



Supporting Africa's Young Entrepreneurs: an investment in job creation and future prosperity for all

ZAMBIA

Positive attitudes towards entrepreneurship dominate the opinions of young Zambians on the matter. Young people flock to private enterprise in spite of the difficulties they encounter such as lack of access to finance, skills shortages, and insufficient information about how to set up and run a business. The entrepreneurial spirit of the country's young people is an important asset for sustained economic growth and social cohesion, and needs to be nurtured with appropriate policies and interventions to result in productive business ventures.

Little fear of failure

A nationwide survey of young Zambians carried out by the Global Entrepreneurship Monitor (GEM) in 2013 revealed that they have very positive entrepreneurial attitudes and perceptions, and see an entrepreneurial career as attractive, high status and appreciated in the media. The majority have a very high awareness of good opportunities for starting a business and their own capability to do so. This large pool of potential youth entrepreneurs exhibits little fear of failure as a deterrent to setting up a business. Consequently, compared to the adult population,

the proportion of youth with entrepreneurial intentions is high. Family members and friends are the major source of inspiration for youth in Zambia to become entrepreneurs and continue to exert a major influence on the business decisions of young people.

Dynamic young entrepreneurs

These positive attitudes and perceptions, together with the generally favourable social image of entrepreneurship, translate into a dynamic level of entrepreneurial activity among youth aged 18 to 34, as reflected in the high incidence of start-up businesses

(nascent entrepreneurs) and new firms in this age group. The majority of youth intending to go into business have to rely on their own resources or those of their family. Young people also tend to tap into their own social networks (i.e. social capital) to find means of advantaging themselves in an environment characterised by a lack of support infrastructure.

While the procedures required to start a business in Zambia are relatively simple, young entrepreneurs face numerous challenges in accessing organised formal space. Most are involved in the retail and hospitality sectors, with very poor representation elsewhere. Young people's product lines in Zambia tend to be rather static and do not evolve as a result of client consultation in spite of increased use of the internet for business purposes. However, the client base is wider than simply friends and family, who also bring business guidance and financing.

Policy implications:

Little use of government support programmes

Young entrepreneurs face numerous challenges in running their businesses that entrepreneur

programmes and other government support programmes do not address. Only a tiny proportion of young people have made use of these programmes to start or run their business. The overwhelming majority are not even aware of the existence of the programmes.

Mentorship and training

Training programmes that are intended to provide young people with entrepreneurship and supplementary skills are not reaching their intended beneficiaries or are not doing so uniformly throughout the country. The fact that the schemes exist is a testimony to the policymakers' intentions, but the targets are clearly not being reached.

The promotion of youth entrepreneur programmes is a major challenge in Zambia. While the country has had hundreds of entrepreneurship support initiatives, there is a lack of integration, monitoring and evaluation and the ability to scale up initiatives that are identified as being successful. Therefore, consideration could be given to extending and scaling up such programmes that exist, while

giving thought to new initiatives engineered to reach a more comprehensive target group. One desirable option would be to encourage the establishment of a wide-ranging apprenticeship system to provide young artisans with appropriate skills.

To develop new and innovative business opportunities, as well as to reinforce skills already obtained, there is a need for experiential incubators that are easily accessible to young potential entrepreneurs and can supplement other forms of education and training. Such incubators have been shown in other contexts to foster innovation and encourage movement into sectors with higher profit potential.

Young entrepreneurs need support beyond formal or on-the-job training; they need to have access to professional organisations that provide advice to businesses, often through partnership between the government and the private sector. Moving forward, young entrepreneurs would benefit significantly from a mentorship programme that would include contact with role models who would accompany them in the



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first phase of their business establishment and thereafter.

Young people constrained by lack of capital

The survey demonstrated the difficulties that young entrepreneurs face when seeking financing for their ventures, which is a more acute problem for them than for their older peers.

Therefore, there is a revealed need for the government and other organisations to expand access to capital to young people intending to set up businesses. This is a common problem throughout Sub-Saharan Africa, and it is a very important barrier to the further development of business ventures by young people. Moreover, once a business has been established,

access to finance to enable it to grow is also lacking. If the growth of youth-led enterprises is compromised, then so is the future growth of the economy through their efforts.

Access to capital, however, is only part of the equation. Once they are able to secure finance, young people also need to be able to manage their money, something



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the current educational system may not have equipped them to do. Policies that aim to provide young people with management skills through training programmes adapted to their circumstances would help to ensure that young entrepreneurs could run their businesses effectively.

Finding a suitable place of business is another challenge. Helping young entrepreneurs to establish a stable place of business would benefit both the business and its customers. This is an area where central government and local authorities could work together.

Investing in ICT and distribution of new technologies

ICT infrastructure in both urban and rural areas needs to be developed as a means of encouraging the emergence of

key growth clusters; younger Zambians seeking to enter into business are showing increased interest in using ICT as part of their business strategy. Improvements in reliability and affordability would encourage further use of this medium by youth with growth aspirations.

A need to correct failings in youth entrepreneurship programmes

There is urgent need for the revised National Youth Policy (NYP) which clearly outlines a range of organisational mechanisms and activities required for effective implementation and coordination of youth entrepreneurship programmes. Young people cite bureaucracy and lack of transparency as failings in the system that deter them from drawing on its benefits. A concerted effort to simplify and streamline procedures within the

NYP and related programmes should be made to encourage take up and deepen impact. There is also a lack of knowledge of the existence of support programmes, which further reduces their effectiveness and impact. Policymakers could ensure greater awareness and contribute to enhancing overall impact by an information campaign specifically aimed at the younger members of the community.

Origins of the study

The insights illustrated in this short summary draw on a multi-country study on youth entrepreneurship conducted across nine African countries under the auspices of the Global Entrepreneurship Monitor (GEM) with financial support from Canada's International Development Research Centre (IDRC).



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