


**Youth Employment Insecurity in Lusaka,
Entrepreneurship and Review of the
Effectiveness of Youth Employment
Policies, Strategies and Regulatory
Framework**

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2013



Aim of the Presentation

- The presentation looks at employment insecurity among youth in Chawama and explores the extent to which entrepreneurship is a possible solution in the context of the existing policy and institutional support framework
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Data Sources

- ▶ **Youth Entrepreneurship and Employment Study Project (YEMP) (Dannish Development Agency)**
 - ▶ **Global Entrepreneurship Monitor (GEM) Project**
 - ▶ **International Labour Organisation (ILO) Study**
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Presentation Structure

- ▶ **Youth Employment Insecurity – Findings from Chawama**
 - ▶ **GEM Key Study Findings on Entrepreneurship in Zambia**
 - ▶ **ILO Study Findings on Policy Review**
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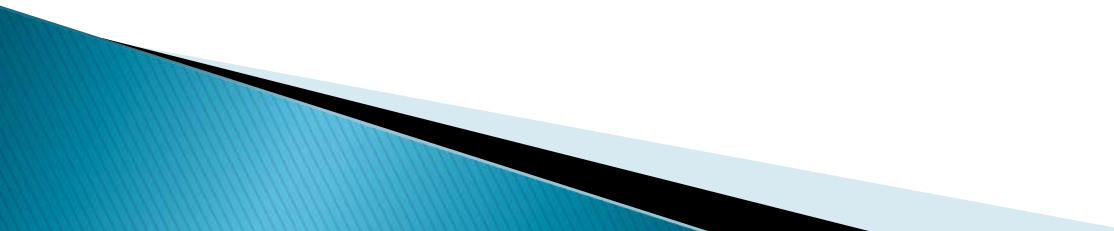
Key Concepts

- ▶ **Youth, security,
employment and
entrepreneurship**

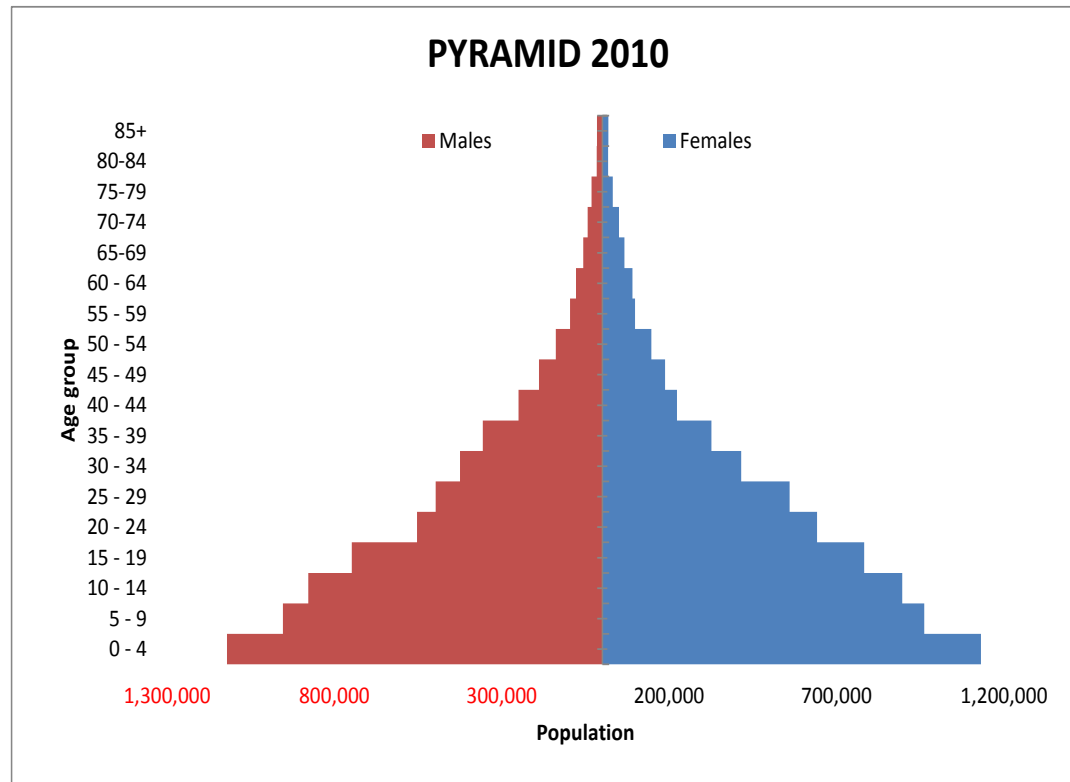
Youth

- ▶ Definition varies
 - ▶ Definition in Zambia's National Youth Policy (NYP)
 - ▶ Zambia is a youthful country
 - ▶ Bottom heavy demographic structure
 - ▶ Youth bulge
 - ▶ 'Demographic dividend'
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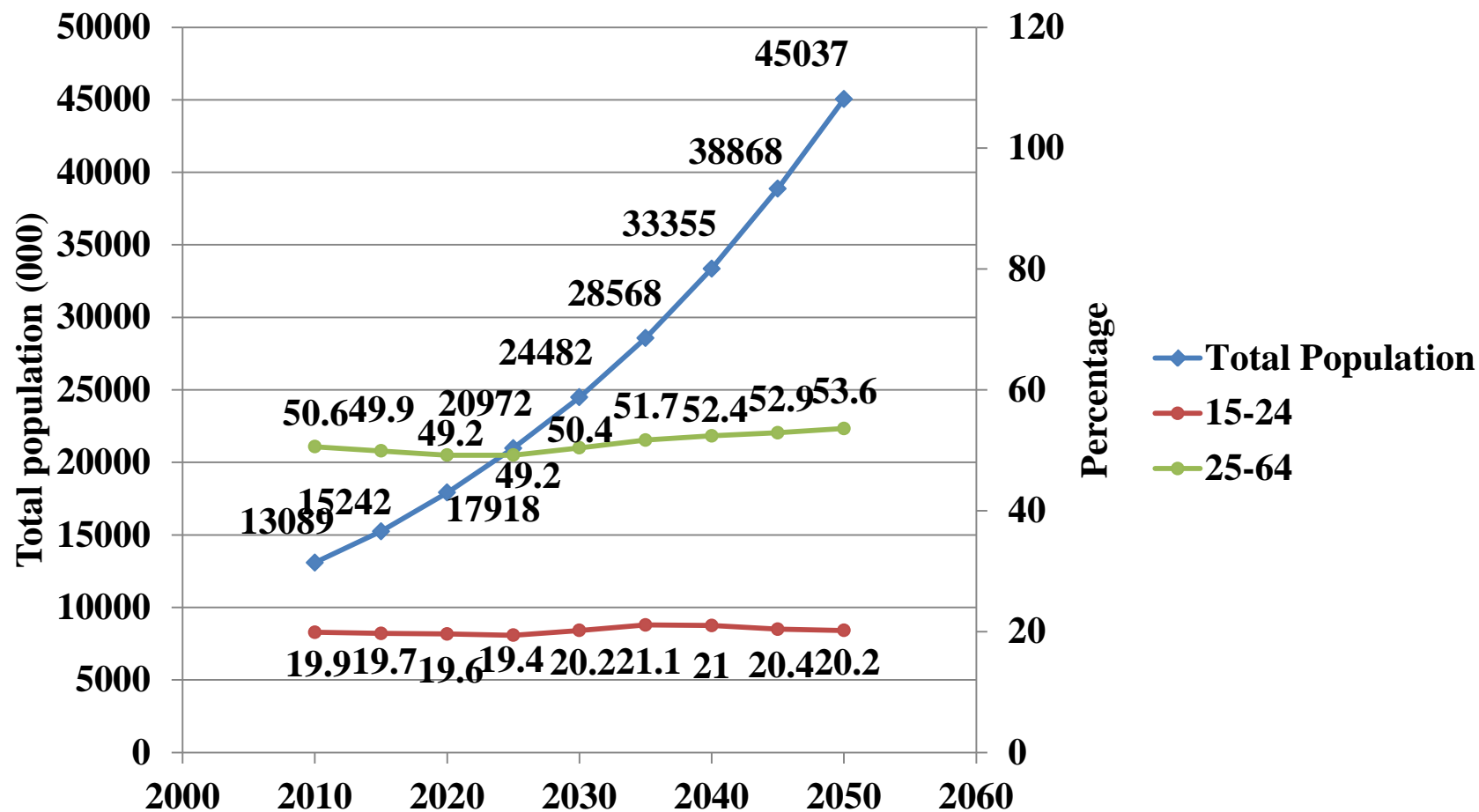
Zambia's Youth Population

- ▶ Almost **75 per cent** of the population the country's population of 14 million people is below the age of 35 years
 - ▶ 45 per cent of the population is aged 14 years and below
 - ▶ 20.8 per cent between 15–24 years
 - ▶ 25 per cent between 15–35 years)
- 


Zambia's Population Pyramid



Projections (2010-2050)



Economic Overview

- ▶ **‘Opportunity structure’ for youth employment shaped by growth**
 - ▶ Strong growth in recent years
 - ▶ Sustained gains in key sectors
 - ▶ Largely driven by mining
 - ▶ Despite Zambia (and Africa in general) experiencing high levels of economic growth in recent years, this is rarely accompanied by corresponding levels of employment creation
 - ▶ **‘jobless growth’ – low job creation – why is investment not creating the much needed jobs?**
 - ▶ Although employment insecurity has long been a feature of the Zambian economy, young people are especially affected
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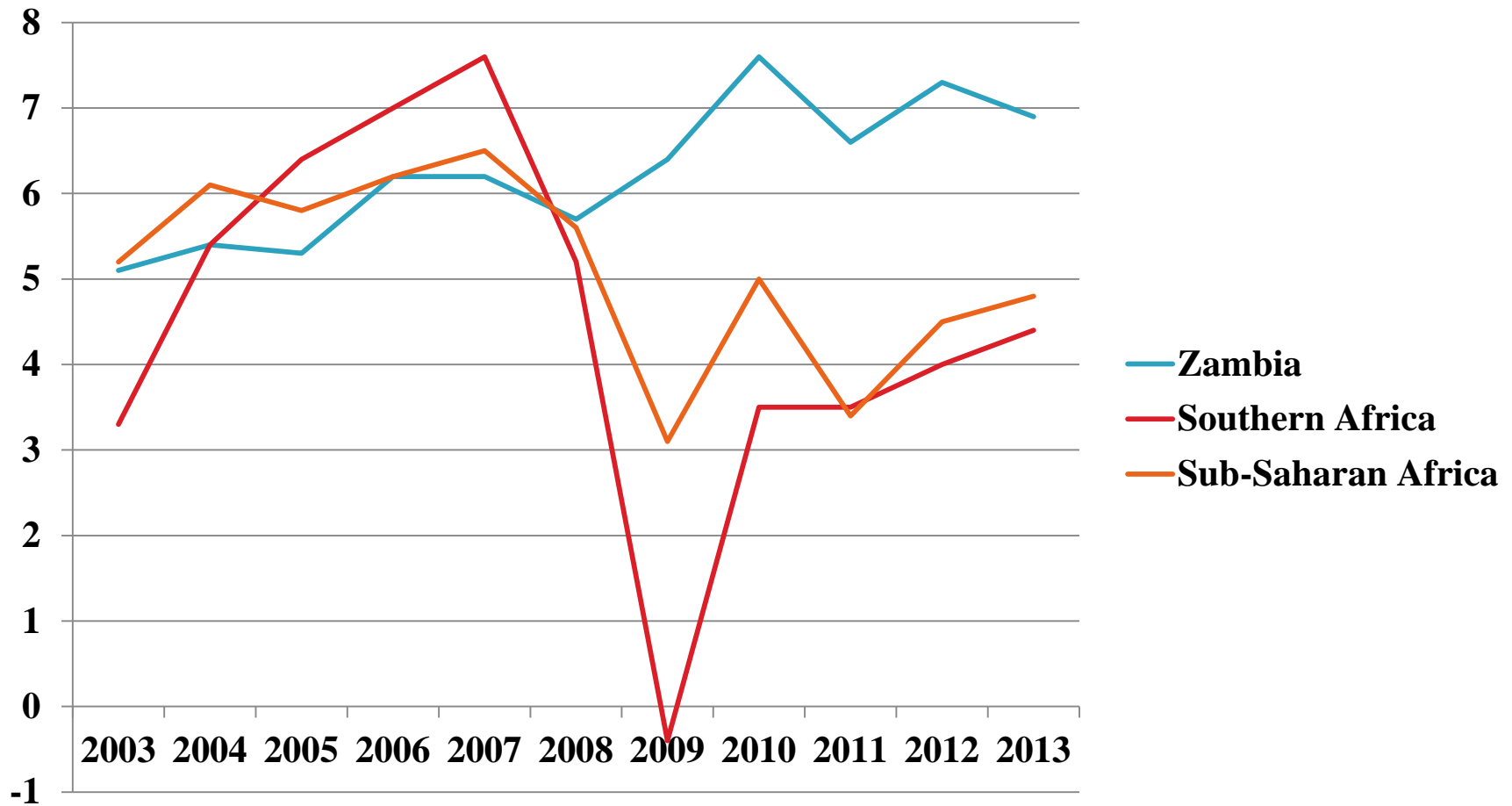
Zambia's Macroeconomic Indicators

	2010	2011(e)	2012(p)	2013(p)
Real GDP growth	7.6	6.6	6.9	7.3
Real GDP per capita growth	4.8	3.7	3.9	4.2
CPI inflation	8.5	8.7	8	8.5
Budget balance % GDP	-3	-2.6	-3.6	-3
Current account % GDP	3.6	5.4	3.6	4

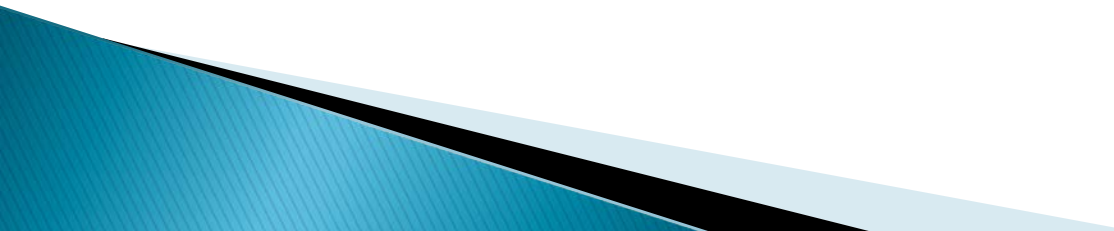
Source: Africa Economic Outlook, OECD (2012).

Figures for 2012 and 2013 are projections.

How Zambia's Economic Performance compares with that of Southern Africa and sub-Saharan Africa



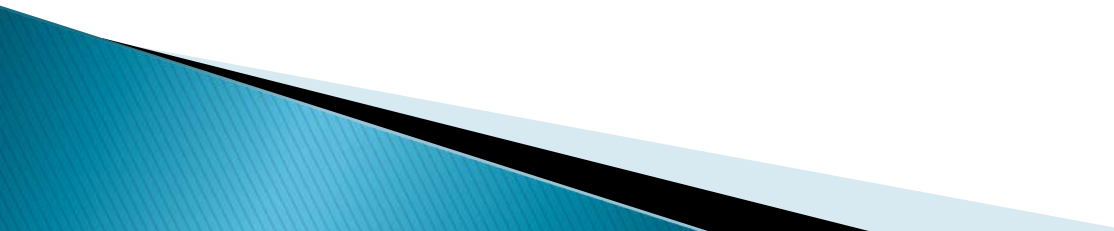
Youth Employment Challenge

- ▶ According to the 2008 Labour Force Survey (LFS), 28 per cent of the economically active youth were unemployed – almost double the national average of 15 per cent.
 - ▶ Compounded by the large number of underemployed youth and the high number of youth entering the labour market
 - ▶ Current estimates show that over 300 000 young people enter the labour market each year.
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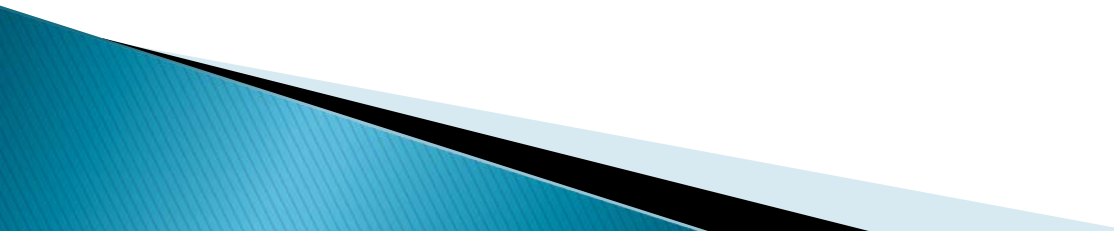
Security

- ▶ Our focus is on human security
- ▶ The concept of human security was introduced in the 1990s as a response to a security paradigm that focused narrowly on state- and military-centred perceptions of security (Lemanski, 2012)
- ▶ The first major account on human security appeared in UNDP's 1994 *Human Development Report*

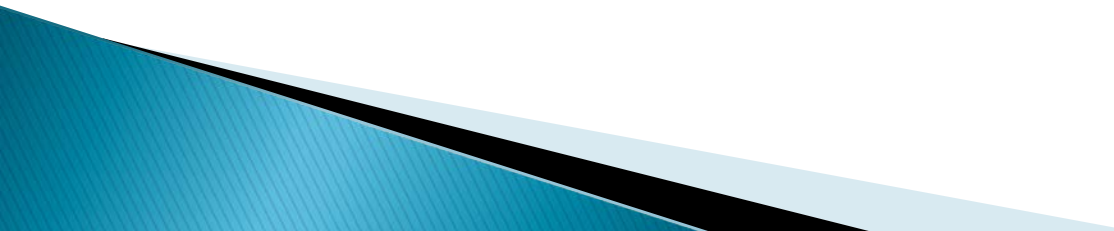
UNDP Critique of Security

- ▶ “The concept of security has for too long been interpreted narrowly: as security of territory from external aggression, or as protection of national interests in foreign policy or as global security from the threat of a nuclear holocaust” (UNDP, 1994: 22).
 - ▶ This interpretation neglects the legitimate concerns of ordinary people who are seeking security in their everyday lives. The UNDP report also criticised the prioritization of dramatic global/national events at the expense of the everyday security concerns of people
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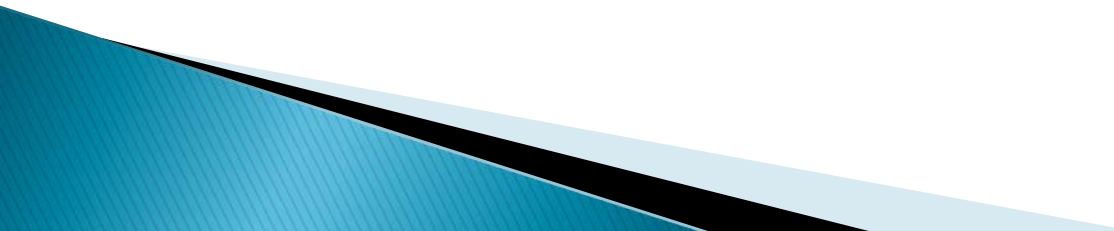
UNDP's Assertion

- ▶ “For most people today, a feeling of insecurity arises more from worries about daily life than from the dread of a cataclysmic world event. Job security, income security, health security, environmental security, security from crime – these are the emerging concerns of human security all over the world” (UNDP, 1994: 3).
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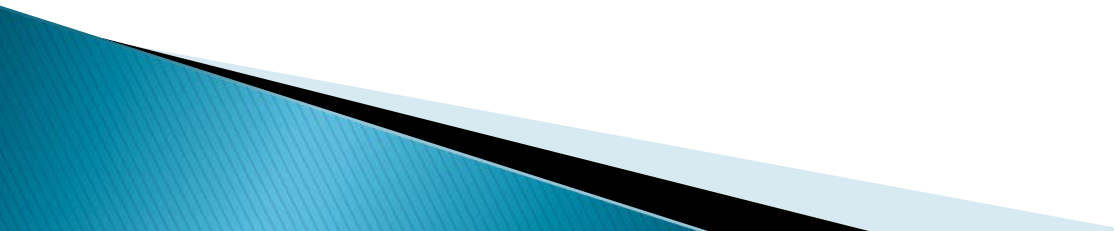
UNDP's Definition

- ▶ “Human security can be said to have two main aspects. It means, first, safety from such chronic threats as hunger, disease and repression. And second, it means protection from sudden and hurtful disruptions in the patterns of daily life – whether in homes, in jobs or in communities”
 - ▶ In this respect, this presentation explores how human (in)security is expressed at the local, everyday scale by urban young people in the global South, focussing on employment insecurity in Lusaka
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Zambia's changing economic fortunes

- ▶ **Independence in 1964 – richest country in tropical Africa**
 - ▶ **Middle income country in 1975**
 - ▶ **Economic crisis**
 - ▶ **Urban opportunity structure affected**
 - ▶ **Recent growth**
 - ▶ **Middle income country Part (2010)**
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Chawama Compound

- ▶ The majority of Lusaka's population of around 3 million live in 37 poor, unplanned settlements.
 - ▶ Chawama lies about eight kilometres south of the city centre
 - ▶ Its origin is closely intertwined with the colonial history of Zambia, starting out as a 'compound' for workers on a settler farm established in the 1940s.
 - ▶ Today, Chawama, covers an area of eight square kilometres with over 100,000 residents
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Chawama Compound cont'd

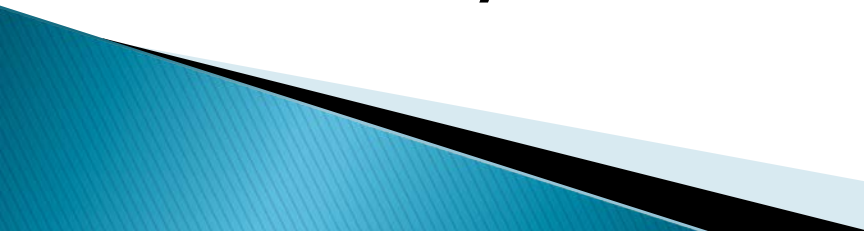
- ▶ Services remain poor and have been characterised by two trends: increasing access and declining quality
 - ▶ There are very few industries or formal businesses located in Chawama
 - ▶ Vast number of informal enterprises line the major road arteries and are scattered throughout the compound
 - ▶ These include bottle stores, night clubs, a motel, bakeries, barbershops, taverns, groceries, and the ubiquitous *tuntemba* (informal stalls) where women and children in particular sell fresh vegetables, fruits, fritters, roast maize cobs and groundnuts, etc
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Youth Employment Insecurity in Chawama

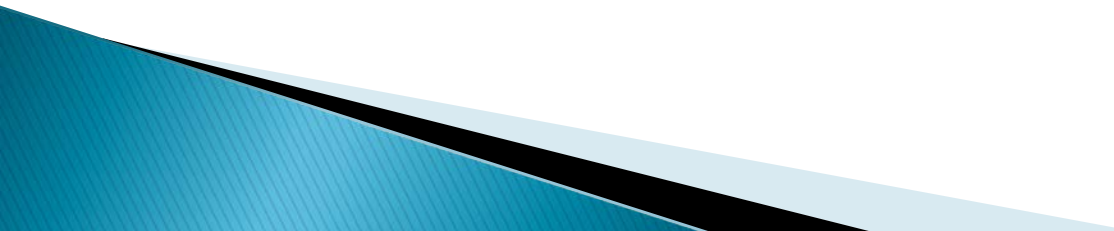
- ▶ In Chawama, 'employment' or 'work' does not just refer to paid formal employment but also to informal wage employment, casual work and domestic work
- ▶ In all forms of interviews with our respondents in Chawama, a recurring theme was lack of secure employment or work for the youth
- ▶ During the focus group discussions, we asked the young people a number of questions regarding their views on employment. Interestingly, despite us not mentioning the words 'security' or 'insecurity' at any point they featured numerous times during the discussions

Youth Employment Insecurity in Chawama

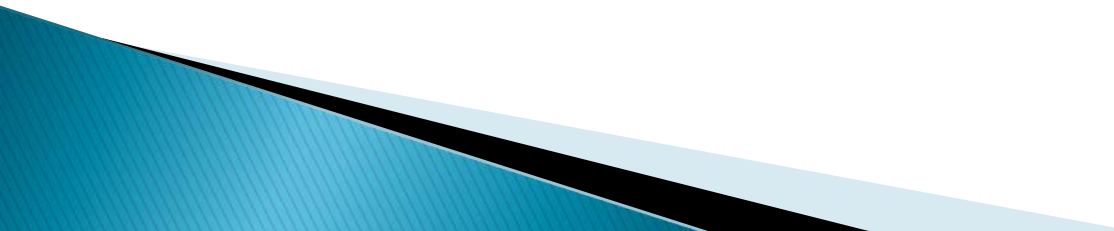
Young people in Chawama compound have a number of alternatives, or a combination thereof, regarding engaging in income-generating activities:

- obtain formal employment
 - start an informal enterprise
 - find casual work, engage in alternative/illicit activities, or remain without work.
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- ▶ We briefly examine these alternatives in turn in order to highlight the overall high degree of insecurity of work for young people.
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Obtaining formal employment

- ▶ Poor chances of ever getting a permanent formal job are the reality for youth in Chawama. Only very few young people in the study area were employed in the formal sector.
 - ▶ The 2010 study shows that about 48% of the youth had at one time in their lives worked in the formal sector, mainly as security guards, office orderlies, and in other low paying jobs in government (1%) and the private sector (54%), while the rest (34%) had worked in the informal sector in *mayadi* (low density residential areas) as cleaners and domestics
 - ▶ One of the key benefits of formal employment highlighted by young people is the security it provides
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Formal employment

- ▶ In the words of a young man (age 35):
‘Employment has the advantage of giving security. People have a lack of confidence to set up a business. If you have a business and you get sick then everything is sick. People are looking for security, that is why they like employment’
 - ▶ In the private sector, however, many young people are employed on temporary contracts, hence their security is only short-term if that
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Formal employment cont'd

- ▶ Employment by the state is seen as offering the most secure form of employment as once it has been obtained the person is considered unlikely to be fired
- ▶ In the views of one young woman (age 29):
‘If you have a government job then it is secure. If you are in the private sector then you are on contract. They can fire you at any time’

Formal employment cont'd

- ▶ Public sector employment and social security benefits. As one young man (age 27) explained:

‘An advantage of employment is social security. With employment you get a pension, your children’s education can be paid for, and you get medical insurance’

- ▶ The youth were in agreement, however, that although having a public sector job was the most secure in terms of having a regular income and being unlikely to be fired, this did not bring **necessarily** economic security
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Formal employment

- ▶ Most government salaries are insufficient .

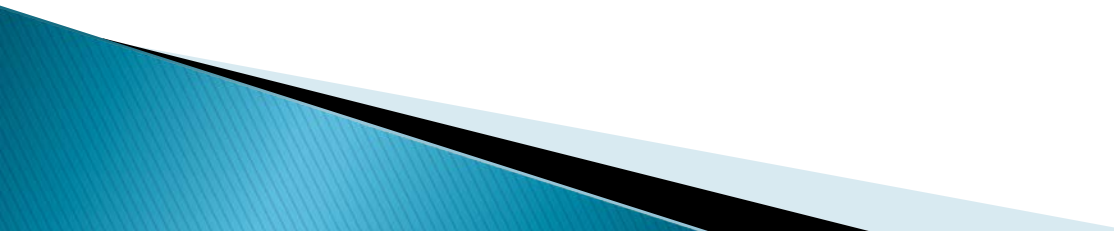
- ▶ As a young man (age 33) highlighted:

‘The benefit of working (i.e. in the formal sector) is having security. But you have to do other business as well while you are waiting for your wages’

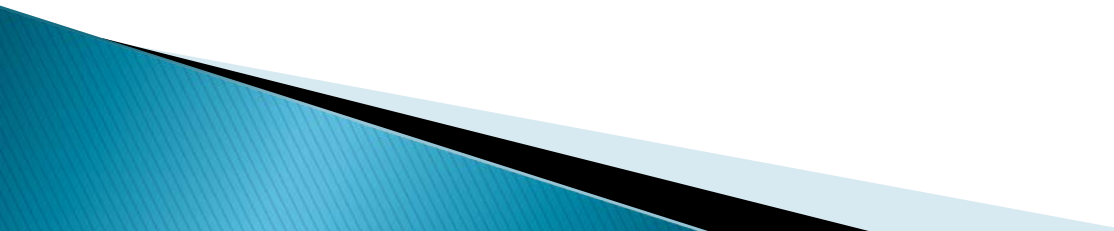
- ▶ In general, the preference for formal employment is ironic given that the formal sector in Zambia employs less than 10% of the labour force
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Formal employment

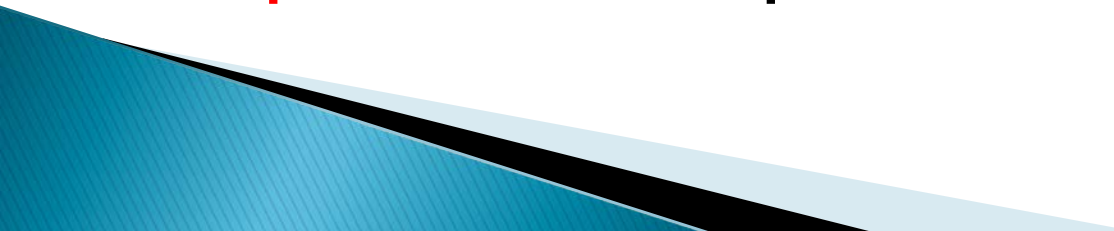
Other major issues of concern among the youth: especially forms of corruption in relation to the appointment of new employees:

- ▶ **Being asked to pay**
 - ▶ **Even more disturbing is the extent to which women are expected to offer sexual favours in order to obtain employment, and**
 - ▶ **Contacts**
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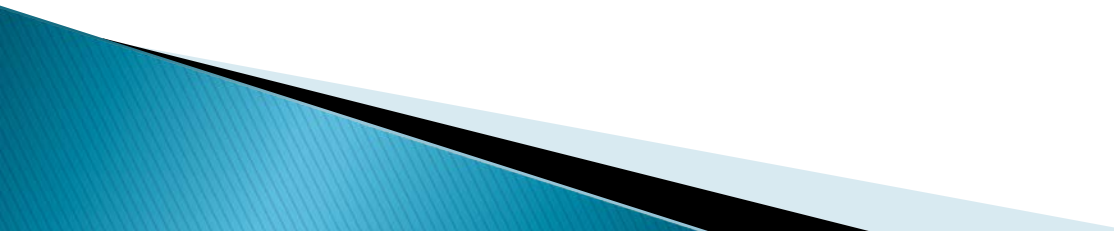
Start an informal enterprise

- ▶ As formal employment is becoming increasingly hard to obtain, and is seen as not being very lucrative, increasingly young people are establishing their own businesses
 - ▶ The survey data from Chawama shows that approximately one quarter of the youth (24%) run an enterprise
 - ▶ The vast majority (84%) of these are engaged in informal trading with a further; 13% in service provision (including 2 percent engaged in training-related activities).
 - ▶ Only 3 percent are engaged in manufacturing
 - ▶ A higher proportion of young men (28 percent) than young women (22 percent) own a business.
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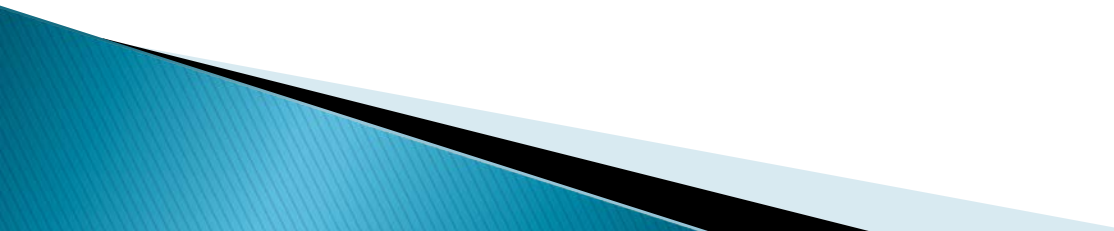
Informal enterprise

- ▶ Although setting up in business is seen as being a highly risky endeavour, it is generally considered by the youth to be the only pathway to generating wealth
 - ▶ Despite young people believing that starting a business is the best route to gain economic security, they face major challenges in establishing and running their own businesses
 - ▶ The most frequently mentioned problems youth face in managing their businesses are **lack of capital** and small profits.
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Informal enterprise

- ▶ Ultimately, insecurity largely arises from the absence of a **supportive** policy on youth enterprise or the informal sector in general
 - ▶ **The survey data indicate that young entrepreneurs in Chawama (as else where in Zambia) receive limited institutional support and are in large part left to make do with the resources they have at hand.** This is at odds with the increased policy focus on promoting entrepreneurship among the youth in Zambia.
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Engaging in casual work

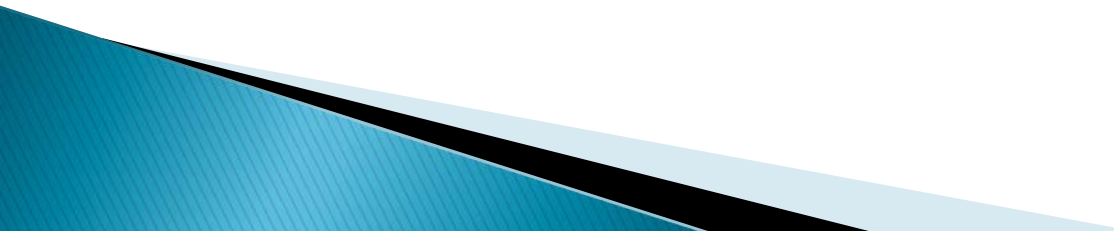
- ▶ Vast majority of youth engage in casual work
 - ▶ All of the young people engaged in casual employment, however, face challenging work environments and irregular, or non-existent, pay
 - ▶ Many complain that they make very little money each time they work
 - ▶ Insecurity is high as earnings, and therefore possibilities for accumulation, from casual work are minimal for the majority of the youth
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Casual Work

- ▶ In an environment of limited opportunities for formal employment and difficulties establishing a business, many young people engage in all sorts of casual work
- ▶ The practice of drifting in and out of casual work is referred to as *kubaza-baza* in local parlance. In Chawama, young people obtain casual work both within and outside of Chawama
- ▶ This work is gendered with young women tending to go for what they see as 'feminine' work (*nchito ya cikazi* in Nyanja) while young men go for what they see as male work (*nchito ya cimuna* in Nyanja)

Genderised nature of casual work

Young men typically work as:

- ▶ ‘parking boys’ or ‘car watchers’ in Lusaka’s overcrowded CBD;
 - ▶ ‘call boys’ and ‘loaders’ at the Inter-city Bus Terminus and main city market where they also clean and watch buses for long distance bus crews
 - ▶ *Daka* boys in construction work where they work alongside bricklayers to build new houses, particularly in the overspill area of the settlement.
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A Young Hairdresser in Chawama, Lusaka, 2012



Young women

Young women tend to engage in casual work as:

- ▶ domestic servants
- ▶ child minders or work as bar maids,
- ▶ waitresses
- ▶ Some young women and children can also be seen collecting empty bottles for re-sale to bottle store owners and formal companies like Zambia Bottlers Plc

Despite the gendered nature of casual work and street space, the adverse economic situation and declining opportunities for traditional sources of casual work in Lusaka has led to a form of gender role renegotiation

Engaging in alternative/illicit activities

Some young people in Chawama engage in forms of livelihood activities that cannot easily be categorised as 'casual work' or are officially deemed 'illegal'.

- ▶ These include:
- ▶ 'Kuwait boys'
- ▶ 'Professional mourners'
- ▶ Female youth
- ▶ Youth

Younger youth in particular indicate that they live for periods off pocket money from their parents, a kind relative or even a friend

Female youth

- ▶ Female youth, especially older ones, also tend to rely on a spouse or boyfriend for financial support
- ▶ Having multiple boyfriends is for some young women a key survival strategy (i.e. various ministers)
- ▶ This is also no longer just a female strategy. Young men are also reported to be befriending older women for financial gain.
- ▶ As a young woman (aged 23) stated, 'This time it is gender equality for both. Even men, you go for sugar mummies so that they will give you money...'

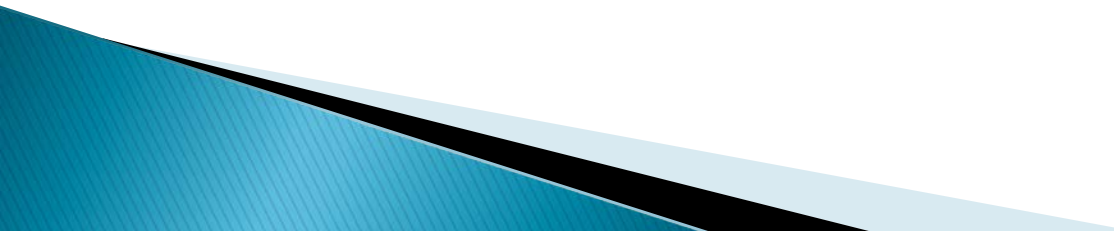
Illicit activities

- ▶ These examples show how, due to difficulties generating income through more conventional means **and job insecurity**, young people are resourceful and draw on a wide range of alternative and/or illicit strategies in order get by. These strategies are not without their difficulties though and are very insecure.
- ▶ Some young people regarded their illicit activities as a form of 'self-employment', 'entrepreneurship' or 'business enterprise'
- ▶ This not only points to differences between the state and local or youth notions of 'licit' and 'illicit', or even 'morality', but also highlights changes in norms of legitimacy and illegitimacy in local activities in Chawama

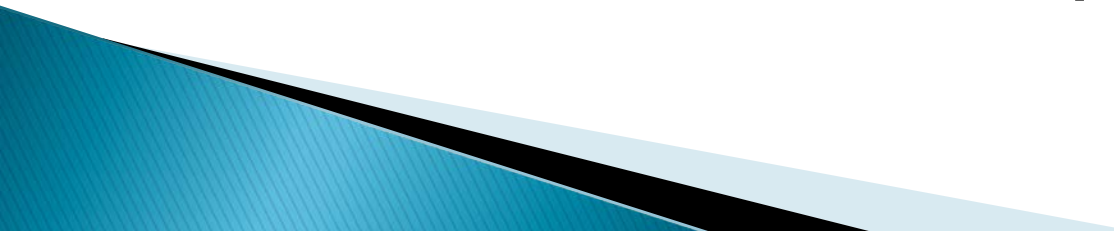
‘Doing nothing’

- ▶ By their own accounts, about half of the youth in Chawama indicated that at the time of the interview they were ‘doing nothing’ or ‘just sitting’ at home when asked to state their main source of livelihood
- ▶ **These young people described themselves as ‘doing nothing’**
- ▶ The terms ‘just sitting’ or ‘doing nothing’ are especially used to refer to school leavers who have not enrolled in further education and are not employed, hence they say that they are ‘just sitting’ or ‘doing nothing’
- ▶ Thus, in local parlance, ‘sitting at home’ means ‘having completed, or dropped out of, school and not earning an income’
- ▶ Young persons ‘sitting’ at home might do odd jobs, for example, assisting family members in their businesses or helping out around the house, although this is not seen as ‘work’. At times the youth term these types of jobs ‘fake work’. Others simply say they ‘get by’ or *kuwaya waya* in Lusaka street lingo

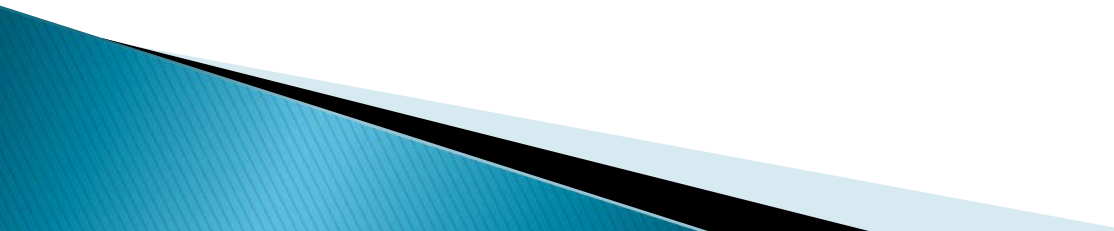
Complex coping strategies

- ▶ Given that the opportunities for these young men to secure jobs are constrained, they have developed a coping strategy of moving among various extended households of relatives.
 - ▶ Although some remain in one household for long periods, especially if the host household is relatively well off, many are forced to shift households frequently moving when the hosts can no longer support them
 - ▶ Those that can afford it form 'nominal households' with friends jointly renting a room. Linked to the inability of young men to become financially secure, young women are also remaining in the households of relatives for longer periods of time
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Linking youth employment to entrepreneurship: the GEM findings

- ▶ For many young people in Chawama, their insecure life paths begin at an early age with the break-up of families either due to the death or divorce of parents
 - ▶ These are vital events that come to have a significant impact on young people's housing, educational and employment trajectories
 - ▶ **In terms of aspirations, out-of-school youth and in-school youth**
 - ▶ Given the high rate of youth unemployment in Zambia, entrepreneurship is now being promoted as an alternative source of youth employment.
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2012 GEM Findings

- ▶ Exciting findings on entrepreneurship in Zambia
 - ▶ Surveys adult population (18–65 years)
 - ▶ Annual global survey – compares levels of entrepreneurship (APS) and institutional support around the world (NES)
 - ▶ Zambia has participated twice (2010 and 2012)
 - ▶ Trend data is emerging on entrepreneurship
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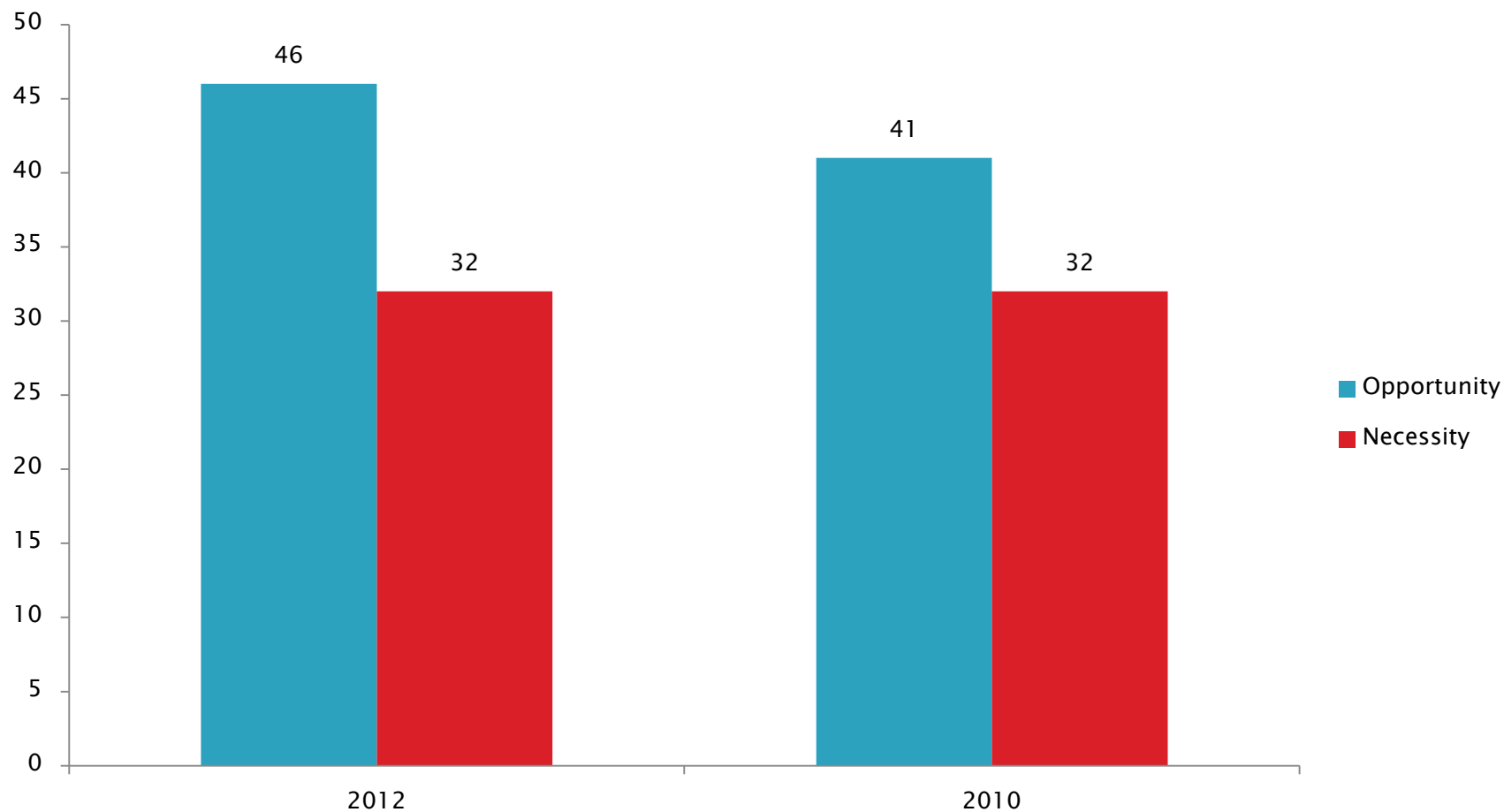
Basic 2013 GEM statistics

		2010	2011	2012
Total early-stage Entrepreneurial Activity	TEAYY	32.63	n/a	41.46
Established Business Ownership Rate	ESTBBUY	9.56	n/a	3.84
New Business Ownership Rate	BABYBUY	17.03	n/a	14.57
Nascent Entrepreneurship Rate	SUBOANY	17.31	n/a	27.50
Informal Investors Rate	BUSANGY	18.77	n/a	12.98
Improvement Opportunity TEA	TEAYYIDO	41.15	n/a	46.24
Necessity TEA	TEANEC_P	32.15	n/a	32.00
Male TEA	TEAYYMAL	35.35	n/a	42.91
Female TEA	TEAYYFEM	29.88	n/a	40.04
Perceived Capabilities	SUSKILY	77.51	n/a	83.75
Perceived Opportunities	OPPORTY	81.36	n/a	77.87
Entrepreneurship Desirable Career Choice	NBGOODY	69.91	n/a	67.25
High Status Successful Entrepreneurship	NBSTATY	71.81	n/a	78.67
Know Startup Entrepreneur Rate	KNOENTY	70.71	n/a	77.54
Media Attention for Entrepreneurship	NBMEDIY	72.45	n/a	71.64

GEM Findings

- ▶ At 41% (42% among youth), Zambia has the highest early stage entrepreneurship rate among GEM sampled countries in the world
 - ▶ High incidence of start-up businesses (nascent entrepreneurs) and new firms (up to 3.5 years old)
 - ▶ SSA average: 29%; SA (7%); China (12%); Nigeria (35%); Botswana (28%); USA (12%); UK (8%)
 - ▶ Positive attitudes towards business
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Perceptions of good opportunities and capabilities in the adult population in Zambia (%)



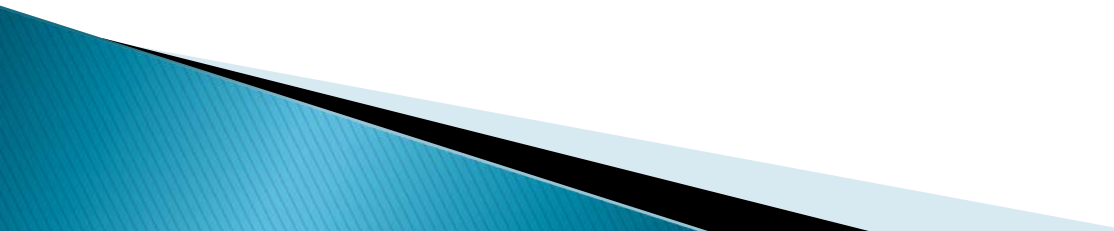
Downside

- ▶ Established rate – those that have been in existence for more than three and a half years – is extremely low at 4%
- ▶ This is below the average of 13% for SSA: Ghana (38%) and Uganda (31%)
- ▶ Business discontinuance – the rate of business discontinuance in Zambia is among the highest in the world at 20%
- ▶ SSA(16%); Latin America and the Caribbean (5%); Middle East and North Africa (6%), Asia Pacific and South Asia (3%), European Union (3%); Nigeria (8%); SA (5%); Ethiopia (3%)

Review of the Effectiveness of Youth Employment Policies, Programmes, Strategies and Regulatory Framework

- ▶ **Youth employment as a major development challenge**
 - ▶ **Receiving serious attention at the highest level**
 - ▶ **However, there is presently an incoherent approach towards youth (un)employment**
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Emerging Opportunities

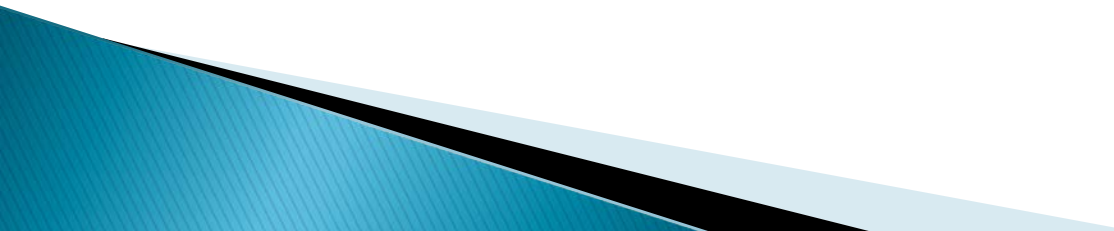
- ▶ **Growing economy**
 - ▶ **Employment creation**
 - ▶ **Business opportunities**
 - ▶ **Training**
 - ▶ **Emerging ‘paradox’ – skills shortage**
 - ▶ **However, policy misalignment**
- 

Review of Policies

- ▶ **Macroeconomic and Sectoral Policies**
 - ▶ **National Youth Policy and NPAY**
 - ▶ **Education and Training Policies**
 - ▶ **Labour Market Policies**
 - ▶ **Enterprise Development Policies**
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Examination Results

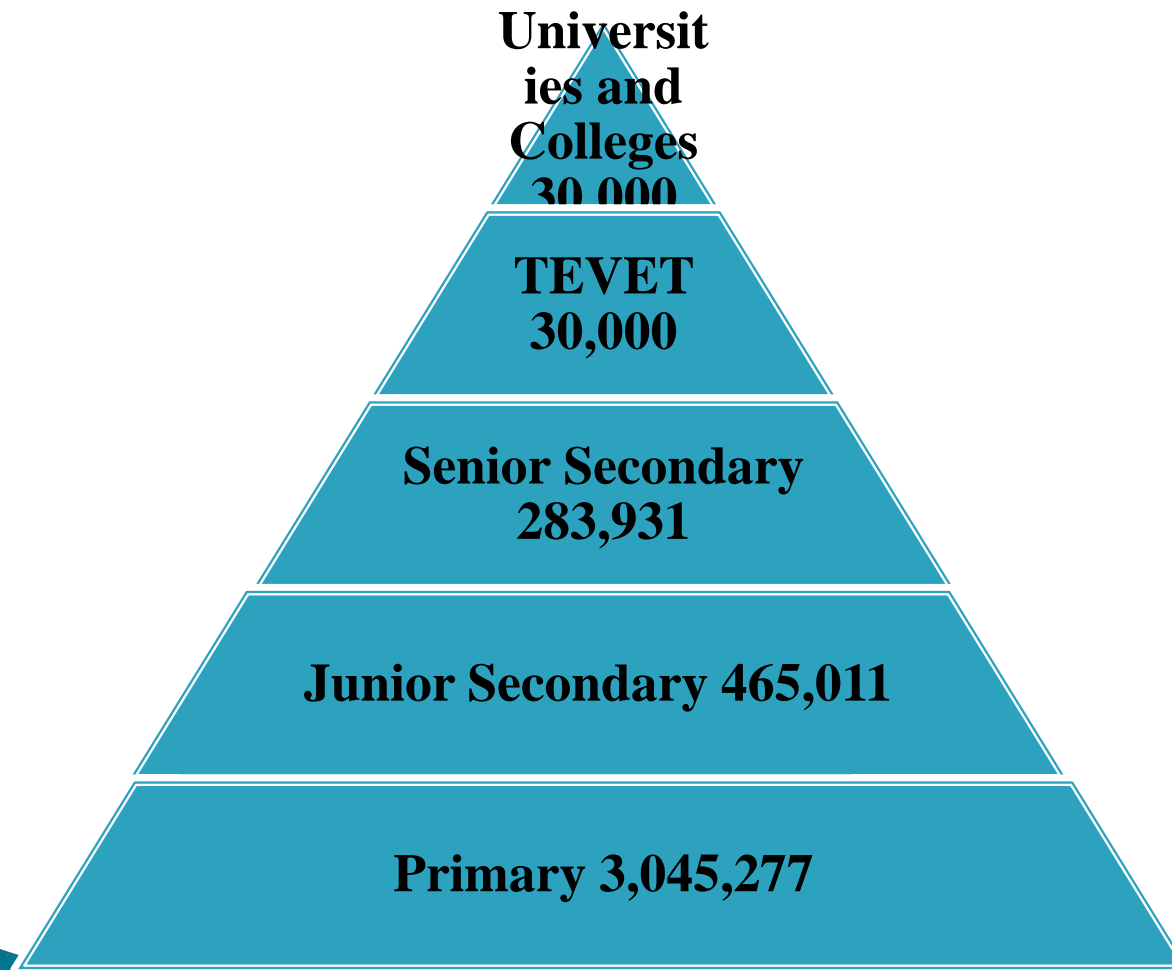
Only 34.6% in 2013!

- ▶ **Grade Nine exam results pass rate dropped from 2012's 44.9%**
 - ▶ **Only 100,824 pupils selected to Grade 10 from 291,018 candidates**
 - ▶ **Number of pupils increasing (291,018 in 2012; 276,840 in 2011)**
 - ▶ **Population of out of school children growing**
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Education Policy Issues

- ▶ **Access**
 - ▶ **Quality**
 - ▶ **Equity**
 - ▶ **Relationship between education and skills level and labour market outcomes**
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Zambia's Pyramidal Education System with enrolment at Various Levels



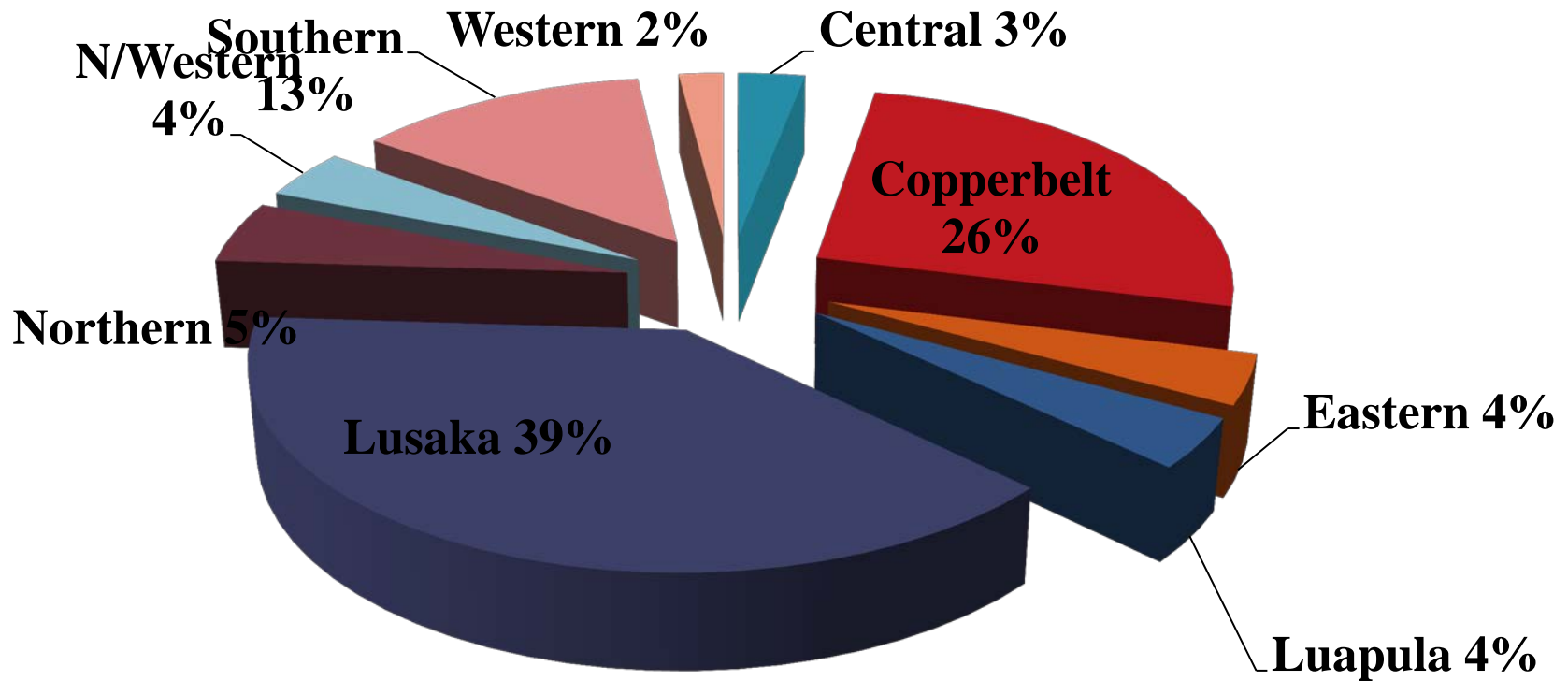
A class meets under a tree in Northern Zambia, 2011



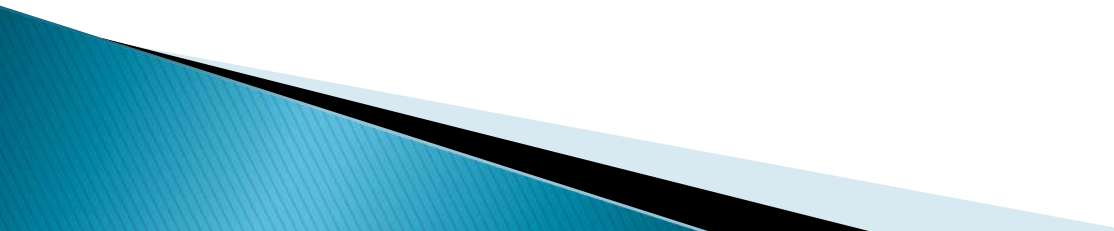
Zambia's TVET System

Ownership	Number of Registered Institutions			
	2008	2009	2010	2011
Public/ Government	58	78	80	87
Private	107	107	107	96
Church	59	66	66	65
Community	8	6	10	9
Trust	14	14	16	14
Company	10	14	14	15
NGO	20	18	15	18
TOTAL	276	304	308	304

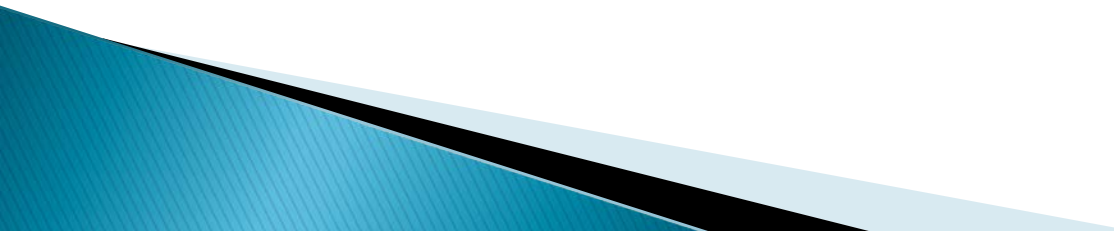
Regional Distribution



Overall Study Findings

- ▶ **Lack of an explicit policy framework**
 - ▶ **Absence of effective youth policy and action plan**
 - ▶ **Weak relationships between education and training systems to economy**
 - ▶ **Absence of clear policy guidance/framework on ALMPs;**
 - ▶ **Youth employment not key objective (i.e SNDP, NYP and NPAY)**
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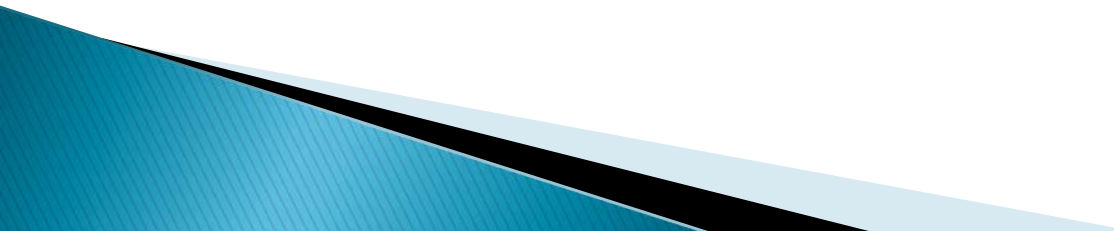
Key Policy Issues in Skills Training

- ▶ **6% of young people have access to tertiary education (insufficient for human capital)**
 - ▶ **Tend to be theoretically-based**
 - ▶ **Increasingly offering commercial subjects**
 - ▶ **Costs of technical subjects**
 - ▶ **Employment outcomes**
 - ▶ **Relevance to labour market demands**
 - ▶ **Absence partnerships with industry**
 - ▶ **Absence of human resource development strategy**
 - ▶ **Role of social partners**
 - ▶ **Paradoxy**
- 

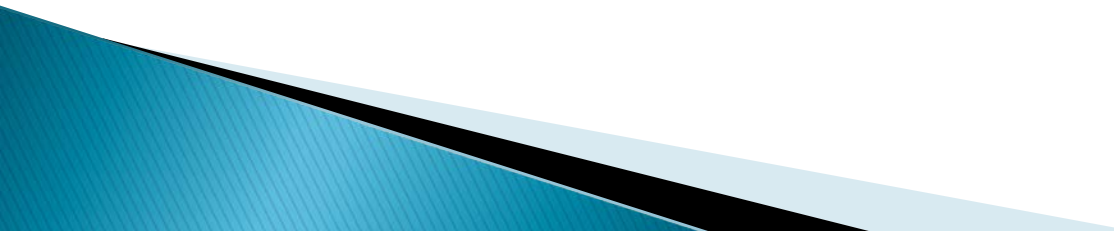
Enterprise Development Policy Issues

- ▶ **High cost of doing business**
 - ▶ **Underdeveloped institutional infrastructure for SME promotion**
 - ▶ **Limited access to finance**
 - ▶ **Unfair competition from imports**
 - ▶ **Lack of capacity of SMEs to innovate**
- 

Findings cont'd

- ▶ **Absence of comprehensive statistical data on youth employment**
 - ▶ **Policy gap concerning unemployed school leavers and graduates**
 - ▶ **Absence of a robust labour market information system (LMIS)**
 - ▶ **Lack of a clearly defined coordinating agency**
 - ▶ **Overall, absence of supportive institutional infrastructure (GEM NES)**
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NES Findings

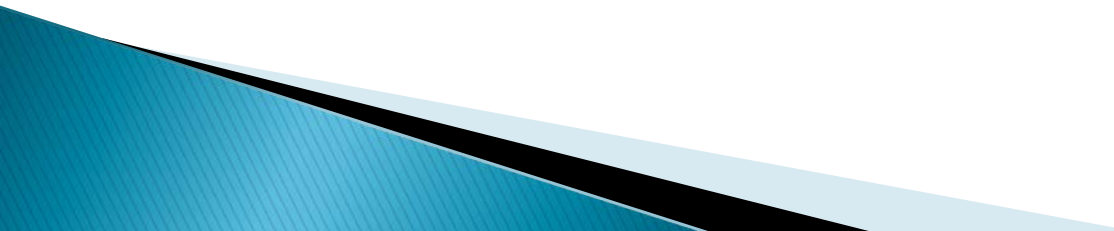
- ▶ **The GEM Entrepreneurial Framework Conditions**
 - ▶ **The 39 experts that GEM interviewed gave each of the EFCs an unfavourable score**
 - **Finance (2.14); Government Policy: taxes, regulation, bureaucracy (2.6); Government Policy: entrepreneurship priority and support (2.5); Government Entrepreneurship Programmes (2.2); Post-school entrepreneurship education and training (2.4);**
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NES findings cont'd

Primary & secondary school education, including entrepreneurship (1.9); R&D Transfer (1.8); Commercial and Legal Infrastructure (3.1); Internal Market Dynamics (3.1); Internal Market Burdens (2.9); Physical Infrastructure (3.1); and, Cultural and Social Norms (2.6)

- ▶ **To a large extent, this explains why entrepreneurship sustainability in Zambia is among the lowest in the world**

Conclusion

- ▶ This presentation has demonstrated that there is widespread employment insecurity amongst youth.
 - ▶ As the case of Chawama shows, the young people, however, are resourceful and resilient showing an ability to be highly adaptable in relation to the work that they undertake searching out new opportunities when they experience failure or when new more promising possibilities appear
 - ▶ However, the supportive institutional framework is deficient
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Recommendations

- ▶ **Macroeconomic Policy and Sectoral Policies**
 - ▶ **National Youth Policy and NPAY**
 - ▶ **Education and Training Policies**
 - ▶ **The National Employment and Labour Market Policy**
 - ▶ **Enterprise Development Policies**
 - ▶ **Role of Social Partners, Civil Society and Other Actors**
 - ▶ **Institutional Framework on Youth Employment**
 - ▶ **Action planning on youth employment**
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