



Research Report 10/2

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## **Children's Involvement in Small Business:**

### Does it Build Youth Entrepreneurship?

By Raymond Mnenwa  
and Emmanuel Maliti

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RESEARCH ON POVERTY  
ALLEVIATION

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By Raymond Mnenwa and Emmanue Maliti

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# Abbreviations

BEST	-	Basic Education Statistics in Tanzania
ILO	-	International Labour Organisation
IPEC	-	International Programme on the Elimination of Child Labour
NGO	-	Non-governmental organisation
OECD	-	Organisation for Economic Co-operation and Development
SEDP	-	Secondary Education Development Programme
SME	-	Small and Medium Enterprises
TShs	-	Tanzanian Shillings
UNICEF	-	United Nations Children's Fund
UK	-	United Kingdom
USA	-	United States of America

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# Abstract

The increasing involvement of children in small businesses<sup>1</sup> in Tanzania has raised concerns over the effects of child work, not only on the development of children's intellectual capacity, but also on their future entrepreneurial life. To assess how children's work in small businesses impacts their future entrepreneurial talents<sup>2</sup>, this study examined: i) the economic, psychological and social factors that prompt children into small business; ii) the contribution of small business to children's entrepreneurship development; and iii) factors that influence development of entrepreneurial skills, such as business type, ownership rights and profit appropriation. Primary data were collected in face-to-face interviews with 152 children in Dar es Salaam between January and March 2006.

The study found that the participation of children in small businesses was largely influenced by push factors, particularly the lack of educational opportunities and alternative occupational activities. In general, the involvement of children in small businesses was not a matter of choice but rather a survival strategy. The study also revealed that the small businesses surveyed had very little influence on the development of children's entrepreneurial talents. Although some children displayed some entrepreneurial skills, these did not seem to originate from the businesses they were running. Limited ownership, lack of participation in decision making and low levels of satisfaction were also found to be frustrating for most of the children interviewed, thereby acting as impediments to their entrepreneurial development.

This study demonstrates that small businesses are not a panacea for children's entrepreneurial development. Thus, although many Tanzanian children work in small businesses either as employees or self-employed, this will not translate into significant youth poverty reduction unless adequate policies and strategies are implemented to strengthen education and vocational training. Based on the research evidence, three major policy implications emerge. First, access to secondary school needs to be expanded to more Tanzanian children and complementary strategies devised to keep children from dropping out of school. Second, existing educational and youth employment policies as well as small business development strategies should be integrated to ensure that children are given adequate life and vocational skills to support themselves when they leave school. Lessons on entrepreneurship skills need to be included in primary and secondary school curricula. In addition, local businesses and the media could be encouraged to support entrepreneurship programmes or business 'incubators' for youth. Third, and more broadly, an entrepreneurial spirit and culture must be promoted in government and communities throughout Tanzania to nurture and support the aspirations of young people and to provide a strong foundation for national development and poverty reduction.

<sup>1</sup> As per Mnenwa and Maliti (2005), a small business is defined as a business employing between 1 and 10 persons.

<sup>2</sup> Entrepreneurial talents refer to the aptitude or capacity of an individual to create and manage a business enterprise.

# Introduction

Confronted by high levels of poverty and slow growth in the formal sector, more and more Tanzanians are forced into self-employment and informal activities, including small businesses, to generate income to meet their needs.

Strikingly, many households have been involving their children in small businesses. The clusters of street vendors seen almost everywhere in Dar es Salaam include many children as well as adults. Although some of these children are working as employees of businesses, most are working on behalf of their families, often prompted into work by their parents (Sidiqqi & Patrinos, 2005). According to one study, 62% of the children surveyed were induced into employment by their parents (Syed et al., 1991). Indeed, Lindert (1976) concluded that children in developing countries contribute more to a household than they deplete, as compared to their counterparts in developed countries.

Notwithstanding the important contribution of children to their households, the prevalence of child work in small businesses<sup>3</sup> raises critical issues for the well-being and development of the children involved. These include the length of time spent by children on these responsibilities, the effect of child work in small businesses on their participation in schooling, and the impact of work on their entrepreneurial talents. To examine this last issue, the current study interviewed 152 children in Dar es Salaam between January and March 2006 to assess whether small businesses have the potential to promote youth entrepreneurship.

The report is divided into eight sections as follows: literature review (section 1), research objectives and questions (section 2), significance of the research (section 3), research methodology (section 4), study findings (section 5), discussion (section 6), conclusions (section 7) and policy implications (section 8).

<sup>3</sup> This study focused on child work in small businesses as defined by UNICEF. According to UNICEF, child work refers to children's participation in economic activities that do not negatively affect their health and development or interfere with education (Rosati & Rossi, 2001). Work that does not interfere with education (referred to as light work) is permitted from the age of 12 years under ILO Convention 138. Child labour (hazardous) is more narrowly defined and refers to children working in contravention of the above standards. This means all children below 12 years working in any economic activities, those aged 12-14 years engaged in harmful work and all children engaged in the worst forms of child labour.

# Literature review

## 2.1 Theoretical background

The growing number of youth development programmes in Italy, Ireland, Canada, the USA and UK is indicative of the trend to engage youth in mainstream economic activities. Kapitsa (2005) reports that, over the last decade, policies and programmes promoting youth entrepreneurship have become widespread in response to persistent employment shortages in those countries. These programmes have largely focused on in-school and out-of-school youth, dropouts and other disadvantaged youth. The study found that the integration of marginalised and disadvantaged youth into mainstream economic activities is a huge challenge, especially in light of the diversity of these groups and their problems. The situation has been further complicated by competition from organised crime, which tries to recruit disenfranchised youth, thereby raising the costs of entrepreneurship schemes.

Entrepreneurship theories are variously based on economic models (Knight, 1921; Schumpeter, 1934; and Kirzner, 1982); psychological models (McClelland, 1961); sociological models (Keeble and Walker, 1994; Reynolds, Storey & Westhead, 1994); as well as socio-economic factors that influence the success of small businesses (DeBresson, 1989). Economic models emphasise the importance of information and the perfect rationality of an individual to entrepreneurship, while psychological models postulate that certain attitudinal and psychological attributes differentiate entrepreneurs from non-entrepreneurs. Sociological models alternatively suggest that entrepreneurial behaviour is a function of the individual's interaction with society.

Entrepreneurship theories seem to be silent on the age factor and its potential contribution to entrepreneurship development. Questions on whether children's activities conform to classical entrepreneur and economic principles do not feature at theoretical level probably due to the fact that theories are usually developed based on perfect situations. In practice, however, entrepreneurship is neither bound by rigid concepts of age nor by homogeneity (Davis, 2002). Many non-government and government programmes recognise the crucial importance of youth<sup>4</sup> employment and significant efforts are underway worldwide to encourage young entrepreneurs. Davis emphasises that youth aged 12 to 20 years have the creativity and energy to create and launch new organisations or ventures that can change their schools or communities. Having the opportunity to learn by doing, youth can be better equipped to positively, if not dramatically, impact their communities.

## 2.2 Children in small business

In recent years, children's involvement in small business has been intensely debated. Much of the literature has focused on child labour than child work, which stems from the concern that child labour (whether ordinary or hazardous) has a detrimental effect on human capital formation (Kanbargi & Kulkarni, 1991; Psacharopoulos, 1997; Patrinos & Psacharopoulos, 1995; 1997; Jensen & Nielsen, 1997; Akabayashi & Psacharopoulos, 1999; Heady, 2000; Ravallion & Wodon, 2000; Rosati & Rossi, 2001; Ray, 2000a, 2000b, 2002).

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<sup>4</sup> Youth in this sense includes teenage children.

A significant exception to findings that work is detrimental to children is provided by the Sri Lankan experience. Ray and Lancaster (2004) found that children aged 12 to 14 years can combine work and school in such a way that school performance does not suffer. The results suggest that children in this age bracket can work up to 12-15 hours a week without their attendance rate or length of schooling suffering. In their case study on child labour and participation in primary education in Tanzania, Dachi and Garrett (2003) found that despite working, often long hours, both boys and girls reported having periods of free time when they could undertake study. However, their findings indicate that this time was not used in a structured and efficient manner, for example, very little homework was set by the schools surveyed.

However, conclusions on the effects of child work on schooling and academic performance exclude children who are not in schools for various reasons. A study conducted by Kadonya et al. (2002) found that 77% of working children were not in school. Of these children, 54% had completed Standard VII, 24% had never been enrolled despite being of school-going age, and 19% had dropped out of primary school education due to social and economic reasons. Therefore, knowledge of the impact of child work on youth entrepreneurial performance is also important for informing policy.

Kisker (2003) has shown that entrepreneurial traits emerge in children at a young age. Indeed, many children demonstrate entrepreneurial qualities such as risk taking, creative problem solving and high internal motivation to succeed during their early development but, as children grow older, many lose that entrepreneurial spark (Gutner, 1994). In order for children to preserve these entrepreneurial tendencies into their teenage and adult years, they must be encouraged, supported and facilitated. Can this encouragement be provided through engagement of children in small businesses? Can small businesses facilitate development of youth entrepreneurship, including among school leavers and dropouts who do not usually have business skills? Or does early involvement in small business undermine the development and talents of children? These are some of the questions not yet answered by the existing literature.

Participation of children in the informal sector is on the increase (Musoke, 1996; Lugalla & Jessica, 1999), and the exploitation of child labour in the urban informal sector is closely associated with the influx of children and youth from rural to urban areas in search of gainful employment. The most visible child workers are those working on the streets of urban centres, but there is a bigger number engaged in activities like scavenging, fishing and related activities, spray-painting cars and panel beating.

The growing involvement of children in small businesses can partly be attributed to the current 7-4-2-3 structure of Tanzania's education system: seven years primary, four years secondary standard ('O' level), two years secondary higher ('A' level) and three years or more in tertiary level study. Most children complete compulsory primary studies at the age of 14, but do not have the opportunity to progress to secondary school and vocational training. As a result they start seeking employment or operating petty businesses in the informal sector. According to Kent et al. (1995), at least one-third of working children have completed primary school education and all the children in this category were aged between 14 and 17 years.

Studies on small businesses in Tanzania (Kuzilwa, 2003; Mfaume & Leonard, 2004; Olomi, 2001; Rutashobya, 1995; Toroka and Wenga, 1997) have also shown that most people enter into small businesses because of a lack of adequate education and difficulty in finding formal employment. This implies that the majority of operators, including children, engage in small businesses as a last resort to earn a livelihood. However, it has been reported that owner-managers' goals and motivations to grow their businesses may change over time. Olomi (2001) found that some individuals who started businesses to survive or enhance family security evolved into successful entrepreneurs, running large enterprises and adopting proactive growth-seeking strategies. This suggests that growth motivation can be enhanced after start-up.



# Research objectives and questions

The main research objective was to evaluate the contribution of small businesses to the development of entrepreneurship in children. The specific research objectives were to:

- \* Identify the factors that influence children to engage in small businesses;
- \* Analyse perceptions of children on the contribution of small business to development of their entrepreneurship;
- \* Assess factors influencing small business and entrepreneurship development;
- \* Identify policy options and strategies regarding small business and entrepreneurship development for working children.

In pursuing these objectives, the study was guided by the following research questions:

- \* Do children choose deliberately to engage in small businesses?
- \* What factors compel children into small businesses?
- \* Does involvement in small businesses facilitate children to become future business entrepreneurs?
- \* What factors have an influence on the rate and direction of entrepreneurship development?



## Significance of the research

The increasing involvement of children in small business calls for greater understanding of the role and dynamics of child work in developing entrepreneurial talents. The broad perception exists that Tanzanian children engage in small business due to the economic hardships faced by their families and the lack of education and vocational training opportunities available to them. Given that economic hardship among many families is likely to continue, appropriate policies and strategies are required to protect and improve the circumstances of children currently working in small businesses, and, for children in schools, to either keep them in school or prepare them well for employment, especially self-employment, before they leave school.

A number of programmes led by the Government and international organisations, such as the International Labour Organisation (ILO), are underway but these appear to be highly uncoordinated and ad hoc in respect to solving the problems of children in small business. Government efforts have focused on universal education without adequate emphasis on teaching and nurturing skills for self-employment, while the ILO and other organisations have focused more on the elimination of the worst forms of child labour.

Research on children in small business is, therefore, critical for informing policies and strategies on child development as well as broader development and poverty reduction strategies. This study also aims to increase community awareness on the need to assist young people in developing small businesses, promote the creation of an enabling environment for children already in businesses, and build children's self confidence in their activities. In addition, the research seeks to better understand the dynamics of small businesses run by children and their role in entrepreneurship development. In these ways, the study aims to provide valuable data and insight on how to reduce child labour, abuse and poverty.

# Research methodology

## 5.1 Conceptual framework

As pointed out in the theoretical background (section 1.1), entrepreneurship is a multifaceted phenomenon. Therefore, the research approach examined childhood entrepreneurship from three different angles:

- (i) *Factors that prompt children into small business:* The study covered economic, psychological and social factors, which were categorised into push and pull factors. The push factors examined included lack of schooling opportunities, lack of occupational alternatives, economic survival and type of living arrangement. Pull factors included earning income and helping parents. Small businesses would be rated as entrepreneurship building if they provided more pull incentives to entrepreneurs than push factors. Pull factors were considered friendlier to creativity, innovativeness and ability to run a profitable business.
- (ii) *Contribution of small business to entrepreneurship development:* Small businesses were assumed to have both negative and positive effects on entrepreneurship development. The analysis also assumed that children engaged in small businesses did not incur any opportunity costs. Consequently, this analysis was not intended to assess the benefits of being in small businesses compared with other activities such as schooling. The expected benefits to children of being engaged in small business that were investigated included accumulation of business experience, on-the-job educational benefits, and cultivation of business acumen.
- (iii) *Factors for entrepreneurship development:* The analysis of pull and push factors focused on the influences through which children become engaged in small businesses. However, other factors that have a bearing on the rate and direction of entrepreneurship development were examined, including business ownership, business type, source of business idea, source of capital and profit appropriation.

It is important to note that the study did not aim to support or disprove any theory. Rather it used current theories to highlight the important factors for entrepreneurship development and their relevance to children working in small businesses. Furthermore, the study was not intended to measure change in entrepreneurial capacity among children.

## 5.2 Sampling frame and data collection

Primary data were collected through face-to-face interviews with 152 children working in small businesses in the three administrative districts of Dar es Salaam: Kinondoni, Temeke and Ilala (Table 1). Of the total sample, 119 respondents (78%) were male and 33 respondents (22%) were female.

The main focus was on children between 12 and 17 years. Tanzania's Child Development Policy 1996 defines a child as a person below 18 years of age and light work is permitted for children 12 years of age or over. In practice, however, children below 12 years were also found to be engaged in small businesses.



The interviews were conducted between 23 January and 15 March 2006 using a semi-structured questionnaire (Appendix 1). Respondents were randomly approached by the interviewers in various places, including bus stands, streets, markets and schools. Most of the young children who were approached to participate in the study were reluctant to freely give information to the researchers. The researchers had to clearly explain the objectives of the study and the advantages of the study to the children, including creating awareness among community members and policy makers about children's contribution to economic development, the problems they face, and the potential for their development. The rapport that was established between the researchers and the respondents encouraged the children to participate in the research. The researchers did not seek approval from the City Councils because the children seemed to be operating informally which means that formalised interviews were likely to scare them.

**Table 1: Study participants by district, age and sex**

Age group	Kinondoni		Ilala		Temeke		Total
	M	F	M	F	M	F	
Between 5 and 12 years	2	3	0	0	2	0	9
Between 12 and 14 years	13	0	6	3	13	4	38
Between 15 and 17 years	44	15	25	7	14	1	106
<b>Total</b>	<b>59</b>	<b>18</b>	<b>31</b>	<b>10</b>	<b>29</b>	<b>5</b>	<b>152</b>

Interview venues depended on the nature of the children's activities and where respondents were found. The main activities of respondents included hawking, shop keeping, preparing and selling food (*mama lishé*<sup>5</sup>), roadside activities (selling bites such as cakes and bread, confectionery, clothes, etc.), tailoring, transporting goods using push cars and supplying mobile phone services (see Table 15 for further details).

### 5.3 Data analysis

The analysis involved calculation of descriptive statistics (means, frequencies) for participant responses. Results were presented in graphs, tables and charts. The data analysis focused on factors relevant to youth entrepreneurship with special attention paid to the impact of child work on entrepreneurship development, consistent with the principal objective of this study.

<sup>5</sup> A *mama lishé* is a local restaurant or café in Tanzania usually operated by a woman (so its name) that usually consists of a rough wooden table and some long wooden benches.

## **5.4 Study limitations**

Although the results were not affected, the study encountered some methodological problems as follows:

- \* When interviewing the children, it took time to build rapport and win their confidence. Many respondents especially the younger ones were initially suspicious about the intentions of the researchers, and thought they were representatives from the city authorities planning on how to deal with them.
- \* Respondents were interviewed at their work sites and, as a result, interviews were often interrupted and took longer than expected. When necessary, the researchers had to be patient and wait for the children to serve their customers first. In some instances, to build rapport, the researchers assisted the children in serving customers.
- \* The study was only carried out in Dar es Salaam. The results, therefore, may not be representative of children's perceptions and experiences in other areas of the country. However, current findings may be applicable to other large urban centres in Tanzania such as Mwanza.

## 6.1 Factors prompting children into small businesses

Several factors were found to compel children into small businesses: lack of further educational opportunities, lack of alternative occupational activities, living arrangements and prospect of economic gain. Each of these factors is analysed below.

### 6.1.1 Lack of educational opportunities and alternative occupational activities

Lack of educational opportunities has been highlighted as one of the most common push factors underlying children's involvement in small business. During this study, respondents were asked to indicate their schooling status. Table 2 presents the findings. The data show that 53% of respondents were school leavers - i.e., children who had completed their primary education to Standard VII but could not secure places in secondary schools - while 38% had dropped out of school. Only 8% respondents were still in school.

**Table 2: Respondents' schooling status**

	Male		Female		Total	
	no.	%	no.	%	no.	%
Completed school	60	51	21	62	81	53
Dropped out of school	46	39	12	35	58	38
In school	11	9	1	3	12	8
Never attended school	1	1	0	0.0	1	1
<b>Total</b>	<b>118</b>	<b>100%</b>	<b>34</b>	<b>100%</b>	<b>152</b>	<b>100%</b>

#### *Major findings*

- 53% had completed Standard VII
- 38% were drop outs
- 8% were in school

Lack of educational opportunities affected both genders; the overwhelming majority of both male and female respondents were school leavers or dropouts. Upon completion of primary school, most Tanzanian children do not have the opportunity to continue onto secondary school. Some students may not qualify to enter Form 1 as a consequence of failing the Primary School Leaving Examination, but many children are unable to secure a place due to the inadequate capacity of the education system to accommodate them. Lack of support from parents is another critical factor. Poverty is a major underlying cause of children dropping out of school or being unable to continue their education.

Another contributing factor for children's participation in small business is lack of alternative occupational activities. Table 3 summarises participants' responses when they were asked what they were doing at the time of starting their business activities. Overall, 71% of respondents did not have other occupations prior to starting their businesses.

**Table 3: Respondents' activities prior to starting their businesses**

Prior activities	%	%
None	108	71
In school	42	27
Employed elsewhere	2	1
<b>Total</b>	<b>152</b>	<b>100%</b>

#### *Major findings*

- 71% did not have other occupations
- 27% were attending school
- Less than 2% were employed elsewhere

### 6.1.2 Children’s living arrangements

Table 4 presents findings on the living arrangements of respondents. Only 36% of respondents were staying with their parents, while 45% lived with relatives, and 14% with colleagues or employers/other guardians. This implies that more than 60% of children did not live with their parents. Similar patterns of living arrangement were found for female and male respondents except that 6% of male respondents reported living on their own and one female was living with her husband.

**Table 4: Respondents’ living arrangements**

Host	Male		Female		Total	
	no	%	no.	%	no.	%
Parents	42	36	12	35	54	36
Relatives	51	43	17	50	68	45
Colleagues	11	9	0	0	11	7
Employers/other guardians	7	6	3	9	10	7
Husband/wife	0	0	1	3	1	1
Independent	7	6	1	3	8	5
<b>Total</b>	<b>118</b>	<b>100%</b>	<b>34</b>	<b>100%</b>	<b>152</b>	<b>100%</b>

**Major findings**

- A larger proportion of respondents lived with relatives, colleagues or other guardians
- Just over one-third of the children were living with their parents.
- Only 5% were found living on their own

These findings indicate that children not living with their parents may have more limited educational and economic options, and hence ended up being involved in small businesses to earn income to meet their needs.

### 6.1.3 Economic gains

Respondents were also asked to indicate their motives for engaging in small business. The findings in Table 5 show that income generation (69%) was the most common motivation reported by the children. Apart from generating incomes for the families, children used the income from their businesses to meet their own financial commitments, such as buying clothes, food and school materials. These findings are in line with other studies in Tanzania that show that income generation is the prime objective for engaging in business enterprises whether run by children or adults.

In addition, 23% of respondents participated in small businesses for economic survival. Mfaume and Leonard (2004) similarly found that some children in small businesses were in desperate conditions due to a number of reasons, such as the death of their parents and poverty. Table 5 further indicates that a small proportion (7%) participated in small businesses to help their parents.

**Table 5: Economic motives for engaging in small businesses**

	Male		Female		Total	
	no	%	no	%	no	%
Income/salary	100	69	24	69	124	69
Economic survival	35	24	7	20	42	23
Help parents	9	6	4	11	13	7
I don't know	1	1	0	0	1	1
<b>Total</b>	<b>145</b>	<b>100%</b>	<b>35</b>	<b>100%</b>	<b>180</b>	<b>100%</b>

**Major findings**

- 69% of respondents were motivated by income/salary
- Economic survival was cited as a motivation by 23% of the children interviewed.

Note: This was a multiple-response question and some participants reported more than one motivation

Similar results were recorded for female and male children although a slightly higher proportion of male respondents cited economic survival as their motivation, and a slightly higher percentage of female respondents were working to help their parents.

## 6.2 Contribution of small businesses to entrepreneurship development

### 6.2.1 Business thinking and personal aspirations

One of the important qualities of an entrepreneur is business acumen, which this study defined as designing an enterprise so as to maximise profit. Profit seeking is an important starting point for any business enterprise. An entrepreneur with good business skills focuses on maximising profit by producing and selling products or services according to customers' tastes and preferences.

Respondents who owned their businesses were therefore asked to indicate the priority they accorded to profit seeking. However, it is important to highlight that actual profit calculations for the small businesses were not made. Rather this question examined participants' perceptions after being educated on the meaning of profit. Findings show that most respondents (77%) accorded the highest priority to profit generation. Only 8% of respondents accorded low priority to profit generation.

**Table 6: Respondents' perceptions of priority accorded to making a profit from their business**

Notion on profit	no	%
Highest priority	59	77
High priority	12	16
Low priority	6	8
<b>Total</b>	<b>77</b>	<b>100%</b>

**Major findings**

- 93% of respondents operating their own businesses accorded profit seeking their highest or high priority.

These results suggest that most of the children running their own businesses were business minded in terms of profit seeking. This is considered a good sign of entrepreneurship.

However, giving high priority to profit could be anyone's wish. Thus, the study also explored the children's personal aspirations. In principle, personal aspirations play a role in guiding a person towards the achievement of economic or other objectives. A general enterprising tendencies test was conducted with the respondents. In this test, the children were asked what they would do if they were given a grant of Tshs 10 million. Table 7 summarises their responses.

Over half (54%) of respondents said that they would invest in a better business, while 20% would expand their existing businesses. Both of these aspirations indicate a vision for business development among the children interviewed. The results suggest that children working in small businesses had some enterprising tendencies.

**Table 7: Respondents' personal aspirations (if given a grant of Tshs 10 million)**

Aspiration	no	%
Invest in a better business	87	54
Expand business	33	20
Pay for school fees	20	12
Build a house first	4	2
I don't know	17	11
<b>Total</b>	<b>161</b>	<b>100%</b>

**Major findings**

- 54% of respondents would invest in better businesses while 20% would expand their existing businesses.
- 12% would pay school fees, while 2% would build a house.
- 11% did not know what to do.

Note: This was a multiple-response question and some participants reported more than one aspiration

In addition, those children who reported aspirations to invest in a better business or to expand their current business were asked whether they saw a link between their vision for business development and what they were currently doing. Table 8 presents the views of respondents. Over three-fifths (63%) of respondents felt there was only a weak or very weak link between their current businesses and their vision for the future.

**Table 8: Respondents' perceptions of the link between their small businesses and their vision**

Positive link	no	%
Very strong	4	3
Strong	40	33
Weak	60	50
Very Weak	16	13
<b>Total</b>	<b>120</b>	<b>100%</b>

**Major findings**

- 63% reported a weak or very weak link between their enterprising tendencies and what they were currently doing.
- Only 36% reported a strong or very strong link.

Although the majority of children perceived little link between their current activities and their vision for business development, it can be argued that the enterprises do provide practical business experience. More importantly, the children's vision to improve their enterprises may represent an asset for their future entrepreneurship. Moreover, business development requires more than just vision. The process necessarily involves getting organised, being innovative, and earning and re-investing profits. In addition to aspirations, young entrepreneurs need to gain knowledge and skills in how to establish, develop and manage enterprises, in group formation, and in effective interpersonal communication.

It is important to note that various youth initiatives are ongoing, for example, ILO programmes to address child labour. However, these programmes reach only a limited number of children. Stronger political will and greater investment will be required to expand access to all children in need. Future policy on small business development in the country could valuably build on young people's vision and aspirations through improved access to quality technical and vocational education and training.

### 6.2.2 Source of capital

Financial capital is a pre-requisite for starting a business, and its availability is crucial to the entrepreneurial process. In most cases, entrepreneurs first draw on funds that are the cheapest and proceed to more expensive funds (OECD, 2004). Therefore, assessing an entrepreneur's knowledge of different sources of financial capital provides insight into his/her entrepreneurial talents. In addition, the commitment/investment of capital in a business requires some level of risk taking. Table 9 indicates the various sources of capital for respondents who were running their own small businesses.

**Table 9: Sources of capital for respondents' businesses**

Source of capital	no	%
Own savings	28	42
Loans	12	18
Parents	8	12
Employer	2	3
Relative	17	25
<b>Total</b>	<b>67</b>	<b>100%</b>

**Major findings**

- Own savings is the most common source of capital for the respondents.
- Support from family members (parents and relatives) was also a frequent source of funds.

Approximately two-fifths of respondents (42%) obtained capital from their own savings. The businesses operated by the children were small in size and did not need large and expensive capital to start. However, it is important to note that using one's own funds for initial capital was an indication of risk-taking behaviour and commitment among the children in developing their businesses. The findings though must be interpreted carefully. As shown in Table 3 above, less than 2% of respondents had been working prior to starting their businesses. Therefore, much of what they report as own savings might have been gifts and pocket money from relatives, parents and friends. Regardless of the original sources, these were still funds that the children had purposefully saved and applied to their businesses.

The data further show that 58% of the respondents sourced their initial capital externally, largely from parents and relatives (37%) and loans (18%). However, this did not necessarily reflect business requirements for external financing. Rather, it is expected that children would often not have sufficient resources to start even the smallest business, and would rely on sources close to them to provide support.

### 6.2.3 Business experience and educational benefits

Business experience is an important factor in the development of entrepreneurship. Examination of changes in the children's level of experience can, therefore, provide insight into the possibility of the children becoming future entrepreneurs. Respondents were requested to compare their business experience before starting their enterprises and at the time of interview. To assist the children in assessing the change in their level of experience, the interviewers described various skills that entrepreneurs in small businesses could be expected to gain over time, including learning better ways of doing business, attracting more customers, generating higher profits, or identifying further business opportunities. These discussions were meant to help respondents assess the change in their business experience along a scale from 'greatly improved' to 'no improvement'.

As indicated in Table 10, most children (82%) considered that there had been little or no improvement in their level of business experience since starting their activities. Only 16% reported moderate improvement and 2% cited great improvement.

**Table 10: Respondents' perception of change in their level of business skill and experience**

Description	no.	%
No improvement	38	25
Little improvement	87	57
Moderately improved	24	16
Greatly improved	3	2
<b>Total</b>	<b>152</b>	<b>100%</b>

**Major findings**

- 82% of respondents perceived little or no improvement in their business experience since starting up.

Business experience is also associated with the length of time an individual is in business. In the course of running a business, people gain experience and actively learn what they do best and what they should learn to do better, which, in turn, can make individuals more enterprising (Mnenwa & Maliti, 2005). Therefore, the study collected data on the length of time the children had operated their businesses as a proxy indicator for their business experience.

**Table 11: Length of time engaged in small business**

Time taken	no.	%
Recently established (2006)	14	9
1 year (2005)	83	55
2 years (2004)	31	21
3 years (2003)	12	8
More than 3 years (1998-2002)	11	7
<b>Total</b>	<b>151</b>	<b>100%</b>

**Major findings**

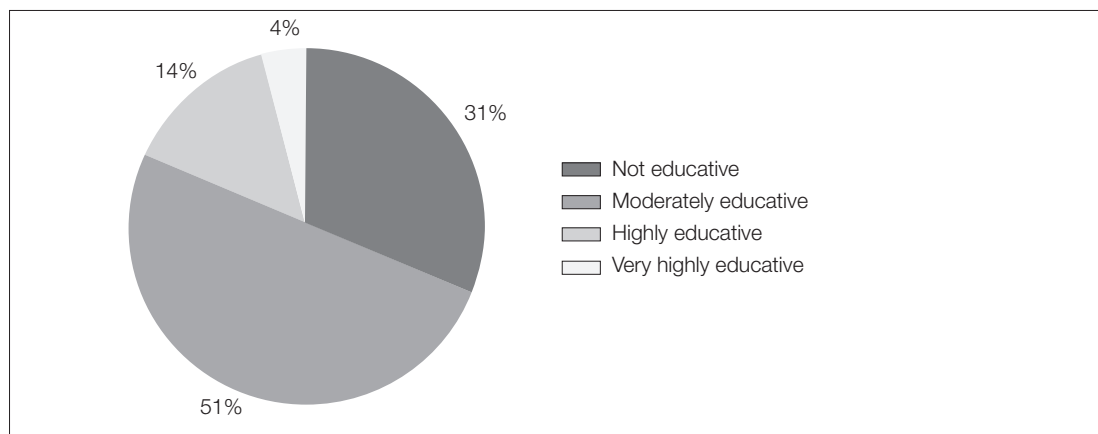
- 85% of respondents had been operating their businesses for two years or less.
- This indicates that most of the children had only limited experience in small businesses.

The findings in Table 11 show that 85% of the respondents had been operating their businesses for two years or less. The children's self-reported lack of business experience (Table 10), therefore, may in part be due to the relatively short length of time they run their businesses. Still, the experience they have gained to date, little as it may appear, could represent a valuable foundation for future entrepreneurship.

As discussed above, most respondents were standard VII leavers or drop outs from primary school with little chance of continuing their formal studies. However, it is likely that children working in small business would gain knowledge and skills which could be considered as educational benefits, i.e., on-the-job training. To determine the educational benefits of operating their small businesses, a self-assessment exercise was conducted with the children. This exercise involved giving a simple, brief presentation to the respondents on skills likely to be learnt whilst running a small business, such as salesmanship, pricing, business organisation, business operations, financial control, product handling, etc. The children were then asked to indicate to what extent they felt their small businesses were educative in terms of these issues. Figure 1 summarises the findings.



**Figure 1: Respondents' perceptions on whether their small businesses were educative**



The figure illustrates that 31% of respondents considered small businesses as not educative, while 51% considered them moderately educative. Only 18% of the respondents felt that their businesses were highly or very highly educative.

### **6.3 Factors influencing entrepreneurship among children**

This research hypothesised that running small businesses facilitates entrepreneurship development among children. Based on the evidence presented in section 5.2, children's involvement in small business seems to have limited impact on development of entrepreneurship. Respondents displayed some enterprising tendencies in their views on profit and business development, but only 36% of the children perceived a strong connection between these tendencies and what they were doing. Does this point to other constraints on children's entrepreneurial development?

This section assesses four factors that may influence entrepreneurship development for children working in small businesses: (1) source of business idea, (2) business ownership, (3) profit appropriation and (4) business type.

#### **6.3.1 Source of business idea**

To further examine the children's level of business acumen, the respondents were asked to indicate where the idea for their businesses originated. Table 12 shows that the proportion of respondents who generated business ideas on their own (39%) was higher than those who received the ideas from either parents (28%) or friends and relatives (29%).

**Table 12: Source of idea for respondents' businesses**

Source of idea	no.	%
Myself	59	39
Parents	42	28
Friends, relatives	44	29
Employer	6	4
<b>Total</b>	<b>151</b>	<b>100%</b>

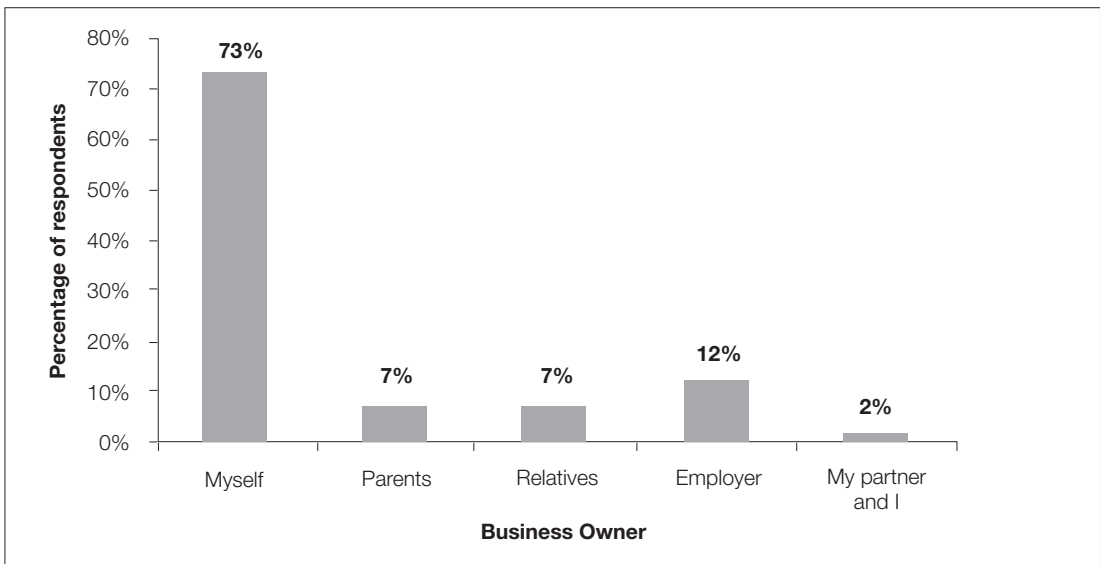
**Major findings**

- 39% got ideas on their own
- 28% got ideas from parents
- 29% got ideas from friends or relatives

Overall, however, a majority of children (61%) received ideas from other sources. This could easily affect children's sense of ownership and motivation in running their businesses which, in turn, may undermine entrepreneurship development.

To further investigate this issue, the children who had generated their own ideas were asked whether they also owned their businesses. In this way, the study assessed whether children had been able to operationalise their ideas. Figure 2 shows that the majority (73%) of children who had generated their own business ideas were also the owners of the businesses, implying that these respondents had been able to develop their idea for a business into an actual venture.

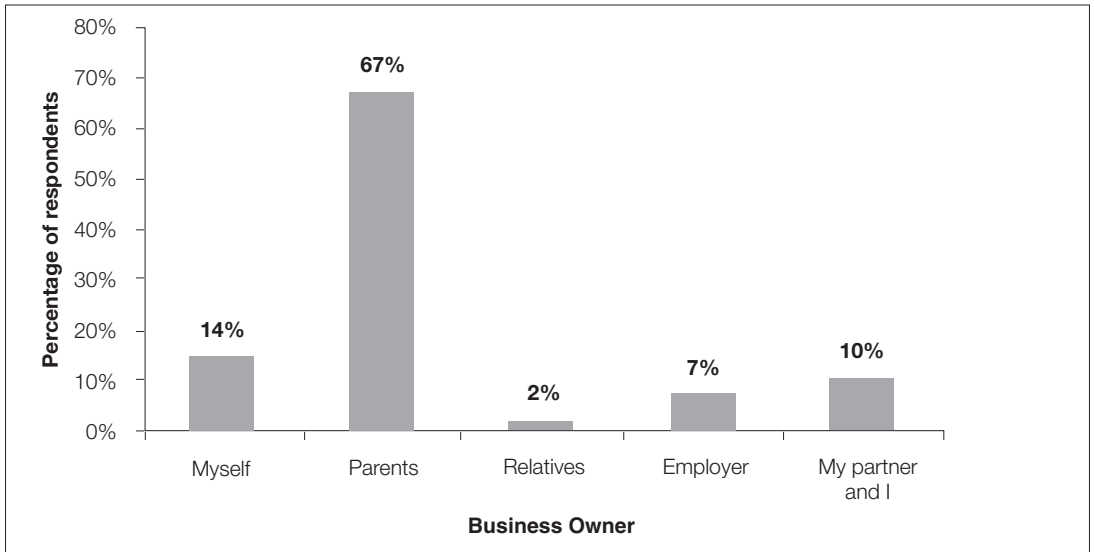
**Figure 2: Ownership of businesses initiated as a result of children's own ideas**



Note: n=59

In contrast, Figure 3 reveals that the majority (67%) of businesses that originated with parents' ideas were owned by the parents. Only about 14% of the businesses initiated by parents were owned by children, implying that the children had just been mandated to operate them.

**Figure 3: Ownership of businesses initiated as a result of parents' ideas**



Note: n=42

### 6.3.2 Structure of business ownership and profit appropriation

The ownership structure of the small businesses run by the children was also identified and examined as a factor for entrepreneurship development. Based on the principal-agent theory, there are three ownership scenarios, namely “no contract”, “incomplete contract” and “complete contract” (Holmström & Milgrom, 1994). In a “no contract” scenario the owner is accountable to no one, while in an “incomplete contract” scenario the owner has residual rights to control, i.e. the rights to determine the uses of assets under circumstances that are not covered by contractual terms. In the latter case, the owner is obliged to agree with other stakeholders in the business, for example, employees, before implementing his/her decisions that have implications on the employees’ contractual terms. Lastly, under “complete contracting”, economic organisation is indeterminate. Under this circumstance an individual has no power over resources. The power shifts to the partnership as a whole; no individual has more rights over the others.

Of the respondents’ small businesses, most can be classified as “no contract” or “incomplete contract”. The study found that 45% of the children owned their businesses outright and, hence, these enterprises operated under “no contract” circumstances (Table 13). A little over one-third (37%) of businesses were owned by parents or relatives, and another 16% were owned by employers. In these cases, the businesses may be categorised as “incomplete contract”, thereby creating the possibility for unfair distribution of benefits from the businesses between the children and the other stakeholders. By gender, male respondents were more likely to own their businesses than female respondents. Findings show that over half (53%) of boys owned their businesses compared with only 18% of girls. Most of the businesses run by female respondents were owned by parents or relatives (62%).

It is important to note that, measured individually against the other ownership categories; the proportion of businesses owned by children looks substantially higher. Overall, however, more than half (55%) of the businesses operated by children were owned by other

people - parents, relatives, employers, etc. Since motivation is closely associated with ownership rights, the current status in ownership would imply that a majority of businesses may not facilitate or stimulate the development of entrepreneurship among the children.

**Table 13: Ownership of respondents' businesses**

Ownership	Male		Female		Total	
	no.	%	no.	%	no.	%
Myself	62	53	6	18	68	45
Parents	26	22	16	47	42	28
Relatives	8	7	5	15	13	9
Employer	17	14	7	21	24	16
Partnership	5	4	0	0.0	5	3
<b>Total</b>	<b>118</b>	<b>100%</b>	<b>34</b>	<b>100%</b>	<b>152</b>	<b>100%</b>

**Major findings**

- 45% of respondents owned their businesses
- 28% were owned by parents
- 16% were owned by employers

Closely linked to ownership rights, the appropriation of business profits is another important factor in entrepreneurship development among small business operators. Table 14 shows that a large proportion of respondents (43%) appropriated the profit generated, followed by parents (22%) and employers (18%). Overall, though, the profits generated by over half (57%) of the children's businesses were taken by other groups. Similar to findings on business ownership, the proportion of male respondents who appropriated the profit from the businesses they operated was higher than that of female respondents. Only 15% of female respondents received the profits generated. This implies some critical problems in the rights of children to benefit from the businesses they operate, and this is more of an issue for female children.

**Table 14: Respondents reporting on who takes the profits**

Profit taken by	Male		Female		Total	
	no.	%	no.	%	no.	%
Myself	55	51	5	15	60	43
Parents only	15	14	16	47	31	22
Employer	19	18	7	21	26	18
Relative	14	13	5	15	19	14
Shared	4	4	1	3	5	4
<b>Total</b>	<b>107</b>	<b>100%</b>	<b>34</b>	<b>100%</b>	<b>141</b>	<b>100%</b>

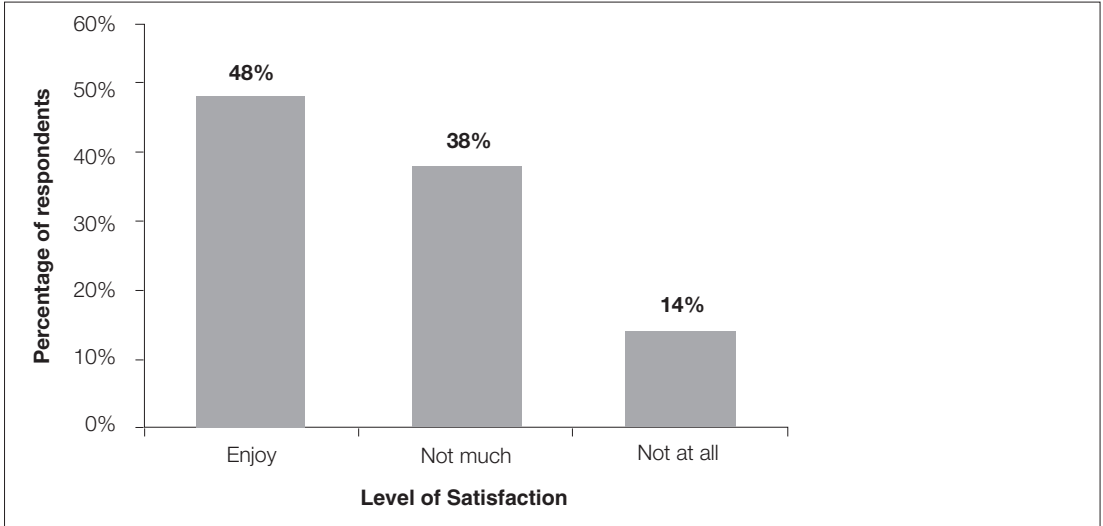
**Major findings**

- 43% of respondents took the profit generated from the businesses.
- Profits for more than 50% of the businesses were taken by parents, relatives or employers.

It is interesting to find that although 45% of the respondents (Table 13) owned their small businesses, only 42% (Table 14) own the profits generated from their businesses. This could only be explained by the fact that in many families in Tanzania, the head of the household controls all of the income generated by members of the household.

Respondents were also asked whether they were satisfied with the businesses they operated. A discussion was held with the respondents on the topic of satisfaction before they were requested to indicate their level of satisfaction on a scale from 'enjoy' to 'not at all'. Figure 4 summarises the feelings of respondents who owned their businesses: 49% of the children enjoyed running their businesses, 37% were satisfied but not very much, and only 14% of respondents were not satisfied.

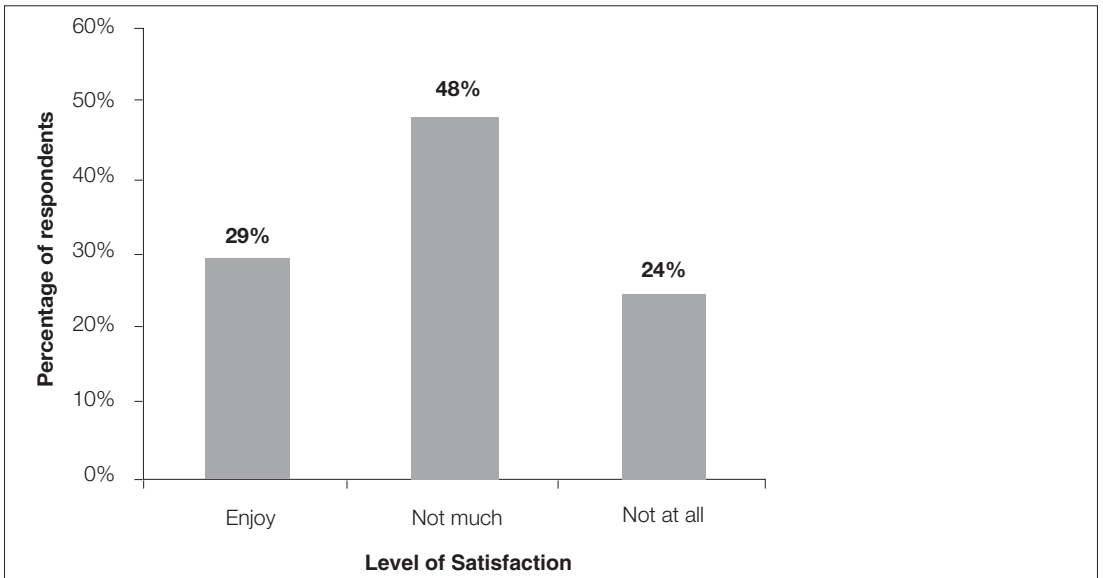
**Figure 4: Level of satisfaction among children who owned their businesses**



Note: n=66

In comparison, Figure 5 shows findings on children's level of satisfaction in running businesses owned by their parents; only 29% of respondents were satisfied while the remaining 72% reported being not much satisfied or not at all.

**Figure 5: Level of satisfaction among children who ran businesses owned by their parents**



Note: n=42

### 6.3.3 Business type

An individual's choice as to what type of business to operate is dependent on his/her personal capacity (knowledge and skills) as well as the financial, technological and other resources that are available. In the current study, respondents were found working in various types of small business including hawking, shop keeping, restaurants, roadside businesses, tailoring, transport services and communication services. As indicated in Table 15, the most common business activities were hawking (58%) followed by shop keeping (28%).

The types of business operated varied markedly by gender. Hawking was far more common among boys (70%) than girls (15%), while shop keeping occupied half of the female respondents. It is also important to note that almost one-quarter of the girls interviewed but no boys at all were found to be working in restaurants, implying that this is mainly an activity for female children.

**Table 15: Types of business run by respondents**

Business type	Male		Female		Total	
	no.	%	no.	%	no	%
Hawking	83	70	5	15	88	58
Shop keeping	25	21	17	50	42	28
Restaurant	0	0	8	24	8	5
Roadside	7	6	3	9	10	7
Tailoring	1	1	0	0	1	1
Transport	2	2	0	0	2	1
Communication	0	0	1	3	1	1
<b>Total</b>	<b>118</b>	<b>100%</b>	<b>34</b>	<b>100%</b>	<b>152</b>	<b>100%</b>

#### Major findings

- The most common business activities were hawking and shop keeping.

Because hawking is typically carried out in difficult conditions and involves walking long distances, the study asked the children who were engaged in hawking whether they were satisfied with their businesses. As shown in Table 16, only 36% of respondents were satisfied with hawking as their occupation. The researchers also asked children who were shop keepers whether they were satisfied with their businesses and again a significant majority (75%) expressed dissatisfaction.

**Table 16: Satisfaction among respondents engaged in hawking or shop keeping**

Level of satisfaction	Hawking (n=88)	Shop keeping (n=72)
Satisfied with	36	25
Not satisfied with	64	75
<b>Total</b>	<b>100%</b>	<b>100%</b>

#### Major findings

- Most respondents were not satisfied with running their small businesses



# Discussion

The main objective of this research was to evaluate the contribution of small businesses to development of entrepreneurship among children. Given the increasing involvement of children in business, it is critically important to understand the role and impact of child work in nurturing their future entrepreneurial talents. To achieve its objective, three topical areas were examined: i) factors that had prompted children into small businesses; ii) the contribution of small businesses to entrepreneurship development; and iii) factors influencing entrepreneurship among children.

Lack of educational and employment opportunities were found to be **factors that prompted children into small businesses**. Children were effectively pushed by their circumstances into small businesses as most respondents had either finished or dropped out of primary school, and had slim chances of continuing onto secondary school or getting employment in the formal sector. This finding is consistent with Mfaume et al. (2004) who report that children engaged in small businesses as a way of economic survival. Strikingly, none of the respondents had ever been involved in farming, despite the potential for gainful employment in agriculture (urban and rural). This could be due to the fact that farming has remained economically unattractive for many years, coupled with the very non-motivating rural life. The 2007 Household Budget Survey shows that agriculture is the least remunerative sector in the economy and households are diversifying into non-farm activities to escape poverty. So the children's lack of involvement in farming may not be surprising.

The study also found that there was a higher probability for children who were living with people other than their parents to be involved in small businesses. Since relatives and other guardians may not have the capacity (money or resources) to support all children to attend school, it is likely that many of these children were left with limited social and economic options. Consequently, they ended up being involved in small businesses to meet their financial needs.

Regarding the **contribution of small businesses to entrepreneurship development**, it appears that small businesses had limited impact on children's vision of business development and profit. Around two-thirds of the children saw little link between their business vision and their current activities. This negative perception may be associated with both the lack of work satisfaction among respondents and the inadequate profits they were appropriating. Observations in the field confirmed the absence of innovativeness and organization; the small businesses operated were characterized by a lot of guess work with respect to the tastes and preferences of customers, pricing, and the availability of customers.

The businesses though do provide the opportunity for children to implement business activities practically. However, most if not all of the children interviewed would never have attended any business orientation course. Beyond their business aspirations, respondents need the knowledge and skills to be able to operate their enterprises successfully. Running a business is both a science and an art. Requisite skills include business management, marketing, financing and accounting, human resource management and informational technologies. They also needed to understand the legal aspects of their businesses. Future policies and programmes on small business development, including initiatives for children,

will therefore need to significantly expand vocational and technical education and training. Some youth initiatives are underway, for example, ILO programmes for the elimination of child labour. However, access remains limited and stronger political and greater investment will be required to expand access to all children in need

The inability of small businesses to impart skills to most respondents could in part be attributed to respondents' dissatisfaction with running their businesses. Moreover, the acquisition of educational benefits was not one of the respondents' objectives for engaging in small businesses. It should also be noted that the children might not have been interested in continuing small businesses in the future. Even if they were interested at present, research has shown that children's entrepreneurial talents are in most cases short lived (Kisker, 2003). Gutner (1994) also found that as children grow older, many lose the entrepreneurial spark. This is not to say that the skills acquired running small business are useless to children. Rather it is important to recognise that the skills gained are generally informal and vary from one enterprise to the next, implying that, without complementary education and training, the knowledge obtained from doing small businesses may remain ad hoc and unproductive.

In evaluating the **factors for entrepreneurship development**, the study found that most business ideas were sourced from other parties which suggests inadequate participation of the children in establishment of their businesses. This could significantly affect the children's sense of ownership and motivation in running the businesses, translating into an unfavourable environment for developing entrepreneurship. However, most of the children who started businesses from their ideas also owned them, which is an indication of the ability of children to turn ideas into practical business activities. Kapitsa (2005) indicates that many young people believe that once given enough resources they could easily establish and successfully run a business enterprise. Kapitsa, therefore, proposes a programme, for instance on the volunteer basis, to mobilise local scientists, entrepreneurs and economists to assess the business ideas generated by youth/children. To stimulate children's creativity, local, regional and national awards could be established to showcase the best business ideas produced.

Cronan (2003) indicates that young entrepreneurs have a much greater chance of being successful when they are satisfied with the work and find it interesting. However, the study found widespread dissatisfaction among the children, especially among the respondents who did not own the businesses they operated. This finding has an important implication. Given that the majority of children were dissatisfied with working in small businesses, this would likely negatively impact the children's entrepreneurial motivation and, in turn, their chances of being successful in their business activities and of earning an income to escape the cycle of poverty.





## Conclusion

The intention of this study was to assess whether children's involvement in small businesses builds entrepreneurship. From analysis of the evidence collected by the study, the following conclusions were drawn:

- \* The involvement of children in small businesses was influenced by a number of socio-economic factors: lack of educational opportunities, lack of alternative occupational activities, the potential for economic gains, and current living arrangements. Weighed on a scale, children seem to have been pushed into small businesses as a result of the economic and social problems they were facing. While this can in part be attributed to the poor economic circumstances faced by most Tanzanian households, it is to a large extent indicative of policy deficiencies regarding education, child development and youth employment.
- \* Small businesses had little influence on the entrepreneurial talents of the children. Although some children displayed some entrepreneurial skills, the respondents did not feel that they originated from running their businesses. Children were also not impressed by the experiences and educational benefits they accrued from the businesses. For youth to succeed in business, capacity building would be essential so as to learn and develop knowledge and skills in business management, marketing, financial control, product handling and hygiene, and other relevant subjects. Strategies to prepare children for productive employment are currently lacking.
- \* The children faced constraints in operating their businesses, such as limited ownership rights and control, inadequate involvement in decision making, and the frequent appropriation of profits by parents, relatives and employers. The types of business that children ran were also characterised by difficult working conditions, such as hawking on the streets. It was not surprising that children's satisfaction with the businesses was low. Care from parents also seemed to be lacking for most of the children interviewed. This situation could be a manifestation of the general lack of social entrepreneurship in Tanzanian society, which is reflected in the "one day yes" attitude<sup>6</sup> that seems to stick in the minds of many people. This in turn leads to the tendency of undervaluing the importance of nurturing and supporting the entrepreneurial talents and efforts of children, which should start with giving young people the opportunity to own and benefit from what they do.

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<sup>6</sup> Hoping for success without proper planning and strategies to achieve.



## Policy implications

Three major policy implications emerge from the research findings.

First, access to secondary school must be expanded to a greater percentage of Tanzanian children. The present 7-4-2-3 structure of the education system needs to be reformed to ensure that children stay in school until they are at least 16 years of age. Since dropout rates are high, strategies are needed to keep children in school, such as school feeding programmes, sports, supply of adequate educational materials, etc.

Second, given that expansion of secondary education will take time, policies and strategies need to be designed to prepare children for life and work after completion of primary school and ensure that they are given adequate vocational skills. The gender-sensitive integration of existing educational policies, youth employment policies and small business development strategies would be a step in the right direction. Policies to nurture and encourage youth entrepreneurship are likely to be more effective if they are closely linked with educational policies, including in the structure and content of school curricula, extra-curricula activities and after-school programmes. Ideally, education and training initiatives would be tailored to the vocational needs of children unable to continue school. Given that children must often operate their businesses during the day, programmes could include evening classes focused on income generation and entrepreneurship. In these ways, children will be better able to support themselves when they come out of schools.

A related strategy could be to involve local businesses in entrepreneurship programmes for children. In so doing, the government could consider fiscal incentives. The resources contributed to these programmes by companies could be relieved of taxation, at least, partially. Again, the design of such programmes should be based on a rigorous assessment of the skills of children and the local demand for products and services they intend to produce. In some countries, the use of business 'incubators' serve as instruments to promote youth entrepreneurship, but they also serve as providers of training, workspace, funding, mentoring and other business services. The media could also facilitate the process by publicising role models for children, which could have a powerful and positive impact on young people's choice of future career.

The third policy issue relates to the need to develop an entrepreneurial spirit and culture in Tanzania, the current lack of which accounts for much of the country's poverty. The frequent conflicts between the local government and young business people in Dar es Salaam are an indication of this serious problem. While the local authorities have no proper plans to support youth, the youth have decided not to observe government regulations. There needs to be an urgent and profound shift from a culture that undervalues entrepreneurship to one that does, which will involve changes in the attitudes, expectations and perceptions among people of all ages. A social revolution is needed and future research will be required to guide how best to initiate and facilitate change.

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# Appendix 1:

## Study questionnaire for children in business

Questionnaire no: \_\_\_\_\_

Date: \_\_\_\_\_

District: \_\_\_\_\_

Respondent's name: \_\_\_\_\_

### A. Respondent's characteristics

Sex: \_\_\_\_\_

Age: \_\_\_\_\_

Living with parents/guardians: \_\_\_\_\_

Education level (specify): \_\_\_\_\_

Ethnicity: \_\_\_\_\_

Business type: \_\_\_\_\_

Year started: \_\_\_\_\_

Location of business: \_\_\_\_\_

Other occupations: \_\_\_\_\_

### B. The origin of the entrepreneurship/source of induction

Who has motivated you to participate in this business?		Who initiated this business idea?		What are the benefits of the small businesses?	
1 Own interest				1 Income	
2 Parents		1 Myself		2 Economic survival	
3 Friends, relatives		2 Parents		3 Help parents	
		3 Friends, relatives		4 Entrepreneurship	

### C. Measuring the future occupational interest of these children

What do you want to do when you grow up?		If the answer is 1) what size of business would you be interested to achieve?		Would you be interested in the same business line in the future'?	
1 Business		1 Big business		1 No	
2 Employed		2 Small business		2 Yes	
3 I don't know		3 I don't know			

### D. Beneficiaries of the business

What is your position in this business?		Do you think the project is profitable?		Who takes the profits generated by the business?	
1 Owner		1 Yes		1 Parents only	
2 Employee		2 No		2 Employer	
3 Family member		3 Not sure		3 I retain the profit	

<sup>7</sup> There is a link between the motivation to become an entrepreneur and the type of business one worked for before actually founding a new organization.

### E. Potentiality to become future entrepreneurs

	1	2	3	4	5	6	7	8	9	10
What is your level of business skills and today compared to when you started the business?										
What is the level of internal motivation in undertaking your business?										
Do you enjoy and find it interesting doing this work <sup>8</sup> ?										
Do you get any incentives from your parents or employers to engage in this business?										
Do you believe this business will help in improving you entrepreneurial talents?										
Do you think small businesses are educative?										

### F. Entrepreneurial qualities

When you started the business were you sure of making a profit <sup>9</sup> ?	Where did you get the capital?	If you were given Tshs 10 million what would you do with it?
1 Yes	1 Loan	1 Expand business
2 No	2 Own savings	2 Invest in a better business
	3 Parents	3 Pay for school fees
	4 Employer	4 I don't know

### G. Schooling and small businesses

How much time per day / week do you spend in this business?	Are you in school? If in school mention school and level	Does the participation in small businesses affect your capacity to participate in studies? <sup>10</sup>
1 Less than 1 hr	School name	1 Not at all
2 Between 1-3 hrs	Grade	2 Not very much
3 Between 3-5 hrs		3 Very much
4 More than 5hrs		4 I don't know

If not in school, why did you stop schooling?	If the answer is 2, would you leave business if you could pay the school fees?	Do you think small businesses are equally educative?
1 Completed std 7	Yes	1 Not at all
2 Lack of school fees	No	2 Not very much
3 Lack of interest	Not sure	3 Very much
4 I don't know		4 I don't know

<sup>8</sup> Young entrepreneurs have a much greater chance of being successful when they enjoy the work and find it interesting (Cronan, 2003).

<sup>9</sup> One of the measurements for risk-taking ability. Three elements measure entrepreneurial quality i.e. risk taking, problem solving skills and profit seeking

<sup>10</sup> Capacity to participate in schools covers i) schooling time ii) reading time at home

**H. Personal opinion**

1. What opinion do you have involvement of children in small businesses?

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2. What educational programmes would be suitable for children in small businesses?

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REPOA's research agenda is concerned with poverty and its alleviation. Our objectives are to:

- develop the research capacity in Tanzania;
- enhance stakeholders' knowledge of poverty issues and empower them to act;
- contribute to policy dialogue;
- support the monitoring of the implementation of poverty related policy;
- strengthen national and international poverty research networks, and forge linkages between research(ers) and users.

It is our conviction that research provides the means for the acquisition of knowledge necessary for improving the quality of welfare in Tanzanian society.

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