Youth Entrepreneurship Support Interventions in Africa: The Role of the Family: A Critical Review

Bernard Elphas Sakala
PhD. Student, Department of Commerce and Development Studies
University of Africa (UoA)
Lusaka, Zambia

Abstract
Unemployment Poverty and Inequality (UPI) are some of the key challenges facing youths in Africa. In response to this, African countries have made several efforts to help deal with challenges facing the youths. These efforts include the promotion of youth entrepreneurship development using various strategies and policies with particular emphasis on improving the business environment so as to make it easier for youths to start and run their own businesses. Entrepreneurship has been recognised as one of the main strategies to overcome these challenges. As such, in recent years a growing awareness of the importance of youth entrepreneurship for economic development has triggered research on the fundamentals of entrepreneurship in developing countries. This realisation has given rise to a number of entrepreneurship support interventions with many stakeholders coming on board to ensure that entrepreneurship succeeds. This paper explains the role of the family in youth entrepreneurship development in Africa. It explains how the family influences the development of youth entrepreneurship on the continent of Africa. The paper has found that although there were several efforts to improve youth entrepreneurship development on the continent, many approaches ignore the family as primary institution and as a key stakeholder in youth entrepreneurship. The review has also revealed that although the family remains ignored, there are opportunities that are found within the family that can help to steer youth entrepreneurship forward. This paper recommends that entrepreneurship support interventions should not just focus on the youths, but on family as well.

Key words: youth, family, entrepreneurship development, stakeholders, Africa
Introduction

The formal employment sector is unable to meet the employment demands of the growing young population in Africa. For millions of young Africans, creating their own enterprises is the only avenue open to them for employment (Kew, 2015, p. 7). In tacit acknowledgement of this phenomenon, governments have adopted a wide range of policies and programmes aimed at facilitating entrepreneurship. However, such interventions must be informed by a solid understanding, based on reliable data that accurately describe young people’s aspirations, their challenges, and how they can overcome the obstacles inherent in establishing and running viable enterprise. Interventions must also be informed by a solid understanding of which stakeholders are key in youth entrepreneurship development. This paper considers the African family as central to youth entrepreneurship development on the continent. It recognises the family as one of the key stakeholders in youth entrepreneurship development. Based on a review of the literature, this paper discusses the role of family in youth entrepreneurship development in Africa.

According to the United Nations Department of Economic and Social Affairs (United Nations, 2015, p. 1) there were 1.2 billion youths aged 15-24 years globally in 2015, accounting for one out of every six people worldwide. The United Nations states that the number of youths is growing rapidly in Africa. In 2015, 226 million youths aged 15-24 lived in Africa, accounting for 19 per cent of the global youth population. By 2030, it is projected that the number of youths in Africa will have increased by 42 per cent. Africa’s youth population is expected to continue to grow throughout the remainder of the 21st century, more than doubling from current levels by 2055. Gyima-Brempong & Kimeyi (2013, p. 6) state that the youth population in Africa is large (about 200 million, which is 20 percent of its population of more than 1 billion). According to Ashford (2007, p. 1), several measures were needed in order for the continent to reap demographic dividends from such a population. Ashford further states that Africa’s young people will be the driving force behind economic prosperity in future decades, but only if policies and programs are in place to enhance their opportunities.

Among the greatest challenges facing many countries today are inadequate human capital investment and high unemployment rates among youth. In particular, young people should acquire the education and skills needed to contribute in a productive economy, and they need access to a job market that can absorb them into its labour force. The African Economic Outlook (2012, p. 28) observed that Africa’s youth population is not only growing rapidly; it is also getting better educated. However, it was also observed that formal educational qualifications did not always help young people when it came to solving problems, assessing opportunities or taking risks. Evidence from Zambia show that many youths come out of the school system with formal qualifications but without the skills needed to provide a stable livelihood. Zambia’s Technical Education Vocational and Entrepreneurship Training Authority (TEVETA, 1996, p. 1) estimates that about 200,000 youths come out of the school system annually without any opportunity for acquiring skills for productive life. This confirms that formal qualifications are in themselves not sufficient to deal with the challenges facing youths.
Entrepreneurship

Globally, there is no agreed-upon definition for the terms “youth” or “entrepreneurship” (Zambia National Youth Policy, 2015, p. 2; Stokes & Wilson, 2010, p. 33). In terms of youth self-employment (a proxy for youth entrepreneurship), there is no agreed definition (Green, 2013, p. 1; Stokes & Wilson, 2010, p. 33; Nandamuri & Gowthami, 2013, p. 1). Ahmad & Hoffman (2007, p. 1) observed that where there are policy references to entrepreneurship, most simply equate it with small and medium sized enterprises in general or even numbers of self-employment. As such, what one understands entrepreneurship to be is not always viewed and understood equally by all. According to Ahmad & Hoffman, the lack of internationally agreed definition presents general ambiguity relating to entrepreneurship. In the context of this study, youth entrepreneurship will be used to mean the process by which a youth or a group of youths knowingly or unknowingly undertake(s) risk and start a business activity in order to make a profit and improve his/her (or their) welfare and/or the welfare of others. The term entrepreneurship will be used as a proxy for small businesses.

According to Mulenga (2016, p. 10), youth entrepreneurship is being advocated for because it tackles the triple challenge of Unemployment, Poverty and Inequality (UPI). Entrepreneurship offers a pathway for young people to emerge from unemployment. To achieve this, there is a need to encourage young people, to instil a spirit of entrepreneurship from early on in life (Vassiliou, 2013, p. 4). This role can be played by various stakeholders including the family because children are born in the family and later move on to enter the larger society. Achieving this is not possible without the involvement of multiple stakeholders. These include government, Non-Governmental Organisations, youths, the church, private entities and the family where youths come from. It is important to not only target youth, but also important role models for youth such as parents (Habisky, 2015, p. 8). This confirms that family plays an important role in entrepreneurship development. According to Schoof (2006, p. xiv) mobilisation and engagement of all major stakeholders is highly recommended. Family being one of the major stakeholders should therefore not be ignored.

Youths

The African Youth Charter defines a youth as someone who is aged between 15 and 35 years of age. Despite having the continental body and youth charter definition, the continent still lacks a universal description, as different countries have different definitions. This study recognises that there is no universal definition of youth (Gyima-Brempong & Kimeyi, 2013:4). As such, the definition provided by the African Youth Charter was adopted. “Youth” is traditionally defined as a period of transition from childhood to adulthood. In the African Youth Report 2009 (UNECA 2009), “youth” are defined as people between 15 and 39 years of age. However, several African countries define their youth population differently. For example, Ghana, Tanzania and South Africa define the youth population as those between 15 and 35 years of age; Nigeria and Swaziland define it as those between 12 and 30 years; and Botswana and Mauritius define it as those between 14 and 25 years. Zambia changed its age range to 15 to 35 years in the year 2015 in order to align its definition to the African Youth charter. These varying definitions of the youth population make it difficult to effectively discuss issues affecting youth in Africa generally and to compare information across countries. Africa is the youngest continent in the world, with about 70 percent of its population 30 years of age or younger. Although Africa’s youth population is relatively large, throughout the continent there are regional and country differences in the size of the youth
populations and in the rates at which these populations are likely to grow. The youth bulge is larger in North Africa than in sub-Saharan Africa, but the growth of the youth population is likely to be higher in sub-Saharan Africa than in North Africa because of differences in the dynamics of the populations across regions and countries. Different chronological ages are used to define youths in Africa (Gyima-Brempong & Kimeyi, 2013, p. 28) as shown on the table below.

Table: 1

<table>
<thead>
<tr>
<th>ORGANISATION/COUNTRY</th>
<th>AGE RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nations (UN)</td>
<td>15–24</td>
</tr>
<tr>
<td>Common Wealth Youth programme (CWYP)</td>
<td>15–29</td>
</tr>
<tr>
<td>African Youth Chapter (AFC)</td>
<td>15–35</td>
</tr>
<tr>
<td>Zambia’s 2006 National Youth Policy</td>
<td>18–35</td>
</tr>
<tr>
<td>Zambia’s 2015 National Youth policy</td>
<td>15–35</td>
</tr>
<tr>
<td>Malawi’s 2013 National Youth Policy</td>
<td>10–35</td>
</tr>
<tr>
<td>South Africa’s 2013 National Youth Policy</td>
<td>14–35</td>
</tr>
<tr>
<td>Nigeria</td>
<td>12–30</td>
</tr>
<tr>
<td>Mauritius</td>
<td>14–25</td>
</tr>
<tr>
<td>Tanzania</td>
<td>15–35</td>
</tr>
<tr>
<td>Ghana</td>
<td>15–35</td>
</tr>
<tr>
<td>Swaziland</td>
<td>12–30</td>
</tr>
<tr>
<td>Botswana</td>
<td>14–25</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>15–35</td>
</tr>
</tbody>
</table>

Definitions of Youth by Age (Source, Author, 2017)

Family

The term family refers to a unit consisting of people who are related to one another either biologically by blood or legally by marriage (Kirby, et. al., 2000, p. 86). Kirby et. al. state that the term family also refers to a unit consisting of people who are related to each other: they can be related either biologically by blood ties or legally (for example by marriage or adoption). Giddens (2006, p. 206) defines it as a group of persons directly linked by kin connections, the adult members of which assume the responsibility of caring for children. According to Giddens, families can broadly be classified into nuclear and extended families. He described a nuclear family as one in which a couple lives together with their own children or biological children. On the other hand, Giddens described an extended family as one in which close relatives other than the married couple and their children live either in the same household or in a close and continuous relationship with one another. An extended family may include grandparents, brothers and their wives, sisters and their husbands, aunts, uncles and nephews and nieces. Giddens (2006, p. 206) defines kinship ties as connections between individuals established through lines of descent that connect blood relatives or are established through marriage.
According to Mahajan (1988, p. 124), family is by far the most important group in society because every person is born into a family. Kirby et. al. (2000, p. 86) state that family is often considered by non-sociologists to be one of the few natural institutions in society. According to Kirby et. al., people regard healthy families as being good for society. However, Kirby and friends did not elaborate exactly what a healthy family was, what it looked like or what its characteristics were. The Summit of Heads of State and Government adopted the African Youth Charter at their Summit in Banjul in July 2006. Article 8 of the Africa Youth Charter recognised family as the most basic social institution, one that should enjoy the full protection and support of States Parties (States Parties are countries that have adhered to the World Heritage Convention) for its establishment and development. The article also notes that the structure and form of families varies in different social and cultural contexts. This implies that characteristics of family were not the same across Africa.

Africa is a multicultural continent and has various forms of family. Cultural diversity refers to the way groups in society have different lifestyles or cultures and one aspect of this may be the way they construct their families (Giddens, 2006, p. 205). These include nuclear and extended families, polygamous or monogamous families. However, Giddens argues that the family set up is under threat due to globalisation. He contends that traditional family systems are little altered in Asia, Africa and the Pacific Rim. He further states (2006, p. 166) that, in modern societies, most early socialisation occurs within a small scale family context. Giddens also observed that conservative writers argue that family was dangerously undermined in modern society. The conservatives also see the decline of the family with more traditional forms of a family life. This means that assistance to non-nuclear family members is likely to be reduced.

Youths are a resource that needs to be developed and harnessed as part of African governments’ comprehensive strategies to foster economic growth and development. To effectively address the challenges of youths would require assessing policies as well as the related institutions and strategies (Gyima-Brempong & Kimeyi, 2013, p. 4). While several options have been proposed to improve the institutional capacity of many organisations dealing with youth empowerment, these options do not propose ways of how to improve the family as an institution which is also important for youth development. Neglecting the family is in itself neglecting the institution that offers initial support to every person.

Family is recognised as a very important stakeholder in the development of youth entrepreneurship on the African continent. Nandamuri & Gowthami (2013, p. 5) state that family has been recognised as the most important institution that enhances one’s awareness about entrepreneurship. Citing Chrisman et. al. (2003), Nandamuri & Gowthami point out that involvement of family in entrepreneurship creates a profound opportunity for understanding how entrepreneurial qualities and perceptions develop among the offspring. There is a general agreement among researchers that wealth is created over generations. This means that wealth created by parents/guardians has the potential to improve the welfare of youths currently or later in their lives. This can be done by either parents or guardians giving resources that can be used as capital to the youths or youths acquiring resources in the form of an inheritance from their parents or guardians. Spouses can also obtain such capital from their husbands or wives. However, many youths fail to obtain this assistance because of parents’/guardians’ failure to manage succession. Burns (2001, p. 368) states that the usual approach to managing succession is to ignore it and do nothing. Burns further cautions that it was as if parents/guardians were in denial about ever leaving this world or their business, to the point where many of them do not even wish to discuss this important issue. According to Burns, if not
managed properly, succession can be very traumatic, stressful and threaten the welfare of surviving persons at present or in future.

Citing Perrino et. al. (2000), Mokomane (2012, p. 4) states that stable and functional families have been shown to contribute to youth social empowerment by providing many of the factors that protect young people from engaging in risky sexual behaviour, drug use and abuse, delinquency, and other anti-social behaviours. In a very general sense, therefore, negative family experiences like poor child-parent attachment, a chaotic, dysfunctional, abusive, neglectful, or impoverished family environment may directly or indirectly hamper the youth’s social and economic empowerment. For example, explanations have been offered at several levels as to how poverty may increase youth’s susceptibility to socio-economic and health disadvantages. Mokomane also points out that many research findings have shown that, at its core, poor childhood is associated with weak endowments of human, capital and financial resources such as low levels of education and literacy, few marketable skills, low labour productivity, and generally poor health status — all of which can exacerbate young people’s socioeconomic and health vulnerabilities, including HIV infection. With regards to the latter, it was also argued that many poor young people often adopt risky sexual behaviour not because prevention messages do not reach them, but because such messages were often irrelevant or inoperable given the reality of their lives. As Eaton et. al. (2003) found in South Africa, for young people struggling for daily survival, protection from possible future illness may be a lower priority than meeting immediate economic needs. Immediate needs drive many young entrepreneurs to become necessity entrepreneurs, something that was widespread in Africa (Brixiova et. al., 2013, p. 21). As such, failure by families to play positive roles deters its individual members from realising their full social and economic empowerment.

In Africa, as in many other developing regions, the extended family is a long established institution which provides its members with a sophisticated social security system, an economic support to meet their basic needs for food, shelter, and clothing, and a wide circle of relatives on whom to fall back in times of crisis, unemployment, sickness, poverty, old age, and bereavement (African Union, 2004, p. 3). Indeed, the African Union asserts that the continent’s development thus far can be largely attributed to the strength of the family, as large families were traditionally a source of labour and prosperity, and the extended family ensured that poor families were generally supported by the better-off.

**The Role of the Family in Youth Entrepreneurship**

Family capital provides enabling resources and strengthens the capacity of individual family members to function and attain their current and future goals and objectives (Mokomane, 2012, p. 3). Even with large numbers of youths in Africa, Ashford (2007, p. 1), without stating the type of institutions, points out that positive outcomes can be attained provided that institutions are strengthened and viable economic policies are in place. Being an institution as recognised by Mahajan, it is important that African families are strengthened in order to produce youths who can make effective entrepreneurs on the continent. Because of easy-to-find resources, children born from economically stable families find it easier to venture into their own businesses. However, this is possible where people have extra income to save. Where people do not have sufficient resources to save, people may live in poverty. The problem of chronic poverty associated with indigenous groups also implies that some indigenous people may not have enough capital required to start new ventures. This is a common feature with many families in Africa that live in poverty and do not save. Galbraith
(1979) in Beer & Swanepoel (2000, p. 2) argues that savings in many developing countries are spent on means of survival and not invested in productive enterprises. Galbraith also points out that poverty in developing countries or Third World countries like those in Africa is excessive, so many people are visibly poor; this is “mass poverty”. According to Beer & Swanepoel 85% of the people who live in absolute poverty are found in Third World countries including Africa. This means that finding resources to venture into entrepreneurship might be difficult, though people may end up being necessity entrepreneurs as explained by Brixiova et. al. (2013, p. 21).

Perception of Entrepreneurship

Entrepreneurial culture determines the extent to which entrepreneurship is encouraged or perceived in a particular context. Differences in entrepreneurial culture are increasingly understood to account for differences in the level of entrepreneurial development across context (Ellies & Williams, 2011, p. 21). This is because the entrepreneurial culture in a particular context affects the attitude that an individual has towards entrepreneurship, the likelihood of choosing entrepreneurship as a career, the ambitions to succeed and also to start again after failure. Higher levels of entrepreneurship are therefore likely to be found in an environment where entrepreneurship is respected and valued and where entrepreneurs enjoy greater levels of legitimacy. In other words, societal attitudes influence someone’s perception of entrepreneurship. According to Ellies Williams, the World Bank (2008) contends that promoting an entrepreneurial culture is one of the most essential and neglected components of entrepreneurship development.

Building an entrepreneurial culture among youth is critical to help them understand the role of entrepreneurs in society and to help them develop a positive attitude towards entrepreneurship. This will increase youth’s perception that entrepreneurship is feasible and desirable. Many actors across the continent of Africa are working to overcome the negative historical views towards entrepreneurship, but current efforts are small in scale and uncoordinated. In doing this, it is important to not only target youth, but also important role models for youth such as parents (Habisky, 2015, p. 8). Family occupation and parental role-modelling has been found to be the most prominent factors that affect early socialisation and hence the formation of attitude towards entrepreneurship (Mahajan, 1988, p. 125). Mathews and Moser observed that an entrepreneur whose father was self-employed provides strong inspiration for his children because, at an early age, the independent nature of self-employment is deeply rooted. This explains the important role of the family in entrepreneurship development. Therefore, omitting family in any entrepreneurship development strategy is a missed opportunity to effectively tackle youth challenges.

It Moulds Character

Family has the potential to pass on competitive behaviours that are central to the concept of entrepreneurship (Stokes & Wilson, 2010, p. 33). Without these behaviours, it would be difficult for an entrepreneur to succeed. Youths and any other person can therefore acquire these behaviours through the process of socialisation. Giddens (2006, p. 166) identifies family as one of the main agencies of socialisation, while Kirby et. al. (2000, p. 88) identify socialisation as one of the key functions of the family. Mahajan (1988, p. 125) states that family moulds the character of its members through the impression of both organic and mental habits. In other words, family has tremendous influence on all its members including
youths. According to Burns (2001, p. 29), entrepreneurs possess a certain, recognisable set of characteristics. These characteristics can be passed on from parents or guardians. This confirms Mahajan’s statement that family moulds children’s character. According to Nandamuri & Gowthami (2013, p. 7), Krueger et. al. (2000) state that parents act as initial role models and influence the future entrepreneurial intentions through altering attitudes and beliefs. The parental role models and exposure to self-employment are considered to influence entrepreneurial attitudes and behaviour (Dyer & Handler, 1994 in Nandamuri & Gowthami, 2013, p. 7). Once a family has children, they need to be socialised so that they know how to behave. This helps children to develop a particular character depending on the type of environment to which they are exposed.

Source of Capital

Families exist primarily to take care and to nurture family members (Burns, 2001, p. 359, Mahajan, 1988, p. 125). In doing this, the family performs economic functions to its members. As such, some family members give their members capital to start or enhance their businesses in order to improve their livelihood. According to Nandamuri & Gowthami (2013, p. 5), existing research shows that growing up in a family business environment provides people with family capital – social, human, and financial, that gives them a comparative advantage in starting a new venture. Furthermore, the family business occupation shapes the attitudes and willingness of people to start new ventures. Zimmerer, Scarborough & Wilson (2008, p. 467) state that most people including youths look to friends and family for capital. Calopa, Hovart & Lalic (2013, p. 4) refer to such sources as the 3Fs (family, friends and founder). Kew (2015, p. 8), an associate professor at the University of Cape Town, South Africa, in his study Africa’s Young Entrepreneurs: Unlocking Potential for a Brighter Future, observed that own funding and/or funding from family or friends were the primary sources of financing for young people throughout sub-Saharan Africa. According to Kew, the majority of the young entrepreneurs surveyed for this report raised the start-up capital from their own or family savings, rather than approaching formal institutions or agencies. However, such sources provide very small amounts of start-up capital, hence the need for extra funding. However, youths must be prepared to “toe the line” and deliver the kind of results that can be as examples of good practice, commitment and dedication. Sutton & Langmead (2013, p. 14) profiled some major firms in Zambia and found that Trade Kings, one of the leading firms in the country, was initially funded by members from the same family.

According to Scarborough (2013, p. 423), the Global Entrepreneurship Monitor (GEM), a study of entrepreneurship trends across the globe reveals that family members and friends were the biggest source of external capital used to launch new businesses. Furthermore, Scarborough states that although investments from family and friends are an important source of capital, the amounts invested were typically small. Even though family and friends can help someone launch his or her business, Scarborough points out that it is unlikely that they can provide enough capital to sustain the business over the long term. As such, one needs to establish a relationship with other sources of credit if the business is to survive and thrive. However, Burns (2001, p. 90) cautions that in the early days of any business, it does not pay to be over-burdened by high interest payments. Zimmerer, Scarborough & Wilson (2008, p. 467) point out that family members are more patient than other sources of investment and are less meddlesome in a business than any other type of investor.
Demands on its Members

The family makes continuous and greater demands than any other association (Mahajan, 1988, p. 125). In many parts of sub-Saharan Africa, Kew (2015, p. 38) states that every job counts, and it was not unusual to find a self-employed person supporting a large family and enabling those around him/her to have a better life. This is partly due to a very high dependency ratio between those who work and those who do not. Homes headed by young people are common in Africa due to HIV/AIDS. Such arrangements have the potential to impede entrepreneurship development as it reduces re-investments and income available to individuals. However, in order to survive, the increased demands also drive people into becoming necessity entrepreneurs.

It Provides Informal Learning and Apprenticeship Opportunities

Many young people in developing economies began their working lives engaged in family businesses (Kew, 2015, p. 17). This provided youths with learning opportunities thereby gaining valuable experience. In other words, such opportunities enabled skills transfer from parents/guardians to youths.

It Provides Motivation

Goel, Vohra, Zhang & Arora (2007, p. 7) cite Jackson and Rodkey (1994), who concluded that socialisation had an impact on an individual’s attitude towards entrepreneurship. Socialisation took place at home, at the place of education, and in other spheres of interaction for the individual. Socialisation includes messages about what is good and positive, what lends status and what is valued by others. According to Jackson and Rodkey, early communication received and imbibed by an individual impacts career choices by inducing individuals to choose a career in which they are seen in positive light. A report prepared by Brixiova et. al. (2013, p. 17) on Opportunities and Constraints to Youth Entrepreneurship: Perspectives of Young Entrepreneurs in Swaziland, Djankov et. al. (2005) pointed out that empirical studies of factors influencing entrepreneurship in other countries assign high importance to family background and in particular to having relatives who are entrepreneurs. In China and India, it was argued that societal attitudes towards entrepreneurs and entrepreneurship are important determinants for future entrepreneurial activity. These attitudes would be impacted by the family background of an individual and entrepreneurial development in the region an individual comes from. It was hypothesised that more positive attitude would be seen in (i) people form entrepreneurial backgrounds, and (ii) entrepreneurially more developed regions (Goel, Vohra, Zhang & Arora, 2007, p. 1).

It Enhances Entrepreneurial Orientation

Fostering entrepreneurial awareness and positive attitudes towards entrepreneurship are high on the policy agenda of several economies (Nandamuri & Gowthami, 2013, p. 1). These economies seek to enhance entrepreneurial orientation. According to Nandamuri & Gowthami, entrepreneurial orientation is the individual’s inclination to take up entrepreneurship. They state that entrepreneurship depends on an array of external factors like socio-cultural traditions, supporting financial institutions and certain latent socio-demographic factors also are equally responsible. Some of these latent factors are passed on from the family to youths.
Conclusion

This paper highlighted how family can influence youth entrepreneurship development in Africa. Given this background and the evidence of insufficient economic strength in many families, it can be said that it is imperative for governments in Africa to put in place programmes and policies that will focus on both youths and families. Focusing on youths while neglecting the family is detrimental when dealing with youth entrepreneurship development. This paper recommends that the capacity of African families be strengthened as part of youth entrepreneurship development.
References


Mokomane, Z. (2012). Role of families in social and economic empowerment of individuals. United Nations expert group meeting on promoting empowerment of people in