

# The Growth of 'Rural Business' and its Impact on Local Society in Zambia

Chihiro Ito

**ABSTRACT** Securing a livelihood in rural Africa has become progressively more complex in the last several decades, as typified by the burgeoning rural non-agricultural sector. Rural society is difficult to understand without considering the non-agricultural sector. Non-agricultural activities include various types of income-earning activity. The rural businesses described in this study engaged in year-round, rather than seasonal, activities. Although the focus of this study is nearly identical to what has been called the 'rural informal sector' and 'micro- and small-scale enterprises', previous studies have examined its impact from a macro-scale perspective, such as by describing the size of the sector in terms of employment volume and enterprise development. Few studies have examined rural business dynamics or their impact on a certain community. This case study of commerce and trade in rural Zambia assessed the characteristics of rural businesses and their impacts on local communities and livelihoods. During a field survey, I interviewed 18 business owners in the study area of rural Zambia. The results indicated that business owners had relatively high-level educational backgrounds and productive assets. They did not commit themselves to one activity, but increased their profits by engaging in multiple economic activities simultaneously. Importantly, the relationship between rural and urban areas, especially neighbouring towns, appeared to be essential for sustaining and expanding rural businesses. The examination of business impact showed that salaried employment provided by shop owners was rare and unlikely to increase. However, temporary labour contracts, piecework, easily met labour demands. Most community members had access to piecework, which served as an essential income-generating activity in the study area. Finally, this study demonstrates the importance of a flexible view of sectoral and geographic mobility in attempts to understand rural livelihood dynamics, relevant impacts on rural society, and development prospects. [*livelihood, rural business, urban-rural dynamics, small town, Zambia*]

## INTRODUCTION

Although the agricultural industry still dominates the labour force in rural Africa, non-agricultural activities have attracted increasing attention (Barrett 2001; Bryceson and Jamal 1997; Reardon 1997). Diversification of livelihood is expected to help alleviate the vulnerability and poverty of rural people and has begun to be incorporated into development policies and foreign aid programmes within the framework of the sustainable livelihood approach (Chambers and Conway 1992). To understand present-day rural African societies and explore possibilities for rural development, the dynamics of non-agricultural activities must be examined.

In the area of rural Zambia examined in this study, each household included members engaged to some extent in non-agricultural activities. Since the 1990s, a portion of the population has engaged in small-scale commerce and trade and service sector employment, resulting in a rapid increase in the number of grocery stores and bars. This economic activity appears to differ from other seasonal activities in terms of capital basis, continuity, and spill-over effects in other households. Previous rural livelihood studies have often lumped such activities into the categories of 'rural off-farm' or 'non-agricultural activities', although more specifically,

the service sector (rather than the industrial sector) has been dominant in the de-agrarianisation process in Africa (Bryceson 1996). Outstanding economic activity has generally not been a focus of rural studies, which, as noted by Oya (2007), have tended to view rural societies as 'undifferentiated aggregates'. Relatively few studies have examined the reality and influence of 'better-off' households in rural society based on empirical data.

Indeed, such socio-economic activity has been only brushed upon by rural informal sector (RIS) and micro- and small-scale enterprise (MSE) studies. The RIS is composed of small-scale private units employing fewer than 10 people that are involved in the production and distribution of goods and services (Bagachwa 1997:141). Members of this sector are informal; that is, they are not registered with the government, they are excluded from official statistics, and their access to market, credit, education, and public service institutions is limited. MSEs are defined as organisations that are involved in income-generating activities besides primary production and employ 50 or fewer workers (McPherson 1996). Within the category of MSEs, micro-enterprises are businesses with 10 or fewer workers and small-scale enterprises employ between 11 and 50 workers. The RIS and micro-scale enterprises are

similar, distinguished only by government registration.

This study uses the term 'rural business' instead of RIS or MSEs for two reasons. One reason is that the presence or absence of government registration has little meaning in such rural activities. For example, the study area contained registered and unregistered stores pursuing the same types of economic activity, so differentiation on the basis of government registration is not ideal in the attempt to characterise the rural economy. Another reason is that previous studies of the RIS and MSEs have not distinguished between seasonal and year-round activities. This study focused only on year-round commerce and trade and service sector employment, regardless of government registration.

Previous studies have focused mainly on the scale of the RIS, the type and extent of employment it provides, and its contribution to national development. A series of studies by Michigan State University and GEMINI (McPherson 1996; Mead and Liedholm 1998; Mead 1994) portrayed the sector as the 'driving engine' for national development and the basis for entrepreneurship and small-scale capitalism.<sup>1</sup> These large surveys across multiple African countries provided descriptive characteristics of the sector. Mead and Liedholm (1998) showed that 17 to 27 per cent of the total labour force of the surveyed countries was employed in the MSE sector, most MSEs were one-person enterprises, commerce and trade was the dominant category, and opening and closure rates of MSEs were very high, especially in rural areas. They argued that micro-scale enterprises in rural areas were less likely to grow than were middle-scale enterprises or enterprises in urban areas (McPherson 1996).

The extent of the sector's development capabilities can be investigated in the context of a livelihood strategy, as rural people engage in non-farm activities to supplement their agricultural income. From this perspective, the expanding non-agricultural sector in rural Africa looks more like short-term risk-minimising behaviour than a trend toward specialisation and division of labour (Bryceson 1996). If this is true, the RIS and MSEs in rural areas may have little chance to develop as a sector/enterprise.

These discussions have helped to illuminate the magnitude and importance of this sector. The sector's growth potential and possible contributions to national economic development have been discussed. However, few studies have examined the dynamics of year-round rural non-agricultural economic activities and their impact on other households and the livelihood system in a certain community as a whole. The present study assessed the characteristics of rural business and its impact on livelihoods from the viewpoint of employment opportunity.

This paper is organised as follows. The two sections that follow describe the fieldwork and study areas. The following

three sections describe findings of the fieldwork, focusing on the characteristics of rural business, the emergence of rural business, and impacts on other households in terms of employment. The final section summarises the results and theoretical contributions of the research.

## METHOD

Fieldwork was conducted in the Lusitu area of Southern Province, Zambia, for 19 months starting in 2006.<sup>2</sup> Basic data on local livelihood were collected through participatory observation and interviews with all heads of household ( $n = 51$ ) in two villages in the study area.

Eighteen shop owners were identified at the two main markets and in other areas where daily activities were carried out. In some cases, a proprietor owned two establishments. In total, the 18 interviewees owned 22 establishments. Interviews were conducted individually. It included questions on the general attributes of the owners, how and why they had started their business, the current situation of their business, other activities in which they were investing and engaging, and basic life histories. Records on wage labour called 'piecework', provided by six shop owners over 30-day period in June and July 2010, were collected to analyse the impact of businesses in terms of employment.

## STUDY AREA

Lusitu is located in the Siavonga District of Southern Province (Figure 1), approximately 150 km south of Zambia's capital city, Lusaka, on a paved road that connects to the district capital, Siavonga. Public buses run every two to three hours, making Lusitu accessible from a number of cities.

The Siavonga District has approximately 70 thousand residents in an area of 3,413 sq. km. Annual population growth between 1990 and 2000 was 4.6 per cent, the highest in Southern Province (CSO 2003). Eighty-eight per cent of the population lives in rural areas. Urban populations are concentrated in Siavonga and Chirundu, on the border with Zimbabwe. Combined, the two study villages had 51 households and 300 residents in 2011. The primary ethnic group in this region and also the dominant ethnic group in Southern Province is the Tonga.

Average annual precipitation in the study area is 630 mm, but precipitation fluctuates substantially from year to year. Since the 1990s, the frequency of below-average annual precipitation has increased. With a low and fluctuating total annual precipitation, the village of Lusitu, and the valley region of Southern Province in general, are characterised as drought-prone (Cliggett et al. 2007)

To cope with the sparse and fluctuating precipitation, people primarily cultivate sorghum and pearl millet, which are more drought-tolerant than the major Zambian staple of maize.

Food production in the study area varied from year to year. Most households were unable to grow sufficient food to carry them through the year, but food security differed widely among households. In each year, some households had surplus food supplies lasting longer than a year, whereas other households experienced food hardships, even when rainfall was relatively high.

Residents in the study area perform various economic activities to make a living. People need cash not only to cope with food deficits, but also to buy everyday commodities and clothes and to pay school fees. Salaried work was found to provide the most stable income; this category included millers and household helpers and cleaners, employed by the Roman Catholic Church or health care clinics.

Self-employment activities can be divided into year-round activities and seasonal or temporary activities. Year-round activities include management of grocery stores and bars, as described in detail below, and carpentry and repair work. Seasonal activities include those of brewers and vendors of vegetables and other processed products.

Casual labour is termed piecework and includes various types of job that fall into two categories: 1) agricultural jobs, including weeding and harvesting; and 2) non-agricultural jobs, including collecting poles for houses and other constructions. Wages vary depending on the type of job and the employer. Agricultural jobs are, in general, the most poorly paid, whereas some jobs that require a skill or experience have high wages. Piecework can be obtained in two ways: 1) employers inform neighbours and friends that certain jobs are available and 2) people experiencing financial trouble or food shortages seek piecework from households with regular or seasonal income, including those with large areas of cotton that need to be harvested.

Working in nearby towns such as Siavonga and Chirundu is also one of the major livelihood activities (Ito 2010). Other sources of livelihood, particularly in times of drought or when a relatively large sum of money was needed, included selling livestock, requesting food from relatives or neighbours, hunting and gathering, and obtaining food aid.

## CHARACTERISTICS OF RURAL BUSINESS

### *Shops and Owners*

The 22 establishments examined in this paper consisted of 12 grocery stores, seven shops that sold alcoholic beverages along with groceries or had an independent bar, one restaurant, one clothes shop, and one shop selling household wares. The grocery stores sold basic goods such as soap, cleaning materials, and cooking oil, as well luxury goods such as sweets and tobacco. Recently, pre-paid cell phone cards, now widely used even in rural areas, and hair extensions for women have appeared in these stores. Although sold in urban areas for some time, these commercial goods were not available in rural areas until recently.

Figure 2 shows the change in shop numbers in the study area over time. It includes only shops that were operational during the study period. Among those, the oldest shop was founded in 1992, and the number of shops has increased since then. Shop owners who started their business in the early 1990s said that, although there were shops prior to the 1990s, the number had increased most rapidly over the past decade.

Most of the shops were located around the main markets along the paved road, with the markets serving as major bus stops in the area. The markets and shops were, therefore, able to include surrounding villagers in their potential customer base.

In Zambia, a trading licence is required to operate an

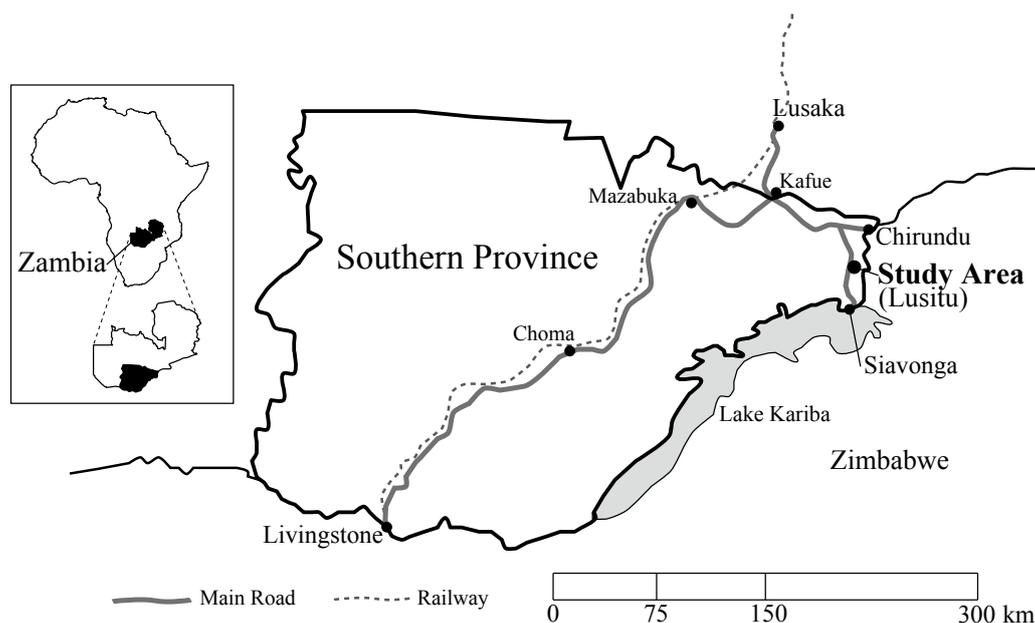
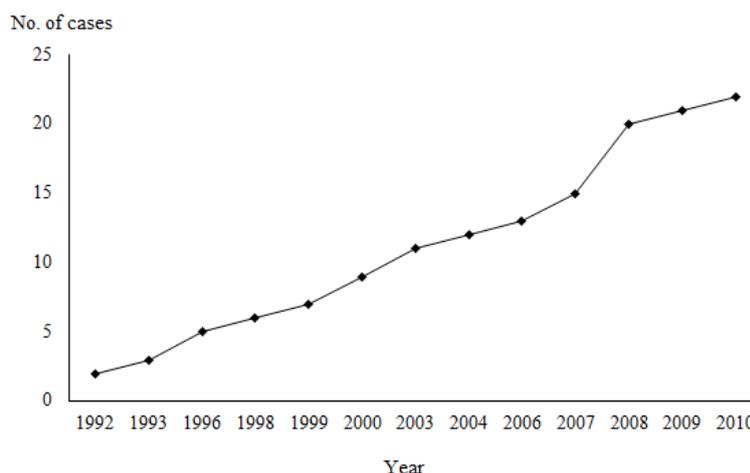
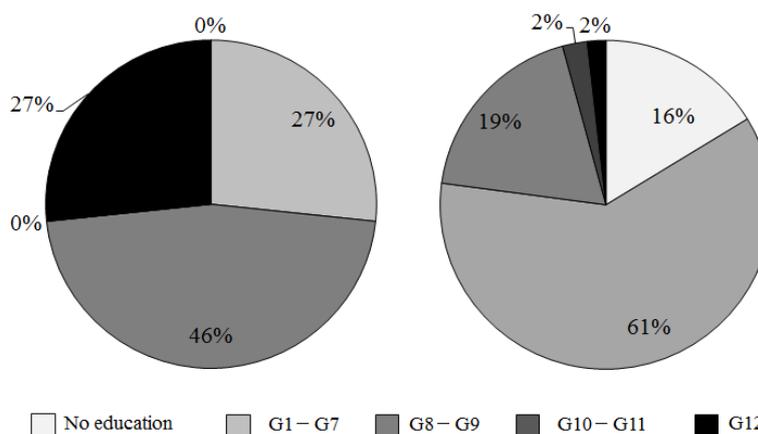


FIGURE 1. Location of the study area.



**FIGURE 2.** Number of shops in the study area by year.

Note: Only operational shops were included.



**FIGURE 3.** Educational background of 15 shop owners (left) and residents over the age of 15 (N = 166) in the study villages (right).

Note: “G” indicates grade.

enterprise. People must apply for this licence at the District Council in Siavonga and pay US\$3.<sup>3</sup> Shop owners must renew their licence every year and it was reported that a council employee would typically come around to check on licences and allow retailers to renew licences that were about to, or had, expired. During the fieldwork period, 19 of the 22 shops had valid licences for the year and the other three shops had expired licences that had not been renewed for one or two years.

The 22 shops were owned by 18 people, 16 of whom were male and two of whom were female. The average age of the owners was 36.8 years (max. 43, min. 22). Of the 18 shop owners, 16 had been born in and still resided in the study area. The remaining two owners came from other regions; one was a high school teacher presently living in the study area, and the other was a bus driver living in Siavonga.

Figure 3 shows the educational background of the shop owners and the population over the age of 15 years in the study villages. Compared with the average of the study villages, the shop owners had a relatively high level of education.

It was difficult to gather detailed information on income

because the shop owners did not normally keep financial records and seemed fearful that such information might be leaked. Only three owners provided any data on income, which ranged from approximately US\$20 to US\$300 per month. They indicated that their income varied seasonally, depending on the agricultural income of farmers.

Figure 4 describes landholdings of seven shop owners and households in the study villages. The average size of a landholding was 3.1 ha in the study villages. However, the average size of a landholding of a shop owner was 7.2 ha (max. 17.2 ha, min. 3.4 ha). Additionally, about half of the shop owners owned cattle although only 20 per cent of farmers in the study villages owned cattle. It was therefore common for villagers without cattle to barter with cattle-owning households using money or labour. However, working in another’s fields kept workers from tending their own fields. In addition, respondents reported that it was difficult for people to increase their productivity without cattle.

**MULTIPLE ECONOMIC ACTIVITIES: AGRICULTURE,**

### BUSINESS EXPANSION, AND TOWN CONNECTIONS

The field research showed that shop owners did not limit themselves to just one economic activity. Agriculture, which has long been the main livelihood activity in the area, was one of the additional revenue streams of shop owners. In particular, they commonly engaged in cash crop production on a larger scale, which some shop owners had done even before starting their business. Cotton is a major cash crop in the study area because its production is easy to initiate. In contrast, sorghum is sold to seed distribution companies and requires knowledge and techniques of breed variety control. Thus, farmers must be trained as seed producers and have access to land and a large labour force. Among the 18 shop owners, eight grew sorghum, a much higher proportion than in the study villages as a whole. For example, D.M. owned 17 ha of land and nine head of cattle; in the 2008/09 agricultural season, he earned US\$950 from cotton and US\$190 from sorghum. By comparison, the average cotton profit in the study village was US\$115.<sup>4</sup>

During the rainy season, some shop owners worked in their fields with their family and returned to their shops before noon. Others did not go to their fields at all, leaving the agricultural work to their wives, children, and paid workers. There appeared, however, to be no tendency to stop farming and concentrate on shop management, as evidenced by their discussion of plans for what to plant in the next year in conversations with the author. This indicates that agriculture is still an important livelihood component for shop owners, both commercially and in terms of household consumption.

Some shop owners extended their businesses based on the capital accumulated through agriculture and retail. For example, J.M. started his grocery store in 2000 and owned two shops. In 2008, he bought his first milling machine and built a new room for his 'Hammer Mill' next to his shop. Before that, there had been only one milling machine in the area, which was owned by the church. Each day, women would form long

lines at the church mill, waiting for their turns. J.M. saw an opportunity and decided to buy his own milling machine. In 2010, he bought a second milling machine.

Recently, shop owners have also begun to engage in real estate management. The study area is home to teachers and other professionals working in the school and health clinic. The government provides homes for these workers, but the poor quality and insufficient number of houses were problems. W.H. recognised this as a business opportunity. He invested his money in construction material and built two rental houses. He received US\$70 and US\$120 per month from the respective rental houses. Because government workers are often sent to rural areas for short periods, building their own homes is not a viable option; thus, they appreciate temporary accommodations. Similarly, M.M. built six rooms and charged US\$12 per month each.

Business expansions have extended beyond the strictly rural area. W.H. bought a plot in the neighbouring town of Chirundu and built a rental house, which he currently rents for US\$140. A.M., who already owned a grocery shop with a bar, bought a plot in Chirundu and built a second shop.

A relationship with urban areas was essential for sustaining daily management of the shop. Most of the shop owners who started in the 1990s claimed that the number of shops had increased overall and that there was little profit from each shop at present. What made them continue their businesses was the presence of customers outside the villages. Almost all of the public buses running between Lusaka and Siavonga stop at the shops along the paved road. Bus drivers, conductors, and passengers buy pre-paid phone cards and beverages from these shops. A.M., who started his shop in 1995, explained that he began targeting urban customers because rural customers alone did not provide him with sufficient profit. He began to prepare beverages that rural customers could not afford to buy, but that more affluent urban customers could purchase. Urban dwellers,

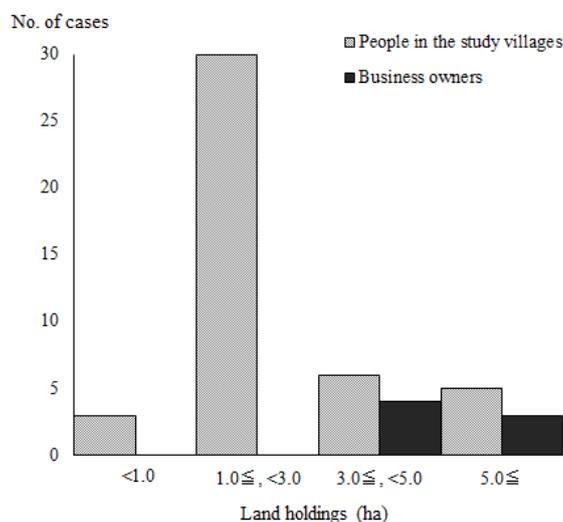


FIGURE 4. Landholdings by residents of the study villages (N=44) and by shop owners (N=7).

mostly from Chirundu and Siavonga, arrived to drink at his bar on weekends. These customers were usually his friends, relatives, or business colleagues.

### THE EMERGENCE OF RURAL BUSINESS

Why has rural business become popular? This section will examine the process by which rural business has emerged by analysing the life stories of individual shop owners and socio-economic changes in Zambia.

#### Case 1: A.M. (Male)

A.M. was born in 1972. In 1991, A.M. went to Mazabuka, one of the largest cities in Southern Province, to look for employment. He found work but suffered from illness. His brother, who was working in Lusaka, brought him back in 1992. After A.M. recovered, he decided to start a business in Lusaka. He rented a plot of land and sold beer at the compound. However, because there were plenty of similar bars in Lusaka, he felt he had no chance of enhancing his business there. Realising that few such shops operated in his village at that time, he decided to start his own. He returned to the village in 1995 and built his first shop that year with money he had earned in Lusaka.

A.M.'s grocery shop and bar is one of the largest shops in the study area in terms of the variety of commodities for sale. A.M.'s previous work experience in Lusaka enabled him to start his present business with know-how and funds.

#### Case 2: C.S. (Male)

C.S. was born in 1973. C.S. went to high school in Ndola, the capital of Copperbelt Province, where his cousin paid his school fees. He graduated in 1995. He remembered that getting a job in Ndola was difficult without a college or university degree at the time; therefore, he went to his cousin's home in Chirundu. His cousin had a banana farm and a retail shop at the market. From 1996 to 1998, C.S. helped his cousin at the shop. He had once planned to go to teacher's college, but he could not earn enough money for the fees. In 1998, he decided to go back to his village to start his own business.

C.S. has one grocery shop. After working at his cousin's shop, C.S. wanted to focus on a 'business of his own' as an alternative to becoming a teacher.

#### Case 3: W.H. (Male)

W.H. was in his thirties. W.H. graduated from high school in 1994. He applied to Zambia Railways but was not hired. He also could not afford transportation to Lusaka to look for employment because his family was poor. He stayed in the village for a year after he graduated from school. In 1994 he decided to start his own shop because many people were having difficulty finding basic commodities in the village at that time. He sold his chickens and erected a small stand, which grew over time. In 1997, he began growing sorghum as a cash crop. In 1998, he built another shop with a bar along the road.

Presently, W.H. has two shops which, along with A.M.'s shop,

are some of the largest in the area. W.H. is open to new ideas. For example, he was one of the first proprietors to put a TV in the shop to attract the customers. Now he has invested in rental housing in both the village and town. In addition, W.H. conducted transactions with the sorghum seed company on behalf of the community until 2009 and is still a leader in a group of producers contracted with the company. He is, therefore, remarkable for his business talent in the study area. His success in the village could be seen as stemming from his failure to get a job in Lusaka. Because he could not find a job in Lusaka, he turned to new opportunities inside the village which allowed him to ply his talents to other economic activities.

There are two obvious ways to start a business: one is to use accumulated cash and experience through migration; the other way is to start with small funds obtained through cash crop production or livestock sale. However, motivations and incentives for launching retail outlets varied amongst the individual proprietors. These stories can be understood better through examining the larger context of Zambian economics and society at the time.

The shop owners in this study were born in the 1970s and early 1980s. They were in their 20s and 30s, the prime of their lives, in the 1990s, which was a transitional stage for Zambia. In 1991, Zambia shifted from a one-party socialist system to a multi-party democratic system. The new government accepted the Structural Adjustment Programmes (SAPs) of the International Monetary Fund and World Bank and promoted market-oriented economic reform.

Typical impacts of the SAPs included an increase in urban unemployment and in the number of urban poor due to the privatisation of government enterprises, higher consumer prices, and lower wages. SAPs pushed many low-income urban dwellers into poverty, leading to a decrease in migration to major cities in favour of migration out of urban centres to rural areas (Potts 1995; 2005).

Neither W.H. nor the other respondents directly mentioned the impact of the radical changes in the Zambian economy, but the difficulty of finding jobs for W.H. in Lusaka and C.S. in Ndola was likely linked to the upheaval of the 1990s. Zambian Railways, where W.H. applied for employment, was one of the public enterprises targeted for privatisation. Ndola in Copperbelt, where C.S. was looking for employment, was one of the major cities affected by the negative impact of SAPs. The case study of A.M., who was engaged with the informal job sector in Lusaka, also reflected the general situation of the time, when increasing numbers of people were turning to the informal job sector because of fewer available jobs in the formal job sector.

However, A.M. reported that one reason he had returned to the village is that there were better business opportunities in

the rural area. Similarly, C.S. explained that his return to the village was motivated by a desire to start his 'own business' after he had worked in the nearby town. These individual stories show not only that rural people returned to their villages to cope with Zambia's harsh urban conditions in the 1990s, but also that they had discovered positive reasons for starting their own businesses in these rural areas with their experiences including know-how and funds accumulated in the destinations.

## THE IMPACT OF RURAL BUSINESS ON LOCAL SOCIETY

### *Employment*

Shop owners provided two types of employment: salaried and piecework. Four of the shop owners in this study offered salaried employment. One reason was that two of the shop owners held other jobs (one was a teacher and the other was a bus driver) and could not run their shops by themselves. The other two were J.M., who employed two milling machine operators, and A.M., who employed a bartender. J.M. paid US\$24 to each operator every month.

The average number of people working in a shop was 1.8. Of those working in a shop, 55 per cent were categorised as 'owner', 33 per cent as 'unpaid family worker', and 12 per cent as 'paid worker'. Therefore, most of the shops were managed by the owners themselves with help from family members. Salaried employment was rare.

The owners of multiple shops tended to refrain from employing workers; for example, W.H. had previously employed three workers, but he fired them for stealing. Because of his difficulty finding trustworthy labour, he asked his wife and eldest daughter to tend one of the shops. Similarly, A.M. reported that his bartender had 'cooked the books'. Because he also ran the grocery store, the bartender was responsible for nearly all services. A.M. asked him to keep the accounts, which A.M. would check each week. Once, when I encountered A.M., he was checking the books with the bartender. The number of beers sold and the amount of stock remaining were unbalanced. After the bartender left, A.M. said: 'they are always cooking the books. The grocery was more difficult to manage because of the higher variety of commodities than the bar, I cannot give over this job'.

Although shop owners rarely employed full-time workers, piecework employment often helped them to cope with the labour demands of their shop and cash crop production. During the rainy season, shop owners engaging in cash crop production required labour for weeding and harvesting. For example, D.M. had 17.5 ha of land and provided 22 piecework opportunities from December to February during the 2008/09 agricultural season. The total amount paid reached US\$87. The average amount paid per job was about US\$4. Although this amount is small, for those lacking food and money, it

represented valuable income during a lean period.

Agricultural piecework such as cotton picking was also available during the early dry season; however, other non-agricultural piecework also became available in the dry season. For example, from 26 June to 26 July 2010, six shop owners provided 19 piecework jobs to a total of 66 workers. Of the 19 jobs, nine were related to building and construction and five were agricultural. The others included technical jobs such as painting and welding, and household jobs such as collecting firewood. Employers sought out workers in 14 cases, and were approached for employment in five cases.

Table 1 describes the characteristics of piecework. The average number of employees per case was 3.5. Normally, a small number of people would be employed, with one exception in which 24 were hired; in that case, the local soccer team asked a shop owner to employ them so they could earn operating capital. The average number of working days per case was less than a week. There were some cases in which the jobs were finished in a few hours or a day. The average amount paid per worker per case was US\$18, which was higher than the average amount paid during the rainy season.

The results show that shop owners paid an average of US\$135 for piecework in this month-long period. In Zambia, local government officials earn, on average, US\$76 nationally and US\$40 in rural areas. This indicates that shop owners in the study area could afford to pay almost double the salary of local government employees.

It appeared that a code of ethics for managing and working for a business had not been established, as evidenced by the lack of trust of salaried employees. In this situation, piecework offers a better choice for shop owners to meet their labour demands.

### *Limited impact?*

It might be assumed that employment opportunities are not distributed equally. Here, I discuss the distribution of business impacts by analysing social relationships and piecework tendencies. Table 2 shows the distribution of workers who were employed in piecework provided by D.M. during the rainy season, based on their social relationship to the employer and their residence. Of the employees, 36 per cent had blood kinship with D.M., among those, his nephews or nieces were predominant. Eighteen per cent were friends and neighbours and 36 per cent had no blood kinship. This result indicates that piecework was available to people outside familiar social groups. During the rainy season, especially around the pre-harvest period from December to February, shop owners and households subsisting on salaried work often needed to employ wage labour. People reported that it was easy to get piecework during the rainy season because demand was high and therefore farm owners would hire workers regardless of kinship.

Table 3 describes the distribution of workers who were employed in piecework provided by six shop owners over a month during the dry season, based on their social relationship with the employer and their residence. The largest sub-group of the 26 people employed consisted of neither family nor friends of the employer. Indeed, employers sometimes did not even know the names and residences of their workers, but would still assign piecework to them if they had jobs available.

The number of cases characterised by a maternal uncle and nephew relationship was higher than any other kinship relationship. Tonga people traditionally have a matrilineal society. Resettlement due to the construction of the Kariba Dam has weakened the matrilineal system in the study area (Colson 1971). This study also confirms that the proportion of land inheritance from the mother's side was smaller than that from the father's side. In daily life, however, the matrilineal relationship appeared to have an essential role in resolving economic and social problems. Therefore, it is important to note that traditions of family influence often facilitate piecework distribution.

There were some cases in which a shop owner would ask for technical or specialised work by certain workers, regardless of blood relationship. For example, W.H. asked M.S., a young man living in the village, to conduct welding and painting

work. If W.H. required work to be done on his shop or houses, he called M.S. by mobile phone and asked directly. M.S. has a wife and children and makes a living from piecework only. M.S. said: 'we are not in the kinship relationship, but when I first worked for him, W.H. liked how I worked. After that, he always called me when he has something to be done'.

Notably, piecework is accessible to everyone, even if the employer does not necessarily know the names of everyone he employs. There is a tendency, however, toward a biased distribution among close relationships, especially in the case of technical or specialised jobs. Long-term data are needed to fully understand differences in access to piecework.

## CONCLUSION

This study focused on year-round commerce and trade and service sector employment in rural Zambia, describing their characteristics and impacts on rural society. A prominent feature of this research was that business owners did not limit themselves to one income-making activity. Rather, they made profits from simultaneously engaging in multiple economic activities. Furthermore, business expansions extended beyond the strictly rural area and neighbouring towns were new places for investment. In addition, urban residents from the nearby towns passing through the study area were important because

**TABLE 1.** Characteristics of piecework provided by six shop owners from the period from 26 June to 26 July 2010 (N=19).

	Ave.	Max.	Mini.	Medi.
No. of workers per case (person)	3.5	24	1	2
No. of working days per case (day)	4.7	30	1	2
Amount paid to each person per case/ZMK (US\$)	92,184 (18)	680,000 (135)	5,000 (1)	25,000 (5)
Total amount paid per case/ZMK (US\$)	217,632 (43)	1360,000 (269)	5,000 (1)	69,000 (14)

**TABLE 2.** Number of workers hired for piecework by D.M. during the rainy season, by social relationship with employer and residence.

	Same village <sup>1)</sup>	Same region/ Other village <sup>2)</sup>	Other region	Others <sup>3)</sup>	Total
Kinship Relationship	3 (13.6)	4 (18.2)	0	1 (4.5)	8 (36.4)
Matrimonial Relationship	0	2 (9.1)	0	0	2 (9.1)
Friends/Neighbours	0	4 (18.2)	0	0	4 (18.2)
Others <sup>4)</sup>	1 (4.5)	7 (31.8)	0	0	8 (36.4)
Total	4 (18.2)	17 (77.3)	0	1 (4.5)	22 (100)

Note: Percentage in brackets.

1) Same village as employers.

2) Villages in Lusitu.

3) Including cases in which the informants (employers) did not know where the employees lived.

4) Including cases in which informants (employers) said that they had no relationship to workers.

**TABLE 3.** Number of workers hired for piecework by six entrepreneurs from 26 June to 26 July 2010 by relationship with employer and residence.

	Same village <sup>1)</sup>	Same region/ Other village <sup>2)</sup>	Other region	Others <sup>3)</sup>	Total
Kinship Relationship	1 (2.3)	7 (16.3)	0	0	8 (18.6)
Matrimonial Relationship	1 (2.3)	3 (7.0)	0	0	4 (9.3)
Friends/Neighbours	1 (2.3)	3 (7.0)	0	1 (2.3)	5 (11.6)
Others <sup>4)</sup>	1 (2.3)	12 (27.9)	8 (18.6)	5 (11.6)	26 (60.5)
Total	4 (9.3)	25 (58.1)	8 (18.6)	6 (14.0)	43 (100)

Note: Percentage in brackets.

1) Same village as employers.

2) Villages in Lusitu.

3) Including cases in which the informants (employers) did not know where the employees lived.

4) Including cases in which informants (employers) said that they had no relationship to workers.

they were wealthier and could afford to buy more expensive goods and services. Therefore, the relationship between rural and urban areas, especially between neighbouring towns, is essential for sustaining and developing rural business.

Most studies have explained the rise of non-agricultural activities in rural households as resulting from harsh economic conditions caused by decreasing agricultural income and increasing demand for cash. However, the case studies presented here show that the present study suggest that the above explanation fails to capture and appreciate the agency of individuals and the complex dynamics in the changing society. It is true that most of the shop owners had experienced Zambia's drastic socio-economic changes in the 1990s, such as the degradation of the urban economy caused by SAPs. As a result, they could not obtain work in the formal sector and some engaged in informal job sector in major cities, even when they had high education levels. However, they did not give up and flee for home. Instead, they saw new opportunities for starting their own business in the rural area, based on the experience and funds they had accumulated in urban areas or through commercial agriculture.

Their attempts were supported and fostered by the development of neighbouring small towns. Positive impacts of economic liberalisation and regionalisation since the 1990s have helped develop Siavonga and Chirundu, which have attracted many migrant workers from the study area (Ito 2010). As towns have developed, traffic volume passing through the study area has also increased. Shop owners can make better profits from urban customers with stable salaries than from rural customers with fluctuating incomes. Thus, 'rural businesses' have emerged from an increase in the comparative advantages of rural areas and the degradation of major urban economies. Such businesses have also been supported by the

development of regional towns and the entrepreneurial spirit of rural people.

Most of the enterprises in this study were very small. Shops tended to be managed by the owners and their family members. Owners rarely provided salaried employment because of the common problem of workers stealing from their employers. Instead, shop owners often employed temporary labour. Piecework serves as an essential income-generating activity in the study area. In particular, during the rainy season, piecework appeared to work as a food security system for households with insufficient food stocks. Previous studies have suggested that the lack of salaried workers would constrain the development of rural enterprise. Although most statistics use the number of paid workers as a measure of enterprise development, the piecework system provided by the rural 'rich', which is not represented in these statistics, was an essential livelihood system in the community.

Furthermore, rural business activities have had less visible effects on the study area, such as the development of a multi-layered rural-urban network. At present, even rural residents who do not migrate and possess no urban connections are linked with the urban context through the rural business community, whose funds and economic activities are deeply entrenched in urban markets and society. Thus, the socio-economic impacts of urban areas are transmitted to rural societies with greater complexity and speed than has hitherto been realised.

The rural business activity discussed in this paper has been previously categorised as 'non-agricultural activity' or slightly addressed by RIS or MSE studies. Previous studies have discussed the possibility of development of this sector from unilinear development theory. However, the present study revealed cross-sector features of rural business between

agricultural/non-agricultural, formal/informal, and urban/rural sectors, which previous studies have often overlooked. Analysis based on a single sector or a strictly 'rural' context is insufficient to understand the dynamics and impact of rural business. To understand this dynamic form of rural livelihood, its relevant impacts on rural society, and its potential for development, investigations should use a flexible perspective based on the recognition of sectoral and geographic mobility.

## NOTES

**Acknowledgements.** I feel great thanks to all the rural business owners and the villagers in Lusitu for their hospitality and cooperation to my research. I am particularly grateful for the insightful comments provided by two reviewers.

1. The Growth and Equity through Microenterprise Investments and Institutions (GEMINI) project is funded by the United States Agency for International Development (USAID) and conducted mainly by researchers from Michigan State University.
2. After the field survey, Lusitu was incorporated into Chirundu District, Lusaka Province in 2013 due to realignment.
3. Zambian currency was converted to US\$ using the June 2010 rate: US\$1 = 5,050 Zambian Kwacha. The amount required differs by business category; US\$3 was required for retail shops, the most common shop type in the study area.
4. In 2008, the price of cotton was 1,220 Zambian Kwacha (ZMK) per kilogram and that of sorghum was 96,000 ZMK per 50 kilograms.

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- Chihiro Ito Graduate School of Urban Social and Cultural Studies, Yokohama City University 22-2, Seto Kanazawa-ku, Yokohama, Japan. c\_ito@yokohama-cu.ac.jp**