown and damaged by the wind whilst repairing a shoe for the owner of this shop [shelter next to where he now operates from]. The big man [owner of the shop] felt pity and allowed me to start operating here [shop corridor], but he did not say I should be here permanently, but I have come to stay. The [Republican] president has given us power to trade anywhere' (Jackson).

While renting equally stood high among the youth at Mtendere market, acquisition of trading space there was quite different as shops are mostly owned by individual marketeers. Those who want to rent out shops do so openly by advertising and any one with the capacity to rent is at liberty to do so. What is just required by market authorities is informing them when the owner decides to put their shop on rent. At Mtendere market, almost half (48%) of the self-employed youth, in one way or another, owned the trading space they were operating from.

However, in-depth interviews revealed that ownership came in different ways. There were those who were using family property and since they were not paying rent claimed that they owned the property, though sometimes jointly as a family. There were also some young people who owned the property through inheritance. For instance, Miriam and Innocent, separately, indicated that they inherited market structures and business from their deceased parents. In the cases of Innocent, who trades in an open space at one of the entrances of the market, not only did he inherit the business he is running from his late father, but also the business space.

'My father used to operate in this same location when he was alive. I used to come to assist him at this workshop, even as a small boy. When he died, I took over the business. My father also left behind an unfinished building, within the market, which my young brother and I finished

building and we are now using it as a storeroom for our products when we close business at the end of the day'(Innocent).

Innocent, however, revealed that he almost lost his strategic place (open space at the entrance of the market) if it were not for his late father's friend (fellow marketer) who defended him.

6.6 Main discussion of research findings

The focus of this study was to understand the influence of informal networks on self-employment among the youth in Zambia. Our study was anchored in the broader paradigm of institutional theory, but addressed from the informal side. We particularly employed the notion of social capital and social embeddedness as analytical lens to help provide understanding and explanations on the influence informal networks have on youth self-employment in the country. The use of social embeddedness in this study was extended by incorporating the wider social context, in the larger society, shaping an integral part under which self-employment occurs among the youth in Zambia.

6.6.1 Discussion on motivation for getting into self-employment among the youth

In the main discussion of findings, we begin by analysing determinants for self-employment among young people, before addressing informal networks and how they operate in influencing self-employment in mobilizing business related resources among the self-employed youth in Zambia.

Unemployment in this study emerged as the main reason for being self-employed among the youth. These findings are consistent with other empirical findings on Zambia (Chigunta and Chisupa, 2013; Hansen, 2010; Chigunta, 2007). However, in-depth interviews presented a complex picture on determining factors for self-employment. Findings on motivating factors to get into self-employment, among the youth, open the interesting debate questioning GEM studies which rigidly classify entrepreneurs as being either necessity or opportunity driven. Necessity driven entrepreneurs, according to the GEM studies, are those who are pushed by

structural factors such as poverty and unemployment, among others, to start business as a survival strategy. On the other hand, the opportunity driven entrepreneurs are pulled to start business out of choice. In other words, they do so in order to exploit some identified business opportunity (GEM Global Report, 2009). Accordingly, the bifurcation implies that people are seen as either being 'willing entrepreneurs', pulled into entrepreneurship out of choice with their agency being emphasised, or alternatively, that they are 'reluctant entrepreneurs', pushed into starting business, and the impact of structural forces is emphasised (Gurtoo and Williams, 2009).

In the literature on entrepreneurship, the term necessity entrepreneurship has been used to provide overall explanation for why the poorest countries in the world display higher entrepreneurial rates than their richer counterparts. More often, findings in GEM studies show developing countries as being necessity driven and the developed countries being opportunity driven. For instance, in the Zambian context, the score for opportunity driven entrepreneurs is 38.8% while that of necessity driven ones stands at 37.2 percent (GEM Zambia 2013 report). However, this is beside the point.

The main argument, based on the empirical findings in this study, is that underlying factors influencing the choice of self-employment go beyond this rigid division. Findings on determining factors to get into self-employment included unemployment, passion, changing life circumstances (e.g. death in family, failure, accident, etc), to support family, to achieve economic prosperity, to be independent, supplement income, family influence, survival, fear of losing a job, opportunities, among others. The argument being advanced here is that the deployment of this structure/agency dichotomy neglects the possibility of co-existing push-and-pull factors and ignores structure and agency as possible complimentary forces. GEM studies treat necessity and opportunity entrepreneurs as two entirely separate categories that nearly all individuals can be sorted into. Findings in this case, however, show complex reasons underpinning young people's decisions to start business, which do not conform to the static necessity–opportunity dichotomy, usually portrayed as fixed positions in GEM studies.

Findings thus provide further empirical evidence that support findings by Langevang, Namatovu and Dawa (2012) in Uganda, pointing to the complexity associated with choices young people make to go into business. Reasons which were identified as motivations for starting business among the youth, in the Ugandan case, reflected inextricably interwoven factors such as independence and freedom, critical life or family event (e.g. childbirth, death, marriage), family tradition of running business, personal development, taking advantage of skill acquired, job dissatisfaction, inspired or encouraged by surroundings, taking care of family, no other employment opportunities, supplement wage income, talent, security of income, making a difference for the community, and achieving respect from the community (Langevang, Namatovu and Dawa, 2012:448).

Further in this study, not only did we notice many and complex motives but we also saw some overlaps in the necessity-opportunity division. For instance, in the cases of Thomas and Phillip, we saw a mix of elements pointing towards seeing opportunity as well as survivalist inclinations. For the sake of clarity perhaps reproducing one of the excerpts maybe helpful here:

‘....when I gave up looking for employment in South Africa... instead of just coming back [to Zambia], I decided to buy two second hand computers for resale in Zambia, using the small savings I had made from earnings through doing odd jobs. After successfully reselling those computers it dawned on me that I could just become a businessman.... (Phillip).

Such a revelation is one typical example that shows confusion and leaves one to wonder where to place someone in the dichotomy. Or putting it differently, it is not clear the actual point at which a person qualifies with an identity of either being seen as an opportunity or necessity driven entrepreneur. Beyond this shallow debate of opportunity and necessity entrepreneurship, findings in this study point us to other forces that influence choices for self-employment among the youth. There were also some young self-employed people who never thought about being self-employed but are and they cite reasons that fall outside this division.

For instance, the case of Mary, who felt very comfortable as a housewife, married to a successful businessman. She claimed that it was her husband, who influenced her to get self-employed instead of 'just sitting' at home.

In this study, we also pick out issues such as passion or interest, personal growth and satisfaction, life circumstance, family welfare, and the influence of other people as some of the motivating factors to get into self-employment among the youth, which do not squarely fit into the opportunity-necessity dichotomy. For instance, out of all the 10 participants in qualitative interviews, it was only Chiti, who from the very beginning indicated that she wanted to be self-employed. But again, what complicates her case is what she said in the process of explaining how it happened to her:

'my real motivation for starting fashion and design business initially was not to earn money as such ... I just liked fashion and design business... but now, I need money to pay school fees for my young sister as well as meeting medical bills for my sick mother'⁷⁵(Chiti).

Surprisingly, (as earlier mentioned) Chiti narrated that her mother did not want her to be self-employed, and worse still not anything related to tailoring, which was her mother's own occupation then. What seems to emerge from the findings on the determinants for self-employment among the youth is that decisions leading to their choices are complex and outcome of many forces and influences surrounding individuals. Choices are shaped by dynamics involving the interactions between individual youth and the environment they are embedded in. Like Jack and Anderson (2000) observe, decisions to get into self-employment do not occur in a vacuum. In this case, we see situational contexts in which young people are embedded in, presenting different circumstances which trigger and condition their choice of self-employment.

⁷⁵Chiti's mother is no longer working. She is diabetic and has gone blind. Although her mother lives with another sister of hers in the Copperbelt, it is Chiti who practically takes care of all her mother's medical expenses.

These findings imply that there is a need to understand and appreciate how the social context in which young people are embedded influence and impact upon their entrepreneurial activity. Entrepreneurship thus can wholly be understood in terms of different situations encountered. Researchers need not to direct attention only at the individual entrepreneur in isolation but examine the entrepreneur (i.e. the individual/or agent) as well as taking into consideration the context (structure), since the social whole is pre-eminent over individual parts (Jack and Anderson, 2000 citing Cassell, 1993:11).

From what we have presented, on determining factors for self-employment among youth, we noticed certain drawbacks in the opportunity–necessity dichotomy, thus arguing along similar lines with others who have criticized this division (for example, Langevang, Namatovu and Dawa, 2012; Gurtoo and Williams, 2009; Rosa, Benzing and Chu, 2009; William, 2007; Kodithuwakku and Balunywa, 2006; Olomi, 2006; Jack and Anderson, 2000). All actors exist within relational, institutional and cultural contexts and, therefore, cannot be perceived as atomized decision-makers, always aiming to maximise their own utilities. In other words, individuals do not decide to start business or grow it in a vacuum, but they consult and are subtly influenced by significant others in their environment.

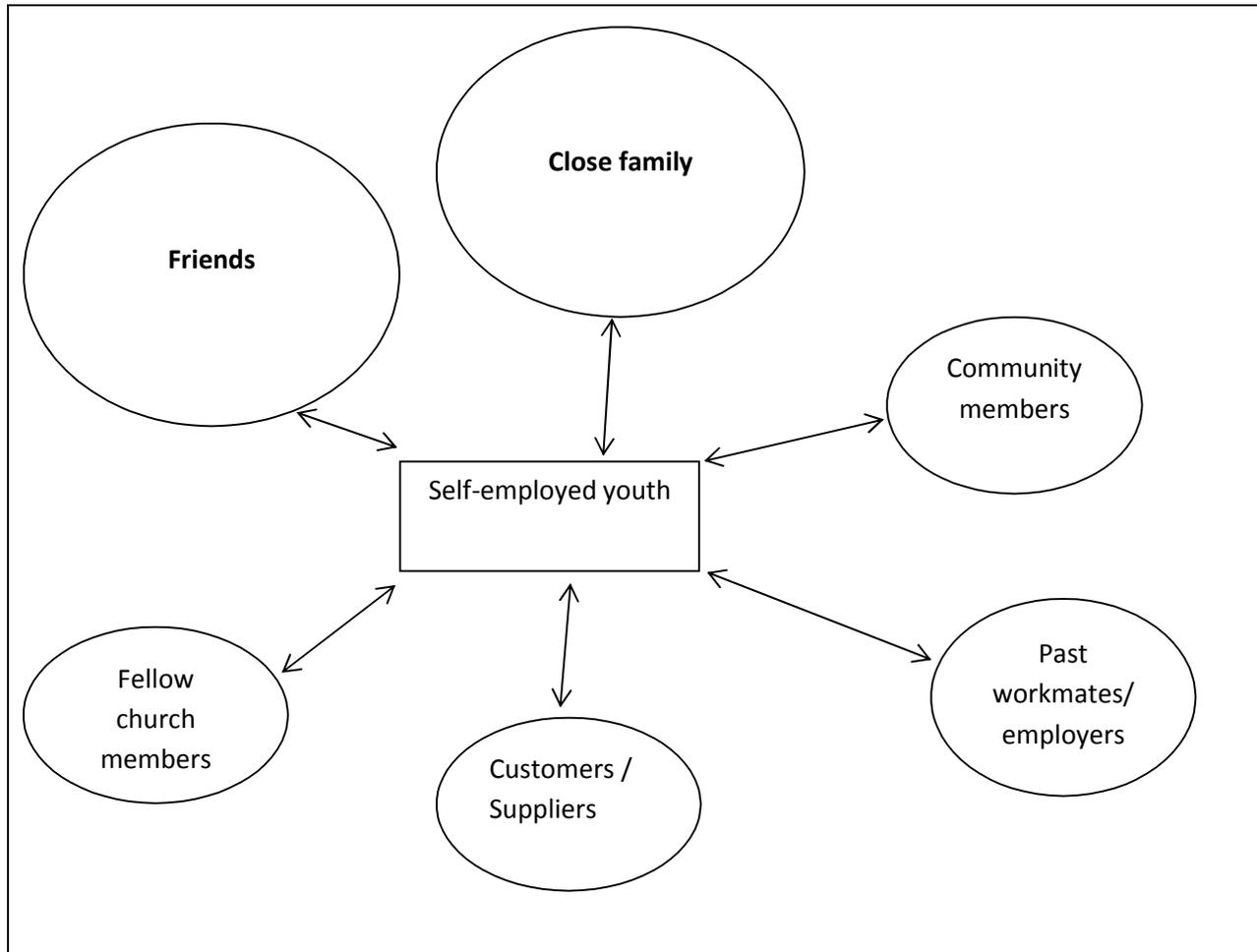
The issue of changing motivations is also increasing in entrepreneurship literature (Langevang, Namatovu and Dawa, 2012). In this context, the outcome of our study is the reaffirmation on the call for the necessity/opportunity dualism to be transcended and replaced by a richer and more textured understanding of the diverse and complex motives underpinning entrepreneurship and self-employment. Having discussed the motivating factors, the next subsection is a discussion on the use of informal networks to access various business resources among the self-employed youth.

6.6.2 Discussion on informal networks and access to resources

The starting of any business begins with an idea. Depending on the type of business venture, capital and skills are equally important and so are access to customers and having space for trading. Acquiring such business related resources among young people trying to establish themselves in self-employment can be challenging, especially in the absence of formal channels of support. Consequently, the self-employed youth tend to use other channels in mediating access to various resources in their given environments (Chigunta, Chisupa and Elder, 2013).

In this regard, the findings of this study point to a heavy reliance on strong ties, especially family and close friends, across all age groups and gender among the self-employed youth. However, findings also showed a variation within strong ties, on who the youth looked up to in order to access different resources. For instance, friends were more helpful in providing ideas, information and skills whereas financial support mostly came from family members, in as much as it was further established that financial support from the family was usually inadequate to meet expressed needs. Figure 11, below presents the most common informal networks that were used among the self-employed youth in this study, with emphasis in the drawing placed on the close family and friends, as the main source of support.

Figure 11: Common informal networks used among self-employed youth in Zambia



Source: Researcher's own design

The study findings revealed strong ties such as close family (which included parents, siblings, in-laws, aunts, uncles, etc.) and friends as the most instrumental informal networks among the self-employed youth to access various business related resources including skills, finance, information, ideas, customers and space, among others. Such structures were also perceived to be sometimes useful even in discovering business opportunities among some self-employed youth. The GEM Global report (2013) findings on Zambia equally acknowledge the heavy reliance on friends and family support (strong ties) among young entrepreneurs. According to the GEM findings, links made through personal relationships including kinship, friendship and community ties act as an important conduit for accessing various resources among the self-

employed youth. These findings are also consistent with other empirical studies in Zambia such as Chigunta, Chisupa and Elder (2013:38), who also established the heavy reliance on friends and family for support among most young people. They identified family support at 35% and support from other relatives, friends, and acquaintances (combined) at 31.3 percent. Further, findings in other parts of the African continent have also shown that entrepreneurs tend to use informal systems in accessing business resources (e.g. UNDP, 2004; Kristiansen, 2004; Egbert, 2004).

Thus, the data supports the benefits of strong ties, in promoting entrepreneurship among young people in Zambia. However, besides high trust and the frequency of interaction which Granovetter (1985) stresses in strong ties, especially among friends, as key in facilitating mutual exchange, findings in this study revealed other ways the self-employed youth made use of, creating openings for strengthening ties, especially outside family circles. Such openings were not the same with every individual; but were contingent on an inter-play between their immediate circumstances and the wider socio-economic context. For instance, findings showed that provided were some elements of 'investing' in the connection (what is termed as being good in this context), the youth expected some favours to come their way, in terms of reciprocity.

Some young people strongly believed in sacrificing time and other resources in order to establish and maintain connections with others, hoping access reciprocal support at some point. However, in some instances, such investments in strengthening ties, revealed that there was a risk factor involved, in the sense that it did not always materialise to the benefit of the 'investor' (the youth, in this case). In some instances, it led to increasing transaction costs on the part of the young people in self-employment. This is contrary to what is usually projected on social capital being helpful in reducing transaction costs in places where public institutions are not performing well. (For more details on this debate, refer to writings of World Bank officials such as Michael Woolcock and David Narayan, who are leading figures influencing social capital debates). Evidence by Innocent and Mary provided elaborations on how some

young people entered transactions with trust that transaction partners will behave 'properly' (based on expected social norms), yet those they engage with behave to the contrary to pursue self-interest.

Young people more often started by looking for help from within strong ties, especially their family and friends where possible. If such structures were not able to supply the expected requirements, then the youth could look for other options. Unlike the western world, the family structure in the Zambian setup, (just like in most parts of Africa) is extended; that is, it caters for all those people who are descended from one ancestor and holds them together as one family. Through this arrangement, the support for less fortunate members of the family comes through instruments of norms and reciprocity. The family structure, based on norms as mechanisms, bind related people together. Traditional rules tie children to their families and facilitate an immediate structure for support easily accessible to the less privileged including the youth. However, as it has been established elsewhere in Africa (see Tanga, 2009:84), family support in the Zambian context equally seems to be dwindling due to economic hardships as everyone seems to be struggling. Therefore, family support becomes more out of necessity than trust as such.

Further, social obligations and expectations built into these relationships can create both opportunities and constraints for young people in self-employment. Social capital is not a thing, and it is never fixed (Kristiansen, 2004). As it can be seen in the study, informal support remains an equivocal and a complex issue and both positive and negative outcomes can arise from ties to a level that the outcomes of connections can result in social liability as opposed to social capital (using Meagher's 2006 argument). This is one challenge that seems to characterise social capital, the so-called dark side of it (Field, 2003:71), which is not usually emphasised in the literature. If anything, the embeddedness of entrepreneurs increases as they draw upon their families for resources. The family may offer resources to the entrepreneurs with certain business or non-business related stipulations or obligations (Arregle, 2013). Resources acquired through social capital can be translated into different values or none at all (Anthias, 2007). For

instance, support through strong ties (like the case of Mutale) who got help from the brother, turned him to meet certain obligations. It became obligatory for him to start shouldering family responsibilities. Apparently, almost all participants in qualitative interviews revealed that they had a lot of family responsibilities that were being supported through their meagre earnings from their entrepreneurial activities.

However, it is also interesting to note that even within the nuclear family, some of the youth who opted for self-employment had challenges to access family support or even approval of their business activities for various reasons. In some instances, it was not that the family was incapable of rendering solicited support but simply because they did not approve what someone may have chosen to do (type of business or resisting the idea of someone getting into self-employment altogether). In the present study, cases of young entrepreneurs like Chiti and Anna, showcase those who could not easily get help from their respective families, in as much as their families were capable of supporting them.

Revelations on how their close relatives reacted when asked for support imply that we need not to take for granted the role of the family in influencing business outcomes. The aspect of power relations needs to be carefully analysed in strong ties, as it is seemingly taken for granted that there are symmetrical relations among players in the connection. Such constraints clearly point to the downside of over-relying on specific forms of social capital. Social capital has been popularised yet specificity of local context in literature has not always been thoroughly addressed in its analysis. This study has thus categorically shown the vital importance of recognising the local and social complexities and the importance of context in the analysis of informal networks in influencing self-employment among the youth in Zambia.

In short, the main contributions of this study lies in its illustration of how the youth try to establish themselves in self-employment using informal networks. It has extended the frontiers of knowledge by providing a more fine-tuned analysis of the complex role informal networks play in facilitating and/or hindering entrepreneurship among the youth in the Zambian context.

It demonstrates that opportunity recognition and realisation sometimes are conditioned by the dynamic interplay of the entrepreneurs and the socio-economic environment they are embedded in. Having given the overall discussion, it may make sense to include a subsection on framing findings in critical realism, as a guiding philosophy of knowledge for this study.

6.7 Explaining findings in critical realism

As an entry point, it is important to start this component by highlighting some of the key arguments of critical realism, as an epistemological position of knowledge, before making reflections on the value addition it has made to the understanding of informal networks and youth self-employment in Zambia.

Critical realism is a newer philosophical position which seeks to overcome a number of the shortcomings of other philosophies, for example rational, normative positions like empiricism as well as (radical) social constructionist positions. It functions both in the sense that it provides the philosophy of science (ontological, epistemological and methodological) in knowledge generation. Critical realism provides means to conduct both theoretical and empirical research in order to deal with questions of 'how and why' of a particular phenomenon (Jeppesen, 2003). Critical realists believe that social systems are open. Consequently, to describe social systems requires challenging regularity and successionist theory of causation, and to analyse the explanation of change in open systems.

In confronting the social world in its concrete many sided forms, critical realists believe in developing more open, context dependent and plural accounts, within which reality can be understood. They also challenge key categories of social thought, especially the way in which binary distinctions or dualism typically obscure connections, hierarchy and difference (Sayer, 1992:5). Critical realism focuses on necessity and contingency rather than regularities, open rather than closed systems, in the way causal processes could produce quite different results in different contexts, fitted comfortably within these developments. They argue that the real world operates as a multi-dimensional open system. Instead of following a set order, effects

arise due to the interaction between social structures, mechanisms and human agency. Critical realists expect concrete open systems and discourses to be much more messy and ambiguous than theories that constitute them and hold that the best explanations are those that are identified as having greatest explanatory power in understanding the social world (McEvoy and Richards, 2006:70).

Findings with regards to research questions present deep and rich insights that conform to critical realism, including challenging the binary distinctions or dichotomies which are typical in informing knowledge in entrepreneurship literature such as the 'push versus pull' or 'necessity versus opportunity' driven motivations for entrepreneurship or self-employment. From the findings, understanding reality on motivating factors for self-employment requires breaking barriers between such extreme positions. Similarly, findings present multiple realities that challenge dichotomies in ties, that is, 'strong ties versus weak ties,' which should not be seen as complete distinct. Findings show that ties whether strong and weak are not permanent positions; what can start as a weak tie can be transformed into a strong tie. We draw strength to argue this way based on revelations by some self-employed youth such as Mary, Mutale and Tobias, (as earlier on mentioned), who had people who started as ordinary customers who later became close friends, they counted on in their respective businesses.

Further, in the case of Thomas, we saw strong ties providing mechanisms that invoked weak ties. In a way, dichotomies in theory neglect co-existence of certain aspects. Critical realists allow reflexivity in philosophy and methodology and aim more at providing richer explanation of social reality 'without one facing problems of switching paradigms because of complex ontological and epistemological issues involved when using mixed methods approaches' (McEvoy and Richards, 2006:66). Neither quantitative nor qualitative methods are sufficient to develop a complete understanding of reality. As a consequence, they need to be used in combination, so that they complement each other. Critical realism presents comprehensive synthesis of reality by way of integrating normative theory while at the same time accommodating unique experiences of certain groups. The ultimate goal in critical realism is not to identify generalised laws (positivism) or identify lived experiences or beliefs of social actors

(interpretivists); it is to develop deeper levels of explanation and understanding (McEvoy and Richards, 2006:66). It also helps to yield information on what is underneath the surface, by digging deeper, in a given context.

Consistent with critical realism, this study took a more open approach to the inquiry to understand a specific context. It equally challenges the essentialism in much of the literature by placing more emphasis on the local context. It shows appreciation of diversity by exposing different accounts (multiple realities) in explaining various aspects on interest in the study. In a way, some of the insights drawn in this study could not have been exposed in the investigation and analysis of findings without taking a critical realist stance. Critical realism, in this study, therefore helped to dig deeper and understand what is underneath the surface of those social relations, as well as breaking barriers in explaining complex reality on a number of issues in relation to the understanding the roles of informal networks in influencing self-employment among the youth.

6.8 What the study findings mean with regards to research questions

What findings entail with regards to the overall research questions is that the influence of informal networks on youth self-employment is complex and context specific; meaning, to some extent they positively influence self-employment while at times they act as a barrier for entry into business among youth in Zambia. This study provided empirical evidence that the youth turn to informal networks because of failures associated with formal institutional support. However, the study presents instances where they play a significant role in facilitating self-employment as well as those situations where they act more as a barrier to entrepreneurial activity among young people. Putting it differently, while informal networks afford some self-employed youth access to resources, at times they place constraints to full exploitation of their full potential through self-employment. Consequently, informal networks should not be seen as a cure-all concept (as Portes, 1998:2 puts it). Their negative effects cannot simply be ignored in policy recommendations. What can be considered as positive effects from one angle can from a

different view point be regarded as corruption, as informal networks put some individuals in more privileged positions than others, within a given locality. Just as Egbert (2004) argues, informal networks may be important for certain aspects of business such as information sharing, but certain non-market structures of exchange can be self-enforcing and prevent market structures from forming. Zambia since the 1990s has been struggling to consolidate a free market economy, as the main driving force for economic management, however, placing more emphasis on such informal institutions, gives a bleak future of a vibrant market economy in the country.

7. CONCLUSIONS

7.1 Chapter introduction

In this chapter we present conclusions based on the findings and discussion in relation to our study objectives. As indicated in the first chapter, our main interest in the study was to understand the role informal networks play in supporting self-employment among the youth in Zambia. We specifically wanted to establish the types and nature of ties self-employed youth utilise and how such operate in influencing self-employment among the youth in the country. In presenting our conclusions, we therefore begin by giving a summary of empirical findings in relation to guiding research questions. Thereafter, we show the contributions of our study to social capital and social embeddedness literature. This is followed by some reflections on the appropriateness of methodology we used in the study. Lastly, we propose policy recommendations and suggestions for extension of research.

7.2 Summary of empirical findings in relation to guiding research questions

The overall research question for this study was: do informal networks play a role in influencing self-employment among the youth in Zambia? At a more empirical level the research question was: what is the nature and relative influence of informal networks on self-employment among the youth in Zambia? In order to answer these broad questions, we had a number of sub-questions which were meant to identify the informal networks and resources being drawn as well as the dynamics involved in accessing and utilising various connections among the self-employed youth.

However, the entry point in the enquiry was to establish motivating factors to get into self-employment among the youth. In this regard, we asked a research question: what are the determinants of entry into self-employment among the youth in Zambia? The answer, in terms of motivating factors for self-employment among the youth in Zambia, from the survey, pointed to unemployment as the main reason. However, there were also other factors such as to seize

business opportunities and to supplement household income. Furthermore, in-depth interviews yielded complexity of reasons influencing choices to become self-employed among young people. Reasons included a combination of different factors such as unemployment, passion, changing life circumstances, to support family, to achieve economic prosperity, to be independent, to supplement household income, family influence, for survival, fear of losing a job, take advantage of opportunity offered by the market, among others. Findings provide further empirical evidence that challenge the GEM division of entrepreneurship into either necessity or opportunity driven, which seem to dominate literature on entrepreneurship. Findings, therefore point to the complexity of motivating factors beyond the narrow division between necessity and opportunity driven entrepreneurship.

The answer to our overall research question: 'do informal networks play a role in influencing self-employment among the youth', is that to some extent informal networks do influence self-employment among the youth in Zambia. Findings showed how different informal connections help the self-employed youth to access different business related resources such as information, finances, skills, customers and space. The study also revealed that informal networks play a role in aiding the discovery of business opportunities for some youth. From the findings, we saw the dominant reliance on strong ties (mostly one's family and friends) among the self-employed youth, as the main source of support. Given their circumstances, findings revealed that most self-employed youth usually started by seeking help within strong ties before looking elsewhere for support. Besides the use of strong ties, findings also revealed some evidence on the use of weak ties as channels through which the self-employed youth mobilised support. Furthermore, the study showed that sometimes drawing a clear demarcation between strong ties and weak ones can be challenging.

Further, the study provided empirical evidence on challenges some self-employed youth faced (even within strong ties) in obtaining support in relation to self-employment. The study revealed instances where informal networks played a significant role in facilitating self-employment as well as situations where ties acted more as a barrier to entrepreneurial activity

among young people. Results in a way imply that informal networks should not be taken for granted. Therefore, the overall conclusion we draw in this regard is that, depending on the context and circumstances, informal networks can enable or constrain entrepreneurial activity among youth in self-employment. As such, informal networks cannot solely be relied upon as a basis for sustaining self-employment among the youth in the country. We therefore argue that informal networks are to a great extent simply used as survival mechanisms given the socio-economic environment the youth find themselves in.

7.3 Theoretical reflections on social capital and social embeddedness

We make reflections on theory in our study in two ways. On one hand we look at whether or not the findings support the tenets of the theoretical underpinnings used in this study. On the other hand, we consider whether or not the findings filled some theoretical gaps in the body of literature. We generally see consistency with previous studies (such as Burt, 2001; Egbert, 2009; Jack, 2005; Koniordos; 2005 and other studies) that support the use of social capital in understanding how people (particularly disadvantaged groups) mobilize resources. Our findings indicate that social capital adds an important explanatory framework to understanding access to business related resources among self-employed youth in their given context in Zambia. The notion of social capital is very important in terms of providing information on what can ensue in situations where formal support systems may be unable to render expected support in a given context. The notion of social capital gave us hints for understanding rescue situations or put differently, fall back mechanisms that the youth employ to cushion their vulnerability given their circumstances. Social capital postulates that 'it is not what you know but who you know' that matters in drawing support. Accordingly, we saw the youth using those who they knew in way in trying to mobilize resources towards self-employment.

In our findings, however, we also established certain challenges pointing to the dark side of social capital. For instance, we noticed an element of human agency sometimes emerging as a destabilising factor for some young people trying to invest in social capital. We noticed that social capital (especially outside family circles) does not come on its own; it requires to be

invested into. A number of self-employed youth were investing in social capital (in the name of 'being good') by extending some favours to those they wanted to draw support from. However, the study revealed that some of those people who the youth were trying to forge links with were also advancing self-interest (in terms of 'what is in there for me') to a point where reciprocity became somewhat a challenge. In the process, other than seeing social capital as an asset, as is usually portrayed by dominant literature on the subject, it emerged as a social liability, as Meagher (2006) would put it. So, in the end the question would be 'whose social capital'? The conclusion we draw in this regard, is that neglecting issues of human agency, and to some extent power relations, in a way may increase young people's vulnerability in their given context. It therefore becomes important to examine the manner in which social ties unfold and operate in given contexts.

While social capital helped us as broader frame, social embeddedness provided us with more concrete understanding of the actual ties the self-employed youth utilised and the dynamics involved in their utilization among the youth in business. Findings indicate that by being socially embedded, the self-employed youth mobilized various resources including information and ideas, skills, finance and space. However, (as already pointed out) findings indicated that the youth relied more on strong ties (mostly close family members and friends) compared to weak ties in mobilising business resources. However, even within strong ties, different connections were used for different purposes. For instance, the self-employed youth mostly relied on friends for information and business ideas, yet the family was more instrumental in providing skills and financial support among the youth, even though financial resources provided were reported to be usually inadequate to meet expressed needs.

Strong ties were also instrumental in enabling the youth to recognize potential for entrepreneurial opportunities. From the findings, quite a good number of young entrepreneurs utilised strong ties in one way or another as a channel through which they found themselves in self-employment. Findings further confirmed Granovetter's (1985) argument that information sharing among members of strong ties is easily transmitted and not complex. We saw, for

instance, how young people, especially the male youth acquired information and ideas related to their business. They did so more often in a relaxed manner through casual talks especially among friends.

In the light of the empirical evidence, there are some key lessons which we can draw from our findings in relation to Granovetter's social embeddedness. Firstly, ties are not static positions and sometimes divisions between strong and weak ties can be obscured. What could have started as weak ties can turn into strong ties. In order to enrich Granovetter's social embeddedness, we therefore suggest a need to accommodate the overlaps that characterise complexity in social structures in reality. For instance, someone started as aunt's close friend (weak ties) and later became more or less like a mother like in the case of Anna. Similarly, Mary, Mutale and Tobias revealing that they had some people who initially started as ordinary customers but later became close friends. Therefore ignoring the interweaving of weak and strong ties, falls short of providing a clearer picture on the operations of social embeddedness in reality.

We also observed that there are some underlying assumptions of social embeddedness which can be challenged in the light of empirical findings. For instance, we should be more skeptical about the taken for granted perception on the generalised trust involved in strong ties. Besides trust and frequent interaction (as Granovetter suggests), the study has shown different ways ties can be strengthened, including investing resources into ties. At the same time, the study revealed that reciprocity in social networks should not to be seen as something that comes automatically. Further, the social context should always be taken into consideration in order to understand how ties unfold in reality. Authors like Kloosterman (2010) and others, have even extended social embeddedness and now promote the concept of 'mixed embeddedness', which incorporates the overall socio-economic and political context in which actors are embedded.

7.4 Reflections on the usefulness of mixed methods in the study

'When only one approach to research is inadequate by itself to address the research problem, mixed methods design is a preferred design' (Creswell and Clark, 2007:33).

The methodological approach of mixed methods used in this research was appropriate. From the outset, we were cognisant of the fact that informal networks and how they influenced self-employment was complex. Therefore, in order to fully grasp various aspects required employing methods, techniques, and procedures that best meet needs and purposes of the inquiry. We thus decided to adopt a mixed methods design in the inquiry. Beyond the appreciation of each method as important in its own right, combining qualitative and quantitative methods in our research enriched the study. By using mixed methods, we were able to highlight different angles that could not have easily been achieved had we employed only one approach (whether qualitative or quantitative). This approach thus gave the inquiry a greater balance of perspective that enhanced the overall quality of understanding various forces and mechanisms at work in explaining the role informal social networks play among the self-employed youth. It enabled us to yield a more comprehensive picture by noting not only trends in general but also deep insights on the different angles of the problem we investigated.

It is important to point out that we noted that findings were not always consistent following the approaches we used in our investigation. However, we did not see this as a weakness but a strength. A mixed method design is usually used as a means to offset the weaknesses inherent within one method with the strengths of the other method. By incorporating both contradictory and complementary findings emanating from both qualitative and quantitative sides, it helped us to capture a nuanced picture of what it entails in reality to be self-employed among the youth in their given context in Zambia. The integration of methods thus maximised the strengths and minimised the weaknesses of each type of data and in the process this helped to provide a comprehensive understanding of our research problem. In our study we avoided one of the pitfalls identified by Jones and Woolcock (2009) on most investigations on social capital which tend to use a single methodological approach and whose consequence (they

argue) has been losing opportunities for enhancing understanding through fruitful exchange of methods of inquiry.

However, critics of mixed methods usually want to dwell on epistemological and philosophical positioning on knowledge arguing that the quantitative and qualitative approaches usually point in two opposing directions. To counter such arguments, we positioned our study within a critical realist framework as it circumvents problems of paradigm shifts in positioning knowledge. In essence critical realism draws the two extremes (qualitative and quantitative approaches) together (McEvoy and Richards, 2006). Through critical realism, we strove for practical adequacy and primacy to the importance of the research problem and question, and valued both objective and subjective knowledge and thus providing different but insightful perspectives on the phenomenon we investigated. The quantitative survey helped to identify some patterns in practice, which were further elaborated upon by findings from the qualitative side.

Using both qualitative and quantitative approaches gave the inquiry a greater sense of balance and perspective. Findings from both approaches also stimulated the abductive reasoning in critical realism, which further helped to provide explanations on why social networks tended to emerge the way they did among the self-employed youth. A good example, in this context, would be a situation where survey findings showed a low financial support from friends when in other areas findings showed more reliance on support from friends. To help to make sense of such seemingly unclear outcomes, the qualitative side adequately resolved the why question and gave insights that showed that friends could not easily come to the aid of their peers as they were found in similar situations (of not having money) in as much as they would have wanted to provide financial help to their peers.

In this study, we demonstrated that qualitative and quantitative methods can easily be combined in an investigation on social capital. Generally, there is no rigid formula for designing a mixed methods study. One can employ strategies of inquiry that involve collecting data either

concurrently or sequentially to best understand a research problem (Creswell and Clark, 2007). The philosophical underpinnings of mixed methods convey the importance of focusing attention on the research problem and then using pluralistic approaches to derive knowledge about the problem. A mixed methods approach is one in which the researcher tends to base knowledge claims on pragmatic grounds (e.g. consequence-oriented, problem-centered, and pluralistic). What is important is for the researcher to have preliminary consideration on the philosophy of knowledge and the theory to employ as well as availability of resources (e.g. time, financial resources, skills, etc.). Further, the researcher needs to be clear about the research problem, aims and research questions that call for mixed methods and how results would be integrated in providing answers to the problem at hand. Our ability to use two different methods in an attempt to confirm, cross-validate, or corroborate findings within a single study in a way represents an additional contribution of this study to the empirical literature. It gave the inquiry a greater balance of perspective that enhanced the overall quality of understanding various forces and mechanisms at work in explaining the role of informal social networks among the self-employed youth.

7.5 Implications of study findings on policy

This study has yielded a lot of information on the complexity of the role of informal networks in influencing self-employment. It has helped to increase the awareness of utilising informal social networks in supporting self-employment among the youth in Zambia. It has further exposed the dangers of relying on informal social networks among the self-employed youth in Zambia. Yes, informal networks can to some extent compensate for constraints young people face in accessing resources that formal institutions may fail to offer, but they also have their own challenges to a level that they cannot solely be relied upon for sustainability of self-employment among the youth.

Against this background, one of the recommendations we make is that in order to understand fully self-employment among the youth, we need to move away in considering entrepreneurship in isolation and look at entrepreneurship as a process taking place in a given

context. Decisions leading to choices whether to go into self-employment or not among the youth are influenced by complex dynamics of what surrounds an individual. Therefore paying more attention to understanding contextual issues at different scales would help to aid the design of more realistic and appropriate policies that can enhance self-employment among the youth in Zambia. Taking into consideration the social context the young people are embedded in can help to identify more appropriate ways of responding to their needs. This requires exposing the diversity among the youth as they are not a homogenous entity.

Further, negative outcomes of informal institutions should not be ignored as they have severe repercussions on the development of a market driven economy. From the findings, some of the most enduring forms of 'oppression' were reproduced within the intimacy of the family where individuals belonged. For instance, we saw how hierarchical organisation in the family at times acted as sites of transmission of disadvantage to young people. And these could be things that may not easily be noticed and taken for granted and passed on from generation to generation. The transformation of informal institutions in order to remove some of the vices may require concerted action by the state as the first step in removing inequalities.

Young people may also have other ambitions in life but their social embeddedness ultimately shapes what they eventually end up to be in life. Accordingly, attention must also be paid on other factors which could be historical, social or cultural and economic conditions that affect their everyday lives even as they struggle to earn a living through self-employment.

7.6 Suggestions for future research

As with all research, this work was built upon the foundation created by many others and is meant to be part of the continuum of the research process. Therefore, the work in this subject area can take plenty of other directions in providing a platform for future research. Accordingly, the final section of this work provides some suggestions to expand the research in this field

beyond the scope of this study. Specifically, three recommendations are offered to focus future research efforts:

- To expand research on the role of informal networks beyond few cases. Studies that examine several locations and a greater number of participants could bring much deeper insights that may help better understand the influence social networks have on entrepreneurial activity among young people.
- To continue similar research with more social differentiation to expose diversity among the self-employed youth. Research taking into consideration such aspects would help to establish different experiences on the roles informal networks play in influencing self-employment.
- Studies of this nature would also benefit more by taking a longitudinal design to monitor trends and changes over time in the use of informal networks among self-employed youth.

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APPENDICES

Appendix 1: Unstructured interview guide for the self-employed youth

- Interviews started by asking questions to establish ownership of the business before asking how they got into self-employment and why, family background, establishing what their greatest asset for self-employment were, how they acquired various resources related to their business and who they normally turned to, for help when they needed support and, who they usually consulted on business related issues and why.
- We were also asking probing questions depending on responses (see chapter 4 for more details).
- We had a checklist on access to information and ideas, finance, skills, business space, customers (and suppliers), depending on the type of business. We also asked appropriate questions depending on individual interviewee's responses.

Appendix 2: Survey questionnaire for the self-employed youth

Questionnaire no. _____

Questionnaire for the Self-employed:

Interviewer:.....Interview date:.....Time:.....

Business Location: _____ **Street:** _____

Introduction

Good morning/afternoon. I am a researcher from the University of Zambia conducting a study on informal networks and youth self-employment in Zambia. For this purpose, I am interviewing young people who own and run their own business. The information I am getting is purely for academic purposes. The interview will take about 30 minutes. Would you like to participate in my study?

Section A. Type of Business and ownership

Let me begin by finding out about the type of business you run

1. Describe the type of business you are involved in?.....
.....
2. What was your primary reason for getting self-employed?
 1. Unemployment
 2. To seize business opportunity (entrepreneurship)
 3. To supplement household incomes
 4. Other (Specify).....
3. For how long have you been running business?
 1. Less than 6 months
 2. Between 6 months and 1 year
 3. Between 1 year and 2 years
 4. Between 2 years and 5 years
 5. More than 5 years
4. Is this your first business?
 1. Yes(**Skip to Q8**)
 2. No
5. What was your first business?.....
6. Is your first business still operating?
 1. Yes(**Skip to Q8**)
 2. No
7. What happened to the first business?
.....

8. Do you run any other business?

1. Yes

2. No(Skip to Q10)

9. What other business are you involved in?.....

.....

.....

.....

10. Are you the sole owner of this business?

1. Yes(Skip to Q12)

2. No

11. What is your relationship with the other partner(s) in your business?

1 Family member

2 Friend

3 Church member

4 Other (specify).....

Section B. Skills Acquisition

Let me now ask you questions about skills related to your business

12. What skills do you have related to business?.....

.....

.....

13. How did you mainly acquire these skills? **(One answer only)**

- 1. Former job
- 2. Apprenticeship
- 3. Skills training
- 4. School
- 5. Home
- 6. Others (specify).....

14. Have you received any skills training since you started this business?

- 1. Yes
- 2. No **(Skip to Q 16)**

15. Who organised the training?

- 1. Government
- 2. NGO
- 3. Church
- 4. Local community
- 5. Others (specify).....

Section C. Social networks

Let me found out about the types of networks you have for your business

16. Are you a member of any registered business association?

- 1. Yes
- 2. No **(Skip to Q21)**

17. Which one do you belong to?.....

18. What type of support does the business association (above) give to its members?

- 1. Financial
- 2. Information / advice
- 3. Space for conducting business
- 4. Training
- 5. Marketing assistance
- 6. Transport
- 7. Networking
- 8. Others (specify).....

19. How would you rate the support you have received from this association in terms of the following:

- | | | | |
|---|-------------------------------------|---------------------------------------|--|
| 1. Financial | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 2. Information / advice | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 3. Training | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 4. Marketing | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 5. Transport | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 6. Networking | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 7. <input type="checkbox"/> Others (specify)..... | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |

20. How open is the association to people of:

- | | | | |
|----------------------------------|-------------------------------|-----------------------------------|---------------------------------------|
| 1. Different age groups | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |
| 2. Different gender | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |
| 3. Different levels of education | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |
| 4. Different ethnic groups | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |

21. Why are you not a member?.....

.....

.....

22. Are you a member of any support group such as those formed by friends?

- 1. Yes
- 2. No **(Skip to Q 24)**

23. How would you rate the support you receive from this group in terms of the following:

- | | | | |
|-------------------------|-------------------------------------|---------------------------------------|--|
| 8. Financial | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 9. Information / advice | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 10. Training | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 11. Marketing | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 12. Transport | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 13. Networking | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |

24. Why are you not a member?.....
.....
.....
.....

25. Are you a member of any faith based (church / religious) organisation?

- 1. Yes
- 2. No **(Skip to Q28)**

26. How would you rate the support you receive towards your business from your church/religious organisation, in terms of the following?

- | | | | |
|-------------------------|-------------------------------------|---------------------------------------|--|
| 1. Financial | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 2. Information / advice | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 3. Training | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 4. Marketing | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 5. Transport | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 6. Networking | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |

27. What challenges related to your business have you encountered as a result of membership to this group?

.....

.....

28. Are you a member of any ethnic-based association / organisation?

1. Yes
2. No **(Skip to Q31)**

29. How would you rate the support you receive towards your business from your ethnic group in terms of the following?

- | | | | |
|-------------------------|-------------------------------------|---------------------------------------|--|
| 1. Financial | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 2. Information / advice | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 3. Training | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 4. Marketing | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 5. Transport | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 6. Networking | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |

30. What challenges related to your business have you encountered as a result of membership to this group?

.....

.....

31. Are you a member of any community-based organisation?

1. Yes
2. No **(Skip to Q34)**

32. How would you rate the support you receive towards your business from this group in terms of the following?

- | | | | |
|-------------------------|-------------------------------------|---------------------------------------|--|
| 1. Financial | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 2. Information / advice | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 3. Training | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 4. Marketing | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 5. Transport | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 6. Networking | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |

33. What challenges related to your business have you encountered as a result of membership to this group?

.....

.....

34. Are you a member of any social club?

- Yes
- No (**Skip to Q37**)

35. How would you rate the support you receive towards your business from your social club in terms of the following?

- | | | | |
|-------------------------|-------------------------------------|---------------------------------------|--|
| 1. Financial | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 2. Information / advice | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 3. Training | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 4. Marketing | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 5. Transport | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |
| 6. Networking | <input type="checkbox"/> No Support | <input type="checkbox"/> Some Support | <input type="checkbox"/> Lots of Support |

36. What challenges related to your business have you encountered as a result of membership to this group?

.....

.....

37. Do you belong to a chilimba?

1. Yes
2. No **(Skip to Q42)**

38. How open is your chilimba to people of:

- | | | | |
|----------------------------------|-------------------------------|-----------------------------------|---------------------------------------|
| 1. Different age groups | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |
| 2. Different gender | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |
| 3. Different levels of education | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |
| 4. Different ethnic groups | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |

39. How does your participation in Chilimba affect your business?

1. Positively
2. Negatively
3. Neutral

40. Name any other informal grouping where you belong to?.....

41. How open is that group to people of:

- | | | | |
|----------------------------------|-------------------------------|-----------------------------------|---------------------------------------|
| 1. Different age groups | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |
| 2. Different gender | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |
| 3. Different levels of education | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |
| 4. Different ethnic groups | <input type="checkbox"/> Open | <input type="checkbox"/> Not open | <input type="checkbox"/> I don't know |

Section D. Business suppliers and customers

Let me now find out about your suppliers and customers

42. Who are the regular suppliers for your business? **(Multiple answers possible)**

1. Family
2. Friends
3. Business
4. Church members
5. Government
6. Other (specify.....)

43. How do you get connections to your suppliers? **(Multiple answers possible)**

1. Family
2. Friend
3. Church members
4. Business associate
5. Customers
6. Neighbour
7. Open advertisement
8. Others (specify).....

44. How does your business normally make payments to your suppliers?

1. On strict cash basis
2. On credit
3. On cash and credit
4. Others(specify).....

45. Have you ever been awarded a contract by the Zambian government?

1. Yes
2. No(**Skip to Q47**)

46. How did you get connected to the government?

1. Family
2. Friends
3. Business associate
4. Customers
5. Neighbour
6. Church member
7. Open advertisement
8. Others (specify).....

47. Have you ever been awarded a contract by a private firm?

1. Yes
2. No(**Skip to Q49**)

48. How did you get connected to that private firm?

1. Family
2. Friend
3. Church members
4. Business associate
5. Customers
6. Neighbour
7. Open advertisement
8. Others (specify).....

49. How many customers do you serve per day?

1. Less than 10
2. 11- 20
3. More than 20

50. Who are your regular customers?

1. Family
2. Friends
3. Church
4. Walk-in individuals
5. Other businesses
6. Government
7. No regular customers
8. Other (specify).....

51. How do you source customers?

1. Using family
2. Using friends
3. Customers come on their own
4. Customers are referred me by other customers
5. Media (TV, radio, Newspaper, magazine)
6. Internet
7. Mobile phone
8. I don't advertise
9. Other (specify)

52. Do your customers come to your business or you deliver products / services to them?

1. Customers come to the business
2. I deliver products /services to customers
3. I do both

53. Why do you deliver products/ services to your customers?.....
.....
.....
.....

54. How do your customers pay you?

1. On strict cash basis(Skip to Q57)
2. On credit (Answer Q55& Q56)
3. On cash and credit (Answer Q55 &Q56)

55. Who do you give credit?.....

.....

56. Why do you give credit?

.....

Section E. Business ideas and information
--

- | |
|---|
| <ul style="list-style-type: none">• I would now like to ask about how you get information concerning running business |
|---|

57. Where did you get the idea to start this business?

(Multiple responses possible)

1. Own ideas
2. Family
3. Friends
4. Church
5. Apprenticeship
6. Skills training
7. Entrepreneurship course
8. Others (specify).....

58. How do you mainly get information concerning running business?

(One answer only)

1. Talking to family members
2. Talking to friends
3. Talking to church members
4. Talking to customers
5. Talking to suppliers
6. Media (internet, newspaper, radio, TV, magazines)
7. Financial institutions (e.g. bank)
8. Business association
9. Other (specify).....

59. Indicate how often you consult with the following when making decisions concerning your business?

- | | | | | | |
|---------------------------|--------------------------------|---------------------------------|---|---------------------------------|--------------------------------|
| 1. Family | <input type="checkbox"/> Daily | <input type="checkbox"/> Weekly | <input type="checkbox"/> Once / twice a month | <input type="checkbox"/> Rarely | <input type="checkbox"/> Never |
| 2. Friends | <input type="checkbox"/> Daily | <input type="checkbox"/> Weekly | <input type="checkbox"/> Once / twice a month | <input type="checkbox"/> Rarely | <input type="checkbox"/> Never |
| 3. Church members | <input type="checkbox"/> Daily | <input type="checkbox"/> Weekly | <input type="checkbox"/> Once / twice a month | <input type="checkbox"/> Rarely | <input type="checkbox"/> Never |
| 4. Own employees | <input type="checkbox"/> Daily | <input type="checkbox"/> Weekly | <input type="checkbox"/> Once / twice a month | <input type="checkbox"/> Rarely | <input type="checkbox"/> Never |
| 5. Business professionals | <input type="checkbox"/> Daily | <input type="checkbox"/> Weekly | <input type="checkbox"/> Once / twice a month | <input type="checkbox"/> Rarely | <input type="checkbox"/> Never |
| 6. Other (specify) | <input type="checkbox"/> Daily | <input type="checkbox"/> Weekly | <input type="checkbox"/> Once / twice a month | <input type="checkbox"/> Rarely | <input type="checkbox"/> Never |

Section F: Employees and operational supporters

I would now like to ask you about who helps you to operate your business

60. Who physically helps you to operate this business?

	How many?	Paid	Unpaid	
1. <input type="checkbox"/> Family member	[]	[]	[]	(Go to Q61)
2. <input type="checkbox"/> Friend	[]	[]	[]	(Skip to Q62)
3. <input type="checkbox"/> Apprentice	[]	[]	[]	(Go to Q63)
4. <input type="checkbox"/> Permanent employee(s)	[]	[]	[]	(Go to Q63)
5. <input type="checkbox"/> Casual worker(s)	[]	[]	[]	(Go to Q63)
6. <input type="checkbox"/> Other (specify).....[]	[]	[]	[]	(Go to Q63)
7. <input type="checkbox"/> None				

61. What is the nature of work your family members do in your business?.....

.....

.....

62. What is the nature of work your friend(s) do in your business?.....

.....

.....

63. How do you rate your relatives' influence on your business?

1. Positively 2. Negatively 3. Neutral

64. How do you rate your friends' influence on your business?

1. Positively 2. Negatively 3. Neutral

Section G. Business premises and location

I would now like to ask you questions concerning your business premises and location

65. Where do you operate your business from?

- 1. Formal business premises (office, business complex, plant, factory, formal market)
- 2. Informal premises (road, street or foot path or open place, informal market, garage)
- 3. Container
- 4. No fixed location (mobile)
- 5. Other (specify).....

66. What is the main reason for operating in this location? **(Single answer)**

- 1. Good location
- 2. Affordable rent
- 3. Lack of suitable business premises
- 4. To avoid rental charges
- 5. Lack of market space
- 6. Other (specify).....

67. Are you in the same location on a daily basis or you do move around?

- 1. Same location **(Skip to Q69)**
- 2. Different locations

68. Why do you operate in different locations?

.....

.....

69. On what basis do you occupy the premises / land where you are doing your business?

1. Own
2. Rented
3. Family member owns / rents
4. Friend owns / rents
5. Other (specify).....
6. Squatting (just occupy it)

70. In the last 12 months, has the business been forced from the premises that you occupy by officials, a landlord, or others with a claim?

1. Yes
2. No

Section H. Tools / Equipment used in the business
--

I am would now like to ask you about the equipment used in your business.
--

71. What type of tools do you use for your business?

1. Portable tools
2. Fixed motorised equipment
3. I don't use any tools(**Skip to Q76**)
4. Others (specify).....

72. Do you own the tools/ equipment used in your business?

1. Yes
2. No

73. How did you acquire the tools/ equipment?

1. Purchased
2. Gift
3. Inherited
4. Borrowed
5. Other (specify).....

74. If borrowed, who do you borrow tools / equipment from?.....

.....

.....

75. On what terms do you borrow them?.....

.....

.....

Section I. Business Finance

- | |
|---|
| <ul style="list-style-type: none">• I would now like to ask you about the financing of your business |
|---|

76. What was the source of your initial (start-up) capital?

1. Own Savings
2. Gift / loan from family
3. Gift / loan from friend
4. Loan from an informal organisation (e.g. kaloba or chilimba)
5. Loan from a government institution
6. Loan from a bank or other formal financial institution
7. Other (specify):.....

77. If own savings, how did you raise the money?

1. Formal employment
2. Informal employment
3. Self-employment
4. Piece work
5. Other (specify):

78. Have you ever requested for a loan from a bank or formal financial lending institution for your business?

1. Yes
2. No **(Skip to Q81)**

79. What was the outcome of the loan request?

1. Successful
2. Unsuccessful

80. Who connected you to the bank / formal lending institution?

1. Family member
2. Friend
3. Church member
4. Other (specify).....

81. Have you ever asked for financial help in form of a loan from any other source (other than a bank) for your business?

1. Yes
2. No **(Skip to Q85)**

82. What was the source of this money?

1. Family
2. Friend
3. Church member
4. Kaloba
5. Chilimba
6. Women's club/ Men's club
7. Other (specify).....

83. Why did you approach this source?

.....

.....

.....

84. What was the money used for?

1. Expansion of the business
2. Working capital / money for the business (salaries, rent etc)
3. Financing a tender/contract
4. Start up or take over another business
5. Buy property
6. Buy equipment / machinery
7. Buy Information Communication Technology
8. Pay off business debts
9. Buy stock / supplies / raw materials
10. Upgrade existing business facilities
11. Others (specify)

85. Indicate how often you ask for financial help from the following sources for your business?

- 1. Family Whenever I need of money Once in a long time Never ask
- 2. Friend Whenever I need of money Once in a long time Never ask
- 3. Church member Whenever I need of money Once in a long time Never ask
- 4. Others (specify) Whenever I need of money Once in a long time Never ask

Other sources of income

86. Do you have any other sources of income?

- 1. Yes
- 2. No **(Skip to Q88)**

87. What is the additional source of income?

- 1. Formal employment
- 2. Informal employment
- 3. Rent
- 4. Government grant
- 5. Other source (specify).....

Section J: Demographic Profile

Allow me now to ask you some personal details about yourself

88. What is your age? [.....] years.

89. Gender (Observe – Do not ask)

- 1. Male
- 2. Female

90. What is your highest level of education?

- 1. No formal schooling
- 2. Lower Basic (1,2,3,4)
- 3. Middle Basic (5,6,7)
- 4. Lower secondary grades (8,9)
- 5. Upper Secondary grades (10,11,12)
- 6. Vocational training completed (e.g. trade certificate)
- 7. Certificate / diploma from college or university
- 8. University degree

91. What is your marital status?

- 1. Single
- 2. Married
- 3. Co-habiting
- 4. Divorced
- 5. Widowed
- 6. Separated

92. What is your religion

- 1. Christian
- 2. Hindu
- 3. Moslem
- 4. Others (specify).....

93. What is your citizenship?

- 1. Zambian
- 2. Non-Zambian(**Go to Q95**)

94. Which ethnic group do you belong to?

- 1. Bemba
- 2. Kaonde
- 3. Lozi
- 4. Lunda
- 5. Luvale
- 6. Ngoni
- 7. Tonga
- 8. Other (specify).....

95. State your country of origin.....

96. Where do you live (in which area)?.....

CLOSE THE INTERVIEW BY THANKING THE RESPONDENT

Record time interview ended:

OBSERVATIONS DURING INTERVIEW

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