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Exploring The Role Of Family Businesses In Creating Employment For Their Own Children And Youth In Malawi

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Abstract:
Youth unemployment remains a persistent challenge in Malawi, exacerbated by rapid population growth and limited employment opportunities. Although various government interventions have been implemented, their impact has been inadequate, prompting the need for alternative solutions. This study explored the role of family businesses in mitigating youth unemployment by comparing employment outcomes between youth from families with and without established businesses. A cross-sectional exploratory comparative design was adopted, using purposive non-probability sampling to select 62 youth participants—31 from each group. Data were collected using structured questionnaires administered online using Kobo Toolbox. Descriptive statistics (frequencies and percentages) and a chi-square test were used to analyse the data. The results revealed that 93.5% of the youth from business-owning families were employed, with 54.8% working within the family business. In contrast, only 54.8% of youth from non-business-owning families were employed, primarily in external settings such as government or private sector. These findings highlight the potential of family-owned enterprises to serve as a buffer against youth unemployment. The study recommends promoting policies and programs that support the growth and sustainability of family businesses as a targeted strategy to improve youth employment outcomes in Malawi.
Keywords: *Youth unemployment; family business; comparative study; employment outcome*

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I. Introduction

Youth unemployment remains one of the most pressing socio-economic challenges in developing countries, particularly in Africa. Slow economic growth, skills mismatches, limited private-sector expansion, and rapid population growth continue to restrict job creation (ILO, 2023; World Bank, 2023). Recent reductions in foreign aid—such as the withdrawal of USAID support—have further weakened youth employment and entrepreneurship programs, intensifying competition for the few formal jobs that exist (The Guardian, 2025). Malawi reflects this crisis, with youth unemployment rates (27.5% for ages 15–24; 23% for ages 15–34) exceeding the national average (IITA, 2024). Prolonged joblessness not only heightens poverty and social vulnerability but also undermines national productivity and long-term development (ILO, 2021). Although government initiatives such as Graduate Internships, TVET programs and youth-targeted agricultural initiatives have been implemented to improve youth employability (GoM, 2022), their overall impact remains inadequate(IITA, 2024). Given the ongoing challenge of youth unemployment, there is a growing recognition of the need for alternative and complementary employment pathways that extend beyond state-led or donor-supported efforts. One such pathway that remains underexplored in the Malawian context is the role of family businesses in absorbing young people into employment. Globally, family-owned enterprises are major contributors to job creation due to their long-term orientation, resilience, and ability to employ younger family members through apprenticeships and leadership succession (PwC, 2022; European Family Businesses, 2020). Evidence from Asia, Europe, and the United States shows strong traditions of youth involvement in family firms (Honda, 2020; BMW Group, 2021; Jackson & Roberts, 2023). Guided by Social Capital Theory (Putnam, 2000), this study posits that bonding social capital—strong intra-family networks—may provide youth with employment opportunities, business exposure, and economic security. In Malawi, where 68% of children live with both parents (NSO, 2017), the family remains a central support system and could play a significant role in addressing youth unemployment. Despite the global evidence, little is known about whether youth from business-owning families in Malawi have better employment outcomes than those from non-business families. This gap limits both policy and academic understanding of how family enterprises can contribute to youth employment. This study therefore examines the relationship between family business ownership and youth employment outcomes in Malawi, comparing employment status between youth from business-owning families and those from non-business households.

Research questions

- Is there a difference in employment outcomes between youth from family business-owning households and those from non-business-owning households in Malawi?
- How do youth perceive job security in family businesses, government jobs, and non-family businesses?
- What are the key challenges perceived by youth engaged in family-owned businesses?

Research objectives

- To assess employment outcomes between youth from households that own family businesses and those from non-business-owning households in Malawi.
- Examine youth perceptions of which type of employment offers the most job security.
- To identify the challenges perceived by youth working in family-owned businesses.

II. Literature Review

Youth Unemployment: A Global, Regional, and National Perspective

Youth unemployment remains a pressing global development challenge, particularly in low- and middle-income countries where labour markets are unable to absorb the growing number of young people entering the workforce (International Labour Organization [ILO], 2023). Globally, the youth unemployment rate stood at 13% in 2023, marking the lowest in 15 years (World Economic Forum, 2024). Despite this positive trend, youth in many parts of the world continue to experience high levels of unemployment, which hinder economic mobility and social inclusion.

In Africa, the situation is especially concerning. The continent has the youngest population in the world, with over 60% of its population under the age of 25 (African Development Bank [AfDB], 2022). In 2024, an estimated 11.2% of African youth aged 15–24 were unemployed, according to Statista (2024). However, this average masks regional disparities. The youth unemployment rate in Southern Africa is among the highest globally, with 51% of young women and 43% of young men unemployed (Population Reference Bureau, 2024). In Sub-Saharan Africa, the gap between youth population growth and job creation has widened over the past decade. In Malawi, the youth unemployment crisis mirrors regional patterns. According to recent data from the International Institute of Tropical Agriculture (IITA, 2024), youth unemployment in Malawi remains higher than the national unemployment rate of 20.4%, with 27.5% of youth aged 15–24 and 23.0% of youth aged 15–34 unemployed. These statistics reflect the country's ongoing struggle to integrate young people into the economy, despite various policy and programmatic interventions. Recent shifts in international aid have further worsened youth employment outcomes in Malawi. The withdrawal of funding from major development partners, particularly the United States Agency for International Development (USAID), has led to the collapse of several donor-funded programs that previously absorbed large numbers of youth into formal and semi-formal employment. According to *The Guardian* (2025), Malawi has been severely affected by the freeze in U.S. foreign aid, with over 4,000 healthcare workers losing their jobs, many of whom were youth employed under NGO contracts and donor-supported health projects. These jobs were particularly important as they often served as the first entry point into the workforce for young graduates. Beyond health services, the suspension of USAID-backed initiatives also resulted in the closure or scaling down of youth-targeted projects in education, civic engagement, entrepreneurship, and agricultural extension. For instance, several university students reliant on USAID bursaries—especially from public institutions like Lilongwe University Agriculture and Natural Resources and Malawi University of Science and Technology—were forced to withdraw due to loss of financial support (VOA News, 2025). This has limited access to higher education and consequently undermined long-term employment prospects for disadvantaged youth. The loss of these programs not only reduced immediate job opportunities but also weakened the systems meant to build youth employability. Many of the affected projects offered vocational training, small business support, and mentorship, which are critical in bridging the gap between education and work in Malawi's limited labour market. As such, the USAID withdrawal has intensified competition for scarce formal sector jobs and increased the vulnerability of youth unemployment. Given this backdrop, the current study underscores the need to explore alternative and community-based employment pathways. Over the past decade, the Government of Malawi and development partners have launched numerous initiatives aimed at improving youth employability. These include technical and vocational education and training (TVET), entrepreneurship support programs, and youth-targeted agricultural initiatives (National Youth Policy, 2021; World Bank, 2022). However, attempts to address youth unemployment in Malawi have been inadequate (IITA, 2024). Given this ongoing challenge, there is increasing interest in identifying alternative employment pathways that can complement job creation efforts in Malawi.

Consequences of Youth Unemployment

It is imperative to highlight the consequences of youth unemployment in order to fully grasp the severity of the issue. While many studies focus on the causes and dynamics of youth employment, they often overlook the broader social and economic effects that prolonged unemployment has on young people and society at large (Matsumoto et al., 2012).

In Malawi, where the labor market is not absorbing the growing youth population, it translates into missed opportunities for innovation, entrepreneurship, and expanded tax revenue. Socially, high youth unemployment increases the risk of crime and antisocial behavior. A significant number of crimes such as murder, suicide, burglary, and robbery are committed by unemployed youth aged 18–25 (Nation Online, 2024). Prolonged unemployment also contributes to increased rates of early marriage and risky migration, as youth seek survival strategies in the absence of secure work (Population Reference Bureau [PRB], 2024). Overall, the persistence of youth unemployment in Malawi undermines the country's efforts toward achieving inclusive development and poses a threat to social cohesion. This underscores the need for both state and non-state actors to explore innovative, community-based employment solutions, which may offer more accessible and sustainable job pathways.

The Contribution of Family Businesses to Employment Creation

Family businesses represent one of the most significant yet often underappreciated drivers of employment and economic growth globally. According to PwC (2022), family-owned enterprises generate employment at twice the rate of non-family businesses. This ability is largely attributed to their long-term orientation, commitment to local economic development, and resilience in times of crisis. Globally, more than 60% of workers are employed in family-owned businesses, which also contribute approximately 70% of global GDP (PwC, 2022). These businesses are deeply embedded in their communities and often pursue strategies that prioritize sustainability and generational succession over short-term profits, making them vital engines for inclusive economic development. Bajpai et al. (2021), reported that family businesses in Europe showed resilience throughout the COVID-19 pandemic more than other enterprises and suggesting that the resilience is what will make family businesses the engine of the global economic recovery from COVID-19. The European Commission promotes business-friendly taxation, streamlined company regulations, and entrepreneurial education to create a favorable environment for family businesses within the European Union (European Commission, n.d.). As a result, family businesses constitute between 65% and 80% of all companies in the EU and contribute approximately 40% to 50% of total employment (European Family Businesses, 2020). Similarly, in the United States, the formation of the Congressional Family Business Caucus in 2022 signals a growing recognition of the need to address legislative barriers—such as tax laws—that affect family enterprises (Tharawat Magazine, 2023). This supportive policy environment has enabled U.S. family businesses to make a substantial economic impact, contributing 64% of the nation's gross domestic product (GDP), 62% of total employment, and 78% of all new job creation (Tharawat Magazine, 2023).

At company level, several leading multinational corporations began as and continue to operate as family-run businesses. For instance, Walmart, owned by the Walton family, employed over 2.3 million people globally as of 2022 (Walmart, 2023). Such scale is not unique—other family-owned firms like Volkswagen, Tata Group, and Cargill also contribute significantly to global employment (Family Capital, 2022, August). Importantly, family businesses are not just sources of employment for the general public; they are also instrumental in employing and empowering younger generations within the family unit, particularly in countries where youth unemployment remains a major challenge. Research by Rachmadana et al. (2021) emphasizes the intergenerational role of family businesses in employment, noting that these enterprises are often inherited by the next generation and act as platforms for skill-building, leadership grooming, and stable employment. In Asia, Toyota remains under the guidance of Akio Toyoda, the grandson of the company's founder, Kiichiro Toyoda (Sano, 2021). Similarly, Lee Jae-yong, the current executive of Samsung, represents the third generation of the founding family (Kim & Park, 2020). At Honda, the founder's grandson, Takahiro Honda, continues to play a strategic role (Honda, 2020). These examples underscore the deep-rooted culture of succession planning in Asian family businesses, where younger generations are not only integrated into operational roles but also prepared to lead and expand the business. In Europe, several long-standing family firms continue to thrive under multi-generational leadership. At L'Oréal, Françoise Bettencourt Meyers, granddaughter of founder Eugène Schueller, serves as chairperson and is actively involved in strategic oversight (L'Oréal, 2021). In Germany, the Quandt family, represented by Stefan Quandt and Susanne Klatten, maintains major influence in BMW, helping guide the company's vision and innovation (BMW Group, 2021). These cases illustrate how European family businesses continue to integrate youth not just as successors, but as active contributors to leadership, innovation, and job creation. The central argument emerging from this body of literature is that the presence of a family business offers children and youth from a family business a competitive advantage in terms of employment. In contrast, youth from families without a business must navigate an oversaturated labour market, where limited opportunities, high qualifications requirements, and structural barriers restrict access to decent work. This disparity underscores the protective and empowering role of family businesses, particularly in contexts like Malawi where youth unemployment is persistently high and formal employment avenues are insufficient. This research therefore explores how the absence or presence of a family business influences youth employment outcomes. The study positions family businesses not only as economic actors but also as social institutions that can bridge the employment gap, foster entrepreneurship, and support the transition of youth into the workforce.

Theoretical Framework: Family Businesses as Social Capital and Their Influence on Youth Employment

This study is anchored in Social Capital Theory, which emphasizes the role of social networks and relationships in providing individuals with access to valuable resources, including information, support, and employment opportunities (Bourdieu, 1986; Putnam, 2000). Bourdieu (1986) defined social capital as the aggregate of actual or potential resources linked to relationships, such as those found in families or communities. These connections provide individuals with access to benefits that are not equally available to those outside the network. For youth, being part of a family that owns and operates a business can offer privileged access to employment, mentorship, business knowledge, and financial resources—advantages that youths from non-business families may lack. Building on Bourdieu's work, Putnam (2000) introduced two forms of social capital: (a) Bonding social capital, which refers to strong ties within close groups such as families, kinship networks, or ethnic communities. (b) Bridging social capital, which describes looser ties across diverse social groups that connect individuals to new information or broader networks. This study focuses primarily on bonding social capital, as it examines how familial ties within business-owning households provide a platform for youth employment. Woolcock and Narayan (2000) argue that in environments with limited resources and weak institutional support, social capital becomes especially critical in shaping access to livelihood opportunities. In such contexts, families with business assets offer young people employment that is not readily available elsewhere. Moreover, Lin (2001) argued that social capital facilitates the flow of useful information, reinforces individual identity, and enhances opportunities for job access and retention. In the family business context, this means that young people benefit not only from employment but also from increased confidence, recognition, and legitimacy. These non-financial benefits play a critical role in enhancing employability and fostering long-term career development. Recent literature also supports the theory's relevance to youth employment and entrepreneurship. For example, Farré, Fasani, and Mueller (2018) found that youth with strong family business networks are more likely to be employed, particularly in settings where institutional support is lacking. Furthermore, family businesses serve as unique vehicles for intergenerational transfer of knowledge and values, which are essential for building entrepreneurial capacity (Laspita et al., 2012). The presence of bonding social capital ensures continuity, resilience, and adaptability in times of economic crisis, making family enterprises an important site of economic inclusion for youth (Neubaum et al., 2019). As such Social Capital Theory provides a compelling framework for understanding how family businesses influence youth employment. In particular, bonding social capital—in the form of close familial ties—can facilitate access to employment, entrepreneurial learning, and business succession opportunities.

Definition of Family Businesses

Defining what constitutes a family business is essential for accurate data collection, policy development, and scholarly comparison of family enterprises across contexts. Despite their economic significance, there is currently no universally accepted definition of a family business (Astrachan & Shanker, 2003). Various scholars and institutions offer differing but overlapping criteria. For instance, Memili (2015) describes a family business as an organization that is either owned or managed by a family or displays a combination of both elements. Birdthistle and Hales (2023) define a family business more broadly as an enterprise owned, controlled, and managed by family members related by blood, marriage, or adoption, emphasizing the role of kinship ties. Similarly, De Massis et al. (2014) define a family business as one in which multiple generations of a family have both the ability and willingness to influence the vision and strategic direction of the firm. Leach et al. (1990) propose a structural criterion, where a business is classified as a family firm if a single family owns more than 50% of the voting shares and occupies key management positions. From an institutional perspective, the European Commission (n.d.) defines a family business as an enterprise of any size where the founder, acquirer, or their family members or descendants hold at least 25% of the decision-making rights tied to the share capital. This inclusive definition acknowledges both large and small family firms and stresses the role of ownership and control rather than size alone. Pieper et al. (2021) argue that variations in how family businesses are defined have led to inconsistencies in estimating their prevalence, contribution to GDP, employment, and tax revenues across countries. Nevertheless, there are core elements common to most definitions: significant family ownership, involvement in management and strategic decision-making, and often the participation of multiple family generations. Moreover, family businesses can take the form of private or public companies, and exist across various sectors and sizes. These shared characteristics—ownership, control, generational involvement, and family participation—will guide the operational definition of family businesses in the Malawian context for the purpose of this study.

Research gap

The existing literature confirms that youth unemployment remains a persistent challenge, and efforts to address this problem in Malawi have been largely inadequate (IITA, 2024). Studies highlight the role of family businesses in promoting economic growth and providing employment to family members in various global regions. However, there is limited research in Malawi that specifically compares employment outcomes between youths from families with established businesses and those without. Furthermore, much of the existing evidence comes from developed and emerging economies in Asia, Europe, and North America. In these regions, family enterprises are typically well-structured and supported by strong policy frameworks (Ho & Chalam, 2017; Tharawat Magazine, 2023; Sukamdani, 2023). The literature findings may not be fully applicable to Malawi, where family businesses often lack institutional support and formal recognition. Furthermore, the literature on family businesses in Malawi is scarce, making it difficult to assess their scale and impact on youth employment. These gaps underscore the need for context-specific research exploring the contribution of family-owned enterprises to youth employment in Malawi, particularly by comparing the results between youth from business-owning and non-business families.

III. Research Methodology

Research design

The study employed a quantitative research design to measure and compare employment outcomes between youth from business-owning families and those from non-business-owning families. This design was chosen for its strength in collecting numerical data, allowing for objective measurement and statistical analysis of variables (Creswell & Creswell, 2018). Quantitative research is particularly well suited for studies aiming to identify relationships between variables or test hypotheses grounded in theory (Bryman, 2016). In this case, the application of social capital theory helped frame the assumption that youths with access to family business networks may experience more favourable employment outcomes.

Study Site

The study was conducted in Malawi, focusing on youth from two distinct family backgrounds: those from families that operate a family business and those from families without any business involvement. Malawi was selected as the study site due to the country's ongoing challenges with high youth unemployment rates. With a growing population and limited formal employment opportunities, Malawi presents a critical context for exploring alternative employment pathways. The research site is particularly relevant given the increasing national interest in identifying sustainable and inclusive strategies—such as leveraging family businesses—to address youth unemployment and promote economic resilience.

Population of the Study

The target population for this study consisted of two distinct groups of youth: those from families that own and operate businesses, and those from families without business. Although the age bracket aligns with the national definition of a youth (18–35 years), the total number of family businesses in Malawi remains unknown due to the absence of a comprehensive national database or registry categorising family business ownership.

Sample size

Following the guidance of VanVoorhis and Morgan (2007), who recommend 30 to 50 participants per group for exploratory comparative studies to achieve at least 80% statistical power, a total sample of 62 youth was selected, 31 from family business backgrounds and 31 from non-business families.

Sampling method

The study employed a non-probability sampling method due to the lack of a comprehensive sampling frame for family businesses in Malawi. Since the actual population size was unknown, probability-based selection was not feasible. The study used a purposive sampling technique, which enabled the researcher to deliberately select participants who met specific criteria relevant to the research questions. Thirty-one participants were drawn from families engaged in family-owned businesses, and an additional 31 were selected from families without a business. This comparative sampling ensured a balanced representation between the two groups, facilitating a meaningful analysis of differences in employment outcomes, job security perceptions, and challenges faced in family business environments.

Data collection tools

The primary data for this study was collected directly from youth participants using a structured questionnaire. The questionnaire was designed to collect information on employment outcomes, perceptions of job security, and challenges associated with working in a family business. Data collection was carried out in selected urban and peri-urban areas where youth from both family business and non-business backgrounds could be easily identified. Responses were collected online using KoboToolbox.

Data Analysis

The data collected from the respondents were analyzed using both descriptive and inferential statistical methods. Descriptive statistics, such as frequencies, percentages, and tables, were employed to summarize and present the demographic characteristics of the respondents and key variables related to employment status, job security perceptions, and challenges faced by youth in family businesses. This helped in providing a clear and comprehensive overview of the data. To examine the relationship between family business ownership and youth employment outcomes, the data were subjected to a chi-square test of independence. This inferential statistical technique was used to determine whether there was a statistically significant association between the presence of a family business and the employment status of youth. The use of the chi-square test helped validate the hypothesis that family businesses play a role in influencing youth employment outcomes. All analyses were conducted using Excel and SPSS to ensure accuracy and reliability of the results

Ethical and legal considerations of the study

Ethical and legal considerations were central to the design and execution of this research, ensuring the study's integrity and the protection of all participants involved. The study was submitted for ethical review and approval to the Research and Ethics Committee of the University of Zambia (UNZABREC). This approval ensured that the research met the necessary ethical standards and was in line with the respective institution's guidelines.

IV. Results

Employment outcomes

The data presented in Tables 1 and 2 provide information on the employment status of youth from families with businesses and those from families without a business.

Table no 1: Shows employment status of youth from families with a "family business"

No	Employment Category	Frequency	Percentage (%)
1	Employed in their immediate Family Business	17	54.80%
	– Full-time	11	35.50%
	– Part-time	6	19.40%
2	Employed in Government	4	12.90%
3	Employed in a non-family business	8	25.80%
4	Unemployed	2	6.50%
	Total Employed	29	93.50%

Table no 2: Shows employment status of youth from families without a "family business"

No	Employment Category	Frequency	Percentage (%)
1	Employed in a Family Business not their own	2	6.50%
2	Employed in Government	10	32.30%
3	Employed in the Private Sector	5	16.10%
4	Unemployed	14	45.20%
	Total employed	17	54.80%

Source: Field data (2025)

The data presented in Tables 1 and 2 provide insights into the employment status of youth from family businesses and those from non-family business backgrounds. For youth from family businesses, the employment rate is high, with 93.5% (29 out of 31) engaged in some form of employment. Notably, the majority—54.8%—are employed directly in their family businesses. Within this group, 35.5% work full-time while 19.4% are employed part-time. Additionally, 12.9% are employed in government institutions and 25.8% in the private sector. Only 6.5% of these youth are unemployed. These findings suggest that family businesses play a critical role in absorbing youth into the labor market, particularly by providing both full-time and part-time job opportunities. In contrast, among youth from families without businesses, the overall employment rate is considerably lower at 54.8%, and the unemployment rate is relatively high at 45.2%. The majority of employed youth in this group work in the government (32.3%) and private sector (16.1%), with only 6.5% working in other people's family businesses. The absence of a family business seems to limit employment opportunities, possibly forcing youth to rely solely on formal job markets, which may not be as accessible or readily available. To determine whether this observed relationship is statistically significant and not due to chance, a chi-square analysis was conducted to test the association between family business ownership and youth employment outcomes. The chi-square test is specifically used to assess whether there is a statistically significant association between two categorical variables (McHugh, 2013).

Hypotheses

- Null Hypothesis (H): There is no association between the presence of family business and the employment status of youth.
- Alternative Hypothesis (H): There is an association between the presence of family business and the employment status of young people.

Table no 2. Shows the association between family business ownership and youth employment

Youth from a family	Employed	Unemployed	Total
With a Family Business	29 (93.5%)	2 (6.5%)	31
Without a Family Business	17 (54.8%)	14 (45.2%)	31
Total	46	16	62

Table no 3. Shows *Chi-square results*

Test	Chi-Square (χ^2)	Df	p-value
Pearson's chi-square	12.13	1	0.00

The results of the chi-square test indicate a statistically significant association between family business and employment status, $\chi^2(1, N = 62) = 12.13$, $p < 0.001$. This suggests that youths from families with businesses are significantly more likely to be employed compared to those from families without businesses.

Perceived Job Security Among Youth Across Employment Types.

Table no 4. Shows youth perceptions of job security in family businesses, government employment, and non-family businesses.

Employment Type Perceived as Most Secure	Youth from Family Business (n = 31)	Youth from non-family business (n = 31)	Total (n = 62)
Family Business	17 (54.8%)	8 (25.8%)	25 (40.3%)
Government	14 (45.2%)	19 (61.3%)	33 (53.2%)
Non-Family Business	0 (0.0%)	4 (12.9%)	4 (6.5%)

Respondents were asked to indicate which type of employment they considered to offer the highest level of job security. Government employment, family businesses, and non-family businesses were selected as the primary employment categories for this study to reflect the most common and contrasting sources of youth employment in Malawi. Government employment was included due to its perceived stability, formality, and social protection benefits, which often make it the most desired employment option among youth (ILO, 2020). Family businesses were selected because they serve as both a source of employment and a form of social capital for many young people, particularly in settings with limited access to formal job markets. Non-family businesses—including private companies, NGOs, and informal enterprises without family ties—were included to capture employment experiences outside the family context. This categorization allowed for a meaningful comparison of job security perceptions and employment outcomes across different employment types that are structurally and socially distinct Among the 62-youth surveyed, the majority (53.2%, n = 33) identified government employment as the most secure form of work. This was followed by family businesses, selected by 40.3% (n = 25) of the respondents. Only 6.5% (n = 2) perceived non-family business employment as the most secure. These results suggest a strong belief among youth that public sector jobs offer more stable and secure employment compared to opportunities in the private sector, including both family and non-family business settings.

Youth-Perceived Challenges of Working in Family Businesses

Table no 5: Shows youth-perceived challenges of working in family businesses

Challenge	Frequency	Percentage
Conflict with family members	32	51.6%
Low or irregular income	16	26.0%
Limited decision-making power	14	23.1%

The study explored youth-perceived challenges of working in family businesses. Three specific challenges were assessed: conflict with family members, low or irregular income, and limited decision-making power. These three challenges were selected based on a review of existing literature on family businesses and youth employment, which consistently highlights interpersonal conflict, financial instability, and lack of autonomy as common barriers for young people working in family enterprises (De Massis et al., 2014; Memili, 2015). The most frequently reported challenge was conflict with family members, cited by 51.6% of respondents (n = 32). This was followed by low or irregular income, experienced by 26.0% (n = 8), and limited decision-making power, reported by 23.1% (n = 14). These results suggest that interpersonal tensions within the family business setting represent a significant challenge for youth, possibly affecting workplace harmony and productivity. Although fewer respondents reported income-related or autonomy challenges, these factors still indicate structural issues that may impact the sustainability of youth employment in family-run enterprises.

V. Discussion

The influence of family business on youth employment

The results of the study reveal a strong and significant association between the presence of a family business and youth employment outcomes from the sample size used in this research. Among youth from families with an established business, the employment rate is notably high at 93.5% (29 out of 31), as presented in Table 1. A majority of these youth, 54.8%, are employed directly within their family businesses. Of these, 35.5% work full-time, while 19.4% are engaged on a part-time basis. In addition, 12.9% are employed in government institutions, and 25.8% work in non-family businesses. Only 6.5% of youth from this group reported being unemployed. These figures clearly indicate that family businesses play a crucial role in integrating young people into the labour market. Not only do they provide job opportunities, but they also accommodate different employment arrangements—such as part-time roles—which may be more suitable for youth who are still in school, in training, or managing other responsibilities. The ability of family businesses to absorb young people, especially in a developing economy with limited formal job openings, makes them a critical yet often underexplored driver of youth employment. These findings are consistent with prior research. De Massis et al. (2018) highlighted that family firms tend to prioritise the employment of younger family members due to existing trust, loyalty, and succession planning intentions. Family businesses often function with a long-term orientation, and employing younger generations is seen as both an investment in the future of the enterprise and a form of familial responsibility. Similarly, Kellermanns and Eddleston (2004) noted that family firms frequently offer flexible job structures, allowing youth to balance other commitments. Laspita et al. (2012) further observed that early exposure to family businesses enhances youth employability by building entrepreneurial skills, business familiarity, and practical work experience—all of which are essential in preparing youth for broader labor market participation.

In contrast, the employment outcomes among youth from families without a business were significantly less favourable. Only 54.8% of youth in this group were employed (Table 1), while 45.2% were unemployed (Table 2). Among those employed, 32.3% held jobs in government institutions and 16.1% in non-family private sector businesses. A very small portion—6.5%—were employed in family businesses owned by others. This disparity underscores how the absence of a family business may limit employment opportunities, forcing youth to rely more heavily on the conventional labor market, which is often oversaturated, competitive, and inaccessible for many due to skill gaps or socioeconomic barriers. The International Labour Organisation (ILO, 2020) observed that youth in developing countries who lack family-based entrepreneurial support often face greater difficulty in accessing secure employment. Filser et al. (2018) similarly argued that young people from non-entrepreneurial families are often excluded from important entrepreneurial networks that facilitate job access. OECD (2021) also emphasised the global importance of family businesses in job creation for youth, particularly in contexts where they provide informal learning environments and act as gateways to practical, hands-on experiences.

These results were statistically validated by a chi-square test, which confirmed a significant association between the presence of a family business and youth employment status, $\chi^2(1, N = 62) = 12.13$, $p < 0.001$. This indicates that youth from families with established businesses are significantly more likely to be employed than their counterparts from non-business families.

The observed relationship strongly aligns with social capital theory, which posits that individuals embedded in close-knit networks—such as family units—enjoy greater access to resources, opportunities, and support systems. In this context, the family business serves as a form of bonding social capital, functioning as a "protective buffer" against unemployment. Through trust, mentorship, and shared responsibilities, family businesses facilitate a smoother transition into work for younger family members, particularly in an environment where formal employment opportunities are scarce or unstable (Farré et al, 2018). Overall, the findings underscore the potential of family businesses to serve as an alternative or complementary strategy for addressing youth unemployment in Malawi. Given the country's persistent employment challenges—especially among the youth demographic—there is a pressing need for policy frameworks and support structures that recognise and strengthen the role of family enterprises in economic development. This includes enhancing financial inclusion for family businesses, offering training programs to professionalise their operations, and encouraging succession planning that actively involves younger generations. Supporting family business ecosystems may not only reduce youth unemployment but also contribute to the long-term resilience of Malawi's local economies.

Youth Perception on Job Security (Family Business, Government, and Non-Family Business)

The findings of this study illuminate the varying perceptions of job security among youth across three distinct employment types: government, family businesses, and non-family businesses. Among the surveyed respondents, a clear majority—53.2%—identified government employment as the most secure form of work. This strong inclination toward the public sector reflects prevailing attitudes in Malawi and other developing countries, where government jobs are traditionally associated with long-term job stability, regular income, pension schemes, and access to various social protections (ILO, 2020; Chigunta, 2017). These perceived advantages often contribute to the high demand and competition for limited public sector vacancies, making government employment an aspirational target for many youth. However, this reliance on government jobs as a primary source of employment creates pressure on an already saturated sector, potentially limiting broader youth participation in the economy. The belief in government as a 'safe employer' may also reduce interest or motivation among youth to pursue entrepreneurial or private sector paths, especially when those avenues are perceived as unstable or insecure. Despite the dominance of public employment in perceived job security, a notable 40.3% of respondents viewed family businesses as a more secure option compared to non-family businesses. This suggests that family enterprises are valued by youth not just for their economic role but also for the relational and emotional security they offer. The perceived job security in family businesses may be attributed to factors such as emotional attachment, shared ownership or inheritance expectations, mutual trust, and a strong sense of obligation among family members. These characteristics often translate into more forgiving work environments, where job losses are less likely during economic hardships. This perception aligns with existing literature. Aldrich and Cliff (2003) observed that family firms often operate within trust-based arrangements that provide a buffer for family members during periods of financial stress. Similarly, Sharma and Irving (2005) emphasized that family-owned businesses often prioritize continuity of employment for family members, reinforcing feelings of job security even in volatile economies. These dynamics are typically absent in non-family business structures, where employment relationships are more transactional, and performance-based. On the other hand, non-family businesses were rated lowest in perceived job security, possibly reflecting youth concerns over uncertain job tenures, lack of emotional support, impersonal working relationships, and heightened vulnerability to layoffs or contractual terminations. The variation in perceived job security across employment types supports the relevance of social capital theory, particularly the concept of bonding social capital. Bonding social capital refers to the strong, trust-based relationships within closely knit groups, such as families, which can provide social and economic security (Putnam, 2000). Youth embedded in such familial networks may perceive greater security in family businesses, not only due to economic reasons but also because of the psychological safety and social support that family enterprises provide. This reinforces the argument that family businesses can serve as social and economic safety nets, especially in contexts where institutional employment systems are weak or insufficient. As such, while government employment continues to be perceived as the gold standard for job security among youth in Malawi, family businesses emerge as a relatively secure and appealing alternative, especially in contrast to non-family firms. These findings have significant implications for policy and practice. Specifically, they suggest that strengthening family businesses could be a strategic avenue for addressing youth unemployment in Malawi. Encouraging youth integration into family enterprises, alongside targeted support mechanisms such as training, financing, and formalization, could enhance both the resilience of family firms and their contribution to national employment goals.

Youth-perceived challenges of working in family businesses

The study identified several challenges perceived by youth working in family-owned businesses. The most frequently cited issue was conflict with family members, reported by 32 youth (51.6%). This finding supports existing literature that identifies interpersonal tensions as a significant barrier within family-run enterprises. According to Farrington et al. (2012) and Kellermanns and Eddleston (2004), the emotional ties and overlapping roles typical of family businesses can create a breeding ground for conflict. Disagreements may stem from unclear role definitions, disputes over profit-sharing, or conflicting long-term visions between generations. Family tensions not only disrupt operational harmony but may also discourage younger family members from actively participating in the business (Farrington et al., 2012). Over time, unresolved internal conflict can reduce the attractiveness of the family business as a career path, potentially affecting both its growth and long-term sustainability.

The second most reported challenge was low or irregular income, cited by 16 youth (26.0%). This challenge reflects the broader financial instability often associated with small and medium-sized family enterprises. Many such businesses operate without formal accounting systems, access to capital, or diversified revenue streams (Poza and Daugherty, 2014). These structural weaknesses can result in inconsistent cash flow and vulnerability to market fluctuations. For youth, the lack of predictable earnings can be especially demotivating, particularly when they are responsible for supporting themselves or contributing to household income. Even if alternative employment opportunities are limited, the perceived instability in family businesses may lead some youth to seek jobs in more stable sectors such as government or established corporations. Thereby increase the pressure over the limited external opportunities. Another notable challenge was limited decision-making power, reported by 14 participants (23.1%). This issue highlights a generational dynamic commonly observed in family businesses, where senior family members retain control over key strategic and operational decisions. Chrisman et al. (2005) argue that such hierarchical structures can marginalize younger members, leaving them feeling excluded from the decision-making process. This lack of autonomy and voice can diminish motivation, hinder skill development, and discourage long-term commitment to the family enterprise. More critically, it may undermine succession planning efforts, as younger family members who feel undervalued are less likely to take on leadership roles or invest in the future of the business. The given challenges point to the complex social and structural barriers that youth face within family business settings. While family enterprises can serve as important sources of employment and economic security, particularly in contexts where conventional job opportunities are limited, these internal challenges can weaken their potential. Addressing issues such as interpersonal conflict, financial instability, and generational control may be essential for enhancing youth participation and ensuring the long-term viability of family-owned businesses.

VI. Conclusion

The findings of this study highlight the critical role that family businesses play in mitigating youth unemployment in Malawi. Youth from business-owning families demonstrated substantially higher employment rates compared to those from non-business backgrounds, indicating that family enterprises serve not only as economic units but also as social institutions that integrate younger generations into productive work environments. The statistically significant association identified between family business ownership and youth employment underscores the buffering effect family enterprises provide against youth joblessness. Family businesses offer young people early exposure to work, mentorship, and flexible job arrangements—factors that are essential in facilitating a smooth transition into the labour market (De Massis et al., 2014). In resource-constrained economies like Malawi, where the job market struggles to absorb the growing labour force, family enterprises play an important role in filling gaps by generating income, building skills, and transferring intergenerational knowledge (Filser et al., 2018). Given these contributions, strengthening the family business ecosystem should form part of national strategies for reducing youth unemployment. Policies that enhance access to finance, promote business training, encourage formalisation, and support succession planning can improve both the sustainability and employment-generating capacity of these enterprises. Government support—such as tax incentives or reduced regulatory burdens for family businesses that employ young people—may further enhance youth inclusion in the economy. Despite its contributions, the study was limited by its small and localised sample. Future research should draw on larger and more diverse samples across multiple regions and sectors to enhance generalisability and likewise variations in youth employment outcomes. There is also a need for clearer national definitions and classification systems for family businesses to enable accurate measurement of their economic and social impact.

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