

**POLICY ECOSYSTEM FOR
WOMEN'S ENTREPRENEURSHIP**



Malawi

Barriers, Support Mechanisms & Policy Actions



GRAÇA MACHEL TRUST

Introduction

Women entrepreneurs in Malawi play a vital role in the country's economic growth and social development. However, they face unique challenges that hinder their entrepreneurial potential. These challenges include limited access to capital, cultural biases and a lack of mentorship opportunities. Despite various government policies and programmes aimed at supporting entrepreneurship, the needs of women entrepreneurs are often overlooked.

This policy brief highlights the policy environment related to women's entrepreneurship in Malawi. It highlights the key challenges and barriers women entrepreneurs encounter, evaluates the existing policy framework,

identifies policy gaps and provides actionable policy recommendations to foster a more inclusive and supportive entrepreneurial climate for women in Malawi.

Recent responses underscore the importance of financial support from external donors and the government, as well as sensitisation programmes that target husbands. The findings also highlight the critical role of access to finance and the need for supportive legal frameworks to enable small and medium enterprise (SME) growth. In addition, there is a need for vocational and training centres to equip SME owners and key personnel with business management skills.



Key Messages

- **Access to capital:** Women face significant barriers in securing loans due to lack of collateral and tailored financial support mechanisms.
- **Knowledge and attitudes:** Low levels of knowledge and poor attitudes towards entrepreneurship are evident among women.
- **Sexual harassment:** This is a significant barrier that hinders women's success in their ventures.
- **Income challenges:** Limited financial literacy and restricted access to credit facilities result in low incomes for employees and poor finances for non-governmental organisations (NGOs).
- **Government policies:** High import duties from China affect the cost of materials needed for packaging.
- **Entrepreneurial education:** Encouraging more women to participate in SMEs will aid in job creation, poverty alleviation and income generation.

Women's Entrepreneurship Policy Ecosystem in Malawi

MALAWI HAS MADE NOTABLE STRIDES IN PROMOTING WOMEN'S ENTREPRENEURSHIP THROUGH A MIX OF POLICY REFORMS, LEGAL FRAMEWORKS AND TARGETED PROGRAMMES.

At the national level, the **National Gender Policy (2013–2018)** laid the foundation for gender mainstreaming across key sectors such as education, health and governance. It emphasises equal participation in development, with notable achievements that include the development of gender guidelines and strategies to combat gender-based violence. This policy addresses broader gender equality and it creates space for women to engage more actively in economic life.

Complementing this is the **Micro, Small and Medium Enterprises (MSME) Policy (2012)**, which aims to foster a supportive environment for small businesses through improved access to finance, markets and business services. Although women entrepreneurs still face regulatory and resource challenges, the policy highlights the need for coordinated support and inclusive economic participation.

The **Malawi Growth and Development Strategy III (2017–2022)** provides an overarching national development framework, prioritising productive sectors such as agriculture and education. It reinforces the role of women in driving economic growth and aligns national goals with inclusive development principles.

To further support financial access, the **Microfinance Act (2010)** established a legal framework for regulating microfinance institutions. This law plays a crucial role in extending financial services to underserved populations, including women in rural areas, and promoting financial inclusion.

Another key piece of legislation, the **Public Procurement and Disposal of Assets Act (2017)**, helps level the playing field by ensuring transparency and fairness in public procurement. It includes provisions to support MSMEs and marginalised groups and offers women-led businesses greater opportunities to benefit from government contracts.

The **Companies Act (2013)** also plays a supportive role by modernising business regulation and encouraging transparency and accountability in company operations. This Act makes it easier for women to formalise their businesses and access legal protections.

Beyond policies and legal frameworks, Malawi has launched several impactful programmes. The **Women's Economic Empowerment Programme** focuses on improving women's access to education, financial literacy and entrepreneurial training. A standout initiative under this programme is the Seed Grants Initiative, which provides young women with start-up capital and skills to build successful businesses.

Similarly, the **National Strategy for Financial Inclusion (NSFI)** aims to bring 95% of adults into the formal financial system by 2028. A key success has been the growth of mobile money services, which have expanded economic opportunities for women, especially those in remote areas.

At the continental level, Malawi benefits from partnerships with organisations such as **Women for Africa**, which promotes gender equality and leadership. Through the **African Women Leaders Network (AWLN)**, Malawian women have access to mentorship, peer learning and platforms for intergenerational leadership, all of which foster a stronger voice for women in business and policy.



Policy Gaps

- **Lack of awareness about existing policies:** Many women entrepreneurs remain unaware of existing policies, funding opportunities and support programmes. This lack of awareness limits their ability to access benefits and take full advantage of government initiatives.
- **Exclusion from decision-making processes:** Government structures often do not actively involve women in policy formulation and decision making at all levels. This results in policies that may not fully address or prioritise women's needs and challenges.
- **Limited budget allocation for gender-sensitive programmes:** There is insufficient funding allocated to gender-sensitive programmes aimed at supporting women entrepreneurs, which hinders the effective implementation of policies designed to advance women's equitable economic participation.
- **Inadequate financial support systems:** Women entrepreneurs face significant barriers to accessing finance, with limited tailored financial products and credit facilities. Existing structures do not sufficiently address the specific financial needs of women-owned businesses, particularly at the growth stage.

Women's Entrepreneurship Challenges and Barriers In Malawi

WOMEN ENTREPRENEURS IN MALAWI FACE A RANGE OF CHALLENGES THAT HINDER THEIR ABILITY TO FULLY REALISE THEIR ENTREPRENEURIAL POTENTIAL. SOME OF THE KEY CHALLENGES INCLUDE:

LIMITED ACCESS TO FINANCE

Women struggle to secure loans and credit due to lack of collateral, high interest rates and gender bias in financial institutions.

CULTURAL AND SOCIETAL BARRIERS

Traditional gender roles discourage women from pursuing entrepreneurship, with societal expectations often limiting their opportunities.

LACK OF BUSINESS SKILLS AND EDUCATION

Many women lack the necessary business management skills and access to training, which hinders their ability to grow their businesses.

EXCLUSION FROM DECISION MAKING

Women are often excluded from decision-making processes, which results in policies that do not address their specific needs.

LIMITED MENTORSHIP AND NETWORKS

Women have fewer opportunities for mentorship and networking, which are crucial for business growth and success.

LEGAL AND REGULATORY BARRIERS

Gender-biased laws on property ownership and inheritance restrict women's access to resources needed to run and expand businesses.

BALANCING BUSINESS AND FAMILY RESPONSIBILITIES

The dual burden of business and household duties often limits women's ability to fully focus on their entrepreneurial ventures.

Support Mechanisms that Facilitate Women's Entrepreneurship Development in Malawi

COMMUNITY INITIATIVES

Women entrepreneurs often overcome barriers through village savings and loan associations (VSLAs) and cooperatives. These community-based initiatives promote resource sharing, collaboration and collective access to markets. They provide women with the financial support and networking opportunities necessary to grow their businesses.

WOMEN'S ECONOMIC EMPOWERMENT PROGRAMME

The Women's Economic Empowerment Programme supports gender equality and develops women's capacity by providing initiatives such as the Seed Grants Initiative, which offers start-up capital and entrepreneurship training to young women. This programme helps women access funding and equips them with the skills to start and manage businesses.

NATIONAL STRATEGY FOR FINANCIAL INCLUSION

The NSFI focuses on increasing access to formal financial services, particularly for women and rural populations. By improving financial inclusion, the strategy helps women entrepreneurs to access the capital and financial products they need to expand their businesses.

TRAINING AND CAPACITY-BUILDING INITIATIVES

The government, alongside international partners such as UNDP and GIZ, provides specialised training and capacity-building programmes for women entrepreneurs. These initiatives focus on essential business skills, such as financial management, marketing and value addition to agricultural products, which help women to grow and scale their businesses effectively.





Best Practices

- Women entrepreneurs overcome challenges through community initiatives such as VSLAs and cooperatives. enhances resource sharing, collaboration, and access to markets and finances.
- The private sector offers flexible funding and training opportunities for women, making it easier for them to access capital and develop essential business skills to grow their enterprises.
- Training programmes and networking opportunities support women in establishing and growing their businesses. Encouraging women's participation in small businesses aids in job creation, poverty alleviation and income generation.



The Way Forward

- **Expand access to capital:** Develop financial products and services tailored to the needs of women entrepreneurs, including affordable loans with low interest rates and minimal collateral requirements. The government should act as a guarantor for SMEs and liaise with banks to lessen collateral requirements.
- **Strengthen training and mentorship programmes:** Establish comprehensive training and mentorship programmes that focus on business management, financial literacy and technical skills advance women's equitable economic participation.
- **Inclusive policies:** Revise existing policies to ensure they are inclusive of women entrepreneurs and scaling enterprises, not just smallholder farmers.
- **Encourage cooperative membership:** Promote the formation and participation of women in cooperatives and business groups to enhance resource sharing, collaboration and access to markets.
- **Ease business registration:** Simplify the business registration process to make it more accessible for women entrepreneurs.
- **Financial support from external donors and government:** Provide financial support mechanisms to help overcome poor finances for NGOs and low income for employees.
- **Sensitisation programmes:** Implement sensitisation programmes that targeting husbands to promote a supportive environment for women entrepreneurs.
- **Regulatory support:** Introduce laws and regulations that are favourable to private businesses to promote a stimulating business climate. The government should also provide incentives such as grant or subvention schemes to support SME growth.
- **Entrepreneurial education:** Encourage the introduction of entrepreneurship and business management studies from the primary education level to equip aspiring entrepreneurs early on with basic business skills.



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