



African Philanthropy Network
THE VOICE AND ACTION FOR AFRICAN PHILANTHROPY



Voice from the Youth Entrepreneurs in Zambia on their Response to the Impact of COVID 19 Pandemic



1. About SOS Children Village

SOS Children's Villages Zambia is the APN member based in Lusaka Zambia. SOS Children's Villages Zambia is a non-governmental, social development organization focusing on the promotion and safeguarding of children's rights as well as community development strategies. Other evolving programs include advocacy work, economic empowerment, financial inclusion, agricultural projects, community strengthening and socio-economic development. The organization is currently operational in four provinces of Zambia. SOS Zambia implements family Base Care Programs that provide a permanent home environment and care to children who have lost their parents or whose parents cannot care for them suitably. Another project implemented is the family strengthening program focusing on assisting children in need within their families and communities of origin, building capacities of caregivers and communities to address the problems affecting the children and prevent factors that lead to child abandonment.

SOS worked with various partners in implementing its projects, including the Vision Victors Network (VVN). VVN is a community-based, non-governmental, non-partisan organization operating in Zambia. VVN was established in 2008 and officially registered as NGO in 2017. The organization has the mission of seeing the group of marginalized community members live a positive, healthy, and productive life focusing on overall wellbeing through multifaceted interventions. Moreover, VVN promotes integrated human development by providing services capable of improving the socio-economic wellbeing of Zambia's urban and rural marginalized communities.

The APN collaborated with SOS Children's Villages Zambia, and the Vision Victors Network to conduct a Focus Group Discussion (FGD) on voices and actions of youth in response to COVID 19 Pandemic. The FGD was held on the 12th July 2022 in Lusaka Zambia.

2. The Purpose and Objectives of the FGD

The purpose of the FGD was to share experiences and gain knowledge on how policies put in place by the state to respond to COVID-19 impact on youth social entrepreneurs in Zambia. Specifically, the FGD had the following objectives:

- a. To have an overview of the state of youth entrepreneurs in informal sector;
- b. To learn about their strengths, opportunities, challenges and threats with regards to business operating and legal environment and
- c. To identify concrete actions and effective strategies for promoting the enabling environment for their businesses to thrive.

3. The Participants

SOS VVN FGD conducted the FGD to fifteen young entrepreneurs (seven female and eight male) selected from VVN's constituencies of operation as the leading implementing partner organization. A trained facilitator guided the participants through the different questions extracted from an interview guide and led the meeting. Due to the manageable sample size of fifteen (15) participants, a minimal quantitative approach was applied even if no structured questionnaire was developed before the interview sessions. The sample size allowed the identification of standard variables during interview sessions which were used to formulate minimal analysis in the areas of age profiles, experiences of the young entrepreneurs during COVID -19, and in analyzing the strength, opportunities, and threats. Were identified from the places of business spread

along Kafue Road. Matero Compound west of Lusaka, Katondo Street, Central Business District, Chibombo district, Kafue District, Chalala area located in proximity to Zambia's Apex University. All FGD participants The list of participants is given in Annex 1.

Most the respondents belonged to age ranges of between 21 years and 25 years.



4. Participants' expectations

When asked what do they expect from participating to the FGD, participant's raised expectations were clustered into the following groups:

- Most of the youth entrepreneurs in small and medium businesses wanted capacity building on how to run their businesses.
- The entrepreneurs wanted to know the support in place for them to revive their business at the same level of efficiency and effectiveness as they were operating before COVID-19.
- They wanted lessons on financial management, financial literacy, legalization of their small businesses, and innovative ideas for their businesses to thrive.

5. Summary of the Discussion

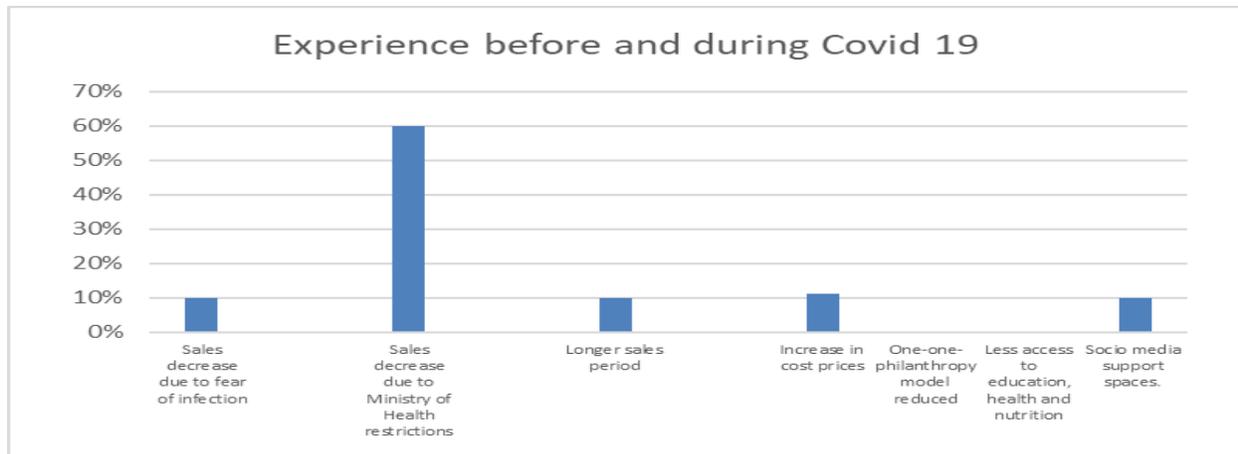
Participants were asked to respond to the following question: *what is your experience before and during the COVID 19 Pandemic?*

Below is a summary of the responses:

- There is a general feeling prevailed among the young people that COVID 19 negated their undertakings to the extent of loss of business and loss of their clientele or customers. One young entrepreneur explained that his experience of pre-COVID 19 and post –COVID 19 was a clear manifestation of business shocks attributed to the COVID 19 pandemic as his customer base before COVID remarkably went down after COVID. He recalls a reduction in business sales because of the decrease in customers that no longer visited his business premises. Those that patronized his business, who he perceives to be all seasoned regular customers, were no longer in his sight, and neither did he have any means of marketing his products to them.
- Standard variables developed on experiences before and after COVID - 19 included: sales decrease due to fear of infection, more extended sales periods; increase in cost prices; reducing the one-to-one philanthropy model; less access to education, health, and nutrition; socio media support systems. Predominantly, the young entrepreneurs observed that the effects of COVID-19 were spelled out through measures instituted by the Ministry of Health of the Government of Zambia. *For example, Simon Phiri (20 years), a vegetable Gardener, stated that "Many people would*

buy from us, and we had enough customers, but now the sales have reduced, and customers no longer come as they used to”.

Graph two showing young entrepreneurs experience before COVID 19



- The young people also demonstrated knowledge or interest in understanding experiences faced in other countries and generally referred to the enabling environments provided in other countries. A perception existed that their entrepreneurial environment was not as buoyant as environments in other countries. Although these were simple perceptions that did not have empirical backing, it was interesting to note that they understood their business environments as not being favorable as the case was before the COVID 19 pandemic. This was evidenced by Kisha Nakamendo (20 years), a law student at the University of Zambia who sells porridge to people who stated that *“the state of the youth entrepreneurs is not as good as it should be in other countries. Before covid-19, the business was booming, and we would sell out a 50 kg bag of porridge in a week, but now it takes a month. The business has gone down”*.
- Further, the entrepreneurs emphasized that the business-enabling environment before COVID -19 allowed liquidity in their businesses.
 - Sales of their products went down to the extent of having them on the shelf for up to three months. The entrepreneur dealing in poultry farming experienced more waiting for day-old chicks to supply, which resulted in increased prices of day-old chicks from ZMW5.00 (\$ 0.30) to ZMW 15.00 (\$ 0.90). In the same vein, the entrepreneurs have faced an increase in the cost of poultry feed and other associated running costs. The knock-on effect is that the final selling price of full-grown chickens, which are ready for the market, has increased from ZMW45.00 (\$ 2.71) to ZMW 90.00 (\$ 6.01).
 - For example, Ms. Margaret Mhango (28 years) - Chicken dealer stated that *“now, the sales have drastically reduced, and I take longer to get the chicks, about three months. Due to COVID, 19 chick prices increased from k5 to k15, and the prices for the feed and medicines has also increased. The increase in these prices has increased chickens from k45 to k100 for dressed and live chickens.”*
 - Altogether, these factors have negatively impacted the business operations, lessening sales volumes and inflicting touch livelihoods for small entrepreneurs. In turn, this also affects giving to the community. In this case,

entrepreneurial activities are an effective anchor of the one-to-one giving model as they generate resources for supporting extended family models, where young people begin to take massive family responsibilities.

- According to UNICEF, circumstances that deprive young people of generating income while having the majority of the population under 18 (53.4%) push children who benefit from one-to-one philanthropy models (extended family support systems).
 - Young people became more vulnerable to monetary, non-monetary, and multi-dimensionally deprivations. Zambia is a country with an estimated 54.5 percent of the population living below the national poverty line. So, the effects of COVID-19 on entrepreneurial activities can also be seen in the broader context of deprivations through lacking access to nutrition, education, health, water, and sanitation.
- COVID-19 have negatively impacted financial inclusion, where informal economic activities have demonstrated that they can mitigate the lack of financial access in the communities. Before COVID-19, entrepreneurs in informal financial lending could gain optimum business operations, supported by profitable costs of money (interest rates), optimum payback periods, well-collateralized loan sizes, and minimal loan default rates. The entrepreneurs indicated that these business support anchors have disappeared due to COVID-19. Verbatim- By Naomi Tembo (30 years) - Student Money Lender: *"Before COVID-19, I would pay the money I leaned out at the agreed time plus the interest amount. After COVID-19. I suffered a loss because many people defaulted on my loans. Even after I collected collateral and sold it, I could still not recover the losses I incurred. The worse things, others dodged, and I have not paid back anything."*
 - In further discussions, the entrepreneurs revealed some of the notions of the informal sector, that it thrives on high-risk appetite levels and exploration of diverse business ventures. Before COVID-19, it did not restrict business movements between business premises; entrepreneurs had a decent clientele base. Restrictions in movements/gatherings that the Ministry of Health instituted due to COVID – 19 are seen to be causal factors for reductions in their clientele base.
 - A clothing entrepreneur recalled having experienced skepticism among customers who thought they would get COVID-19 from secondhand clothes. Thus, this type of skepticism affected types of business that required contact with entrepreneurs and products on a day-to-day basis, which include trading in phones, and repairing phones, among others.
 - An entrepreneur in the phone business experienced high default rates in payments towards phone repairs.
 - Another entrepreneur trading in perfumes faced challenges due to the closure of borders as one of the measures instituted by the government.
 - However, an exciting spiral to this scenario is that the entrepreneurs ventured into online marketing and social media support systems.
 - COVID-19 increased exposure to theft. One entrepreneur, a mechanic, recalls entrusted a colleague with his tools box and left the tolls box at this colleague's premises to lessen contact between customers' items and his tools box (as it would be perceived to carry COVID). However, his tools box got either lost or stolen during the colleague's movement to other premises deemed cleaner and less susceptible to COVID-19. Verbatim – By Jobreth Matwi 21-Street Mechanic: *"Before COVID-19, we had a steady flow of clients, as most vehicles would use the route we operate. During the scourge, I left my work tools at a nearby workshop after the lockdown. I found the owners had moved and all my work tools had been stolen. I had to start again from scratch."*

6. The Analysis of Strengths, Weaknesses/Challenges, Threats, and Opportunities

Strengths:

- Young entrepreneurs' higher immune to COVID-19 pandemic vibrancy and energies allowed their exhibition of abilities to innovations that fought against outright challenges associated with COVID.
- Multi-tasking emerged as one of the main areas of strength, enabling the entrepreneurs to direct their energies to innovations around multiple ventures in their quest to identify other alternative businesses that were less likely to be affected by COVID measures by the Ministry of Health.
- Most entrepreneurs talked about how they focus on their businesses, how they are confident and able to take risks, and how they learn to be independent.
- Some outlined how the period of covid-19 supported the booming of their businesses, especially those that worked online. They stated how people would make orders of Perfumes and clothes, and everything was delivered to their customers with the advantage of online payment and shopping.
- Verbatim – By Tionenji Thole (20 years) - Bottled Dreams Store: *'Our strengths include the fact that we can multi-task, do multiple things and be innovative. For example, during the pandemic, we still found ways to ensure our businesses are running despite the challenges.'*

Challenges:

- The decline in business volumes became a joint claim for most respondents during the FDG. Movement restrictions were a predominant challenge affecting their business in different ranges, such as inhibiting their access to customers and customer access to entrepreneurs. Other challenges they faced included a lack of support from their families.
- We noted earlier that a clear manifestation of challenges in supporting potential roles of African giving models, alluding to risks that the one-to-one philanthropy model among extended family and friends could be affected.
- Therefore, a challenge existed in the lack of opportunities to cement social bonds among entrepreneurs. Entrepreneurs effectively anchor such social bonds during their support in extended family systems.
- Entrepreneurs began to direct business finances toward personal use and continuously reduced the momentum to make capital investments because of COVID-19 measures.
- Further challenges associated with alternative coping mechanisms and income sources emerged, such as going into the streets and engaging in illicit activities.

	<p>All in all, most entrepreneurs (over 60%) attributed the challenges they faced to the COVID – 19 pandemic.</p>
<p>Opportunities:</p> <ul style="list-style-type: none"> • Evident opportunities in the COVID-19 pandemic scenario include, among others, the fact that entrepreneurs ventured into other business opportunities such as online marketing and social media support systems. As challenges exist in the informal financial markets, the real opportunity for informal financiers is in the traditional financial markets. • The banks lack ample time to introduce financial products to meet the COVID-19-related shocks or provide services at equilibrium levels of demands for financing small businesses and entrepreneurship. • Entrepreneurs participated in the informal financial markets such as in village banks and individual money lending claimed a more readily available source of financing. • Verbatim by Mubita Muketoi (25 years) A House Boy/ Garden Boy: <i>“It has been difficult for me to do business, demand has been there, but most people didn’t have resources during COVID 19. This made me look for more resources to expand my business and buy laundry machines, steam iron, and garden tool.”</i> • Keisha Nakamendu (20 years), the porridge seller added that: <i>“It is difficult for us to find funding for our businesses. We might have ideas for businesses, but we lack the money to implement our vision.”</i> • It was even more remarkable to hear from the young people that their participation in this very Focus Groups Discussions was an opportunity created by the COVID-19 pandemic to learn about the African philanthropy Network and share their experience on how COVID-19 has affected their businesses. • This virtue seemed to be an opportunity to think and realize that they were innovative during the COVID-19 pandemic in ways that would improve 	<p>Threats:</p> <ul style="list-style-type: none"> • While young entrepreneurs showed higher immune to the COVID-19 pandemic, vibrancy, and energy, which allowed innovations that fought against outright challenges, it is worth noting that opportunities for independency and self-employment are generally not as available as the same opportunities are available for bigger businesses that enjoy economies of scale. • On that front, there is a threat that young entrepreneurs cannot adequately demonstrate business resilience. • They are less connected to networks, largely depend on mentors, and are not prepared to beat barriers to entry when they have to venture into innovations. • Small entrepreneurial activities do not enjoy liquidity levels to allow re-investments after the COVID-19 shock.

their skill and enterprise. Austin Paliyani (23 years) alternative energy (charcoal) confirmed that: <i>"We have opportunities of growing our businesses and working with other organizations. Entrepreneurs have the opportunity to develop their country's economy by introducing an innovative way of solving a problem."</i>	
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7. Recommended Actions and Strategies for a Way Forward

What actions do you consider being effective in mitigating the challenges? What are the strategies for promoting the operating environment and strengthening the resilience of the youth entrepreneur in Zambia?

After deliberation, Youth Entrepreneurs in Zambia raised the following strategies and measures to mitigate the current situation and build resilience of their businesses

- a. Main strategies the respondents identified pointed to the attainment of skills necessary for improving the diversification of businesses. Deliberate support provided by diverse industry champions would also help, such as supporting young people in investments that will allow mobility across the country. A hair cutter observed that he would be mitigating against challenges if he became a mobile barber. This implies that youth entrepreneurs need access to knowledge, skills, and tools to run their businesses.
- b. Promoting the resilience of young entrepreneurs in Zambia requires the government's support through appropriate policies. Youth participation in youth-led and non- youth-led organizations would allow enhanced innovations and deepened engagement with policymakers, such as the African Youth Parliament Session held at the African Union Heads of States Summit in July 2022 in Lusaka, Zambia.
- c. Incorporating youth programs into programs supported by Non-Governmental Organisations is yet another mitigating strategy. Zambia's Constituency Development (CDF) Fund Act No 11 of 2018 is an Act to provide for the management, disbursement, utilization, and accountability of the Constituency Development Fund established under the Constitution. CDF authorities may identify agents to implement and monitor projects. At this point, an opportunity exists for collaborative efforts and tripartite partnerships of NGOs, youth-led organizations, and Zambia's Constituency Development Funds. Thus, it can support youth projects to mitigate the challenges identified above. For enhanced financial inclusion to happen, engaging youth entrepreneurs in financial literacy classes could reduce the challenges.

8. Conclusion

From the FGD held, it is safe to conclude as follows.

- a. A general feeling prevails among the young people that COVID negated their undertakings to the extent of loss of business and loss of their clientele or customer base.

- b. A perception exists that the entrepreneurial environment in a country of domicile is not as buoyant as in other countries.
- c. COVID- 19 negated the potential role of African giving models, where the **One to one** intuitively is the most common form of giving in any society since it covers the many acts of individual generosity among extended family and friends that cement social bonds.
- d. COVID-19 negatively impacted financial inclusion, where informal economic activities have demonstrated that they can mitigate the lack of financial access in the communities.
- e. COVID-19 increased exposure to theft and illicit activities.
- f. Evident opportunities in the COVID-19 pandemic scenario include, among others, the fact that entrepreneurs ventured into other business opportunities such as online marketing and social media support systems.
- g. Most entrepreneurs (over 60%) attributed the challenges they faced to the COVID – 19 pandemics.
- h. There are threats that young entrepreneurs are less connected to networks, largely depend on mentors, and are not prepared to beat barriers to entry when they venture into innovations.

9. Actions and the Way Forward

At the plenary, the facilitator asked the FGD participants to state what they see as future strategies for the future? FGD participants discussed the question during the plenary sessions, and the FGD raised the following points:

- a. Capacity building for youth entrepreneurs in small and medium businesses.
- b. Enhanced financial inclusion through financial literacy classes
- c. Funding opportunities for youth entrepreneurs (grants on Merit) to explore the potential role of African giving models, the one-to-one model to bolster social cohesion.
- d. Creating strategies to improve businesses seeing that we are still living in the period of covid-19.
- e. Introductions to other organizations to widen networking for young entrepreneurs because of the threat that young entrepreneurs are less connected to networks.

Annex 1: List of Participants and their Business Profiles

1. MWANSA MASUWA, a mobile barber man of 18, completed high school in 2021 and has not yet entered the tertiary education level. He has been doing business for two years and intends to study engineering. His business is mobile trading and repair, which he proudly places on Instagram for advertisement purposes.
2. PRUDENCE NAMBELA, who is 25 years old, is a mobile chef. She delivers food on call, makes wedding and birthday cakes, and does decorations for parties.
3. TIONENJI IDAH THOLE, who is 20 years old, is a perfume seller and a student at Lusaka University studying public health. She does online business, orders perfume online, and sells them online. She has a page on Instagram, and Facebook called bottled dreams.
4. KISHA NAKAMENDU, who is 20 years makes porridge for children and adults. She is a student at the University of Zambia pursuing law. She sells and makes porridge for children and adults. Kisha advertises her business on Facebook and WhatsApp.
5. MARGARET TEMBO, a twenty-eight year – old, rears chickens and is a student nurse at Lusaka Apex University. She orders chicks and grows the chicks until the sales stage at home in Matero peri-urban area.
6. NAOMI MHANGO 30 years is a moneylender, lending money to fellow students and others outside the University with a minimum interest of 70%.
7. Jobreth Matwi (21 years) is a Street Auto Mechanic who repairs various types of vehicles on the street. He completed high school and did business to raise money to go to school and expand his business.
8. Austin Paliyani, 22 years who, is an “Alternative Energy” supplier and does general dealing while studying medicine at the University of Zambia in his 4th year.
9. Emmanuel Siame is 28years and has a liquor store and supermarket on a small -scale basis. He is studying purchasing and supply.
10. Memory Khondowe (24 years old) sells thrift or second-hand clothes. She advertises her clothes online and, on the streets.
11. Chanda Mwenya is 34 years business lady who sells business and services in various sectors.
12. Geff Paliyani is 21 years and is also a street Auto mechanic and doing business to raise funds to expand his business and go to school. He is looking at having a mobile auto workshop to follow his clients everywhere around the country.
13. Brian Mwanakayaya sells and repairs phones and second computers. He is 22 years, and his business is located in the township. He completed high school in 2019 but is not yet in University.
14. Simon Phiri is a vegetable gardener and seller of different types of vegetable seedlings. He orders seedlings, plants them, and sells them as seedlings and vegetables. He is looking at expanding his business and wants to venture into hydroponics.
15. Mwamba Clive is 19 years and runs a spares shop in the street, sells various types of spare parts for cars, buys accident cars, and sells spare parts.
16. Mubita Muketoi is 25 years and is a houseboy who does the cleaning in various homes, washing clothes for clients, and gardening. He is looking at expanding his business and buying a washing machine, steam iron, and garden tool.